G A O
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

Health, Education, and
Human Services Division

B-285901

August 21, 2000

The Honorable John D. Dingell
House of Representatives

Subject: <u>VA Health Care: Supply of Nursing Home Beds Is Sufficient to 2005 in the
Detroit, Michigan, Area</u>

Dear Mr. Dingell:

This letter responds to your request that we review the Department of Veterans
Affairs (VA) needs assessment of nursing home care in the Detroit, Michigan,
area. The purpose of VA's assessment was to determine whether the number of
available nursing home beds would be sufficient to serve the long-term care needs
of VA patients in that area through 2005. According to VA, this assessment was
made in response to the August 3, 1999, House Report accompanying the
Departments of Veterans Affairs and Housing and Urban Development and
Independent Agencies Appropriations Act, 2000 (P.L. 106-74, Oct. 20, 1999). VA's
assessment is shown in enclosure I.

In summary, VA's conclusion in its assessment—that the supply of beds available
to VA in 2005 will be sufficient to meet VA's needs—is likely to be correct. Even
allowing for underestimates by VA regarding demand for nursing home care and
overestimates of the supply of nursing home beds, the supply of beds available is
likely to be sufficient to meet demand. To determine whether the number of
nursing home beds would be adequate, VA used 1996 national nursing home use
rates and current population projections to estimate the total demand for nursing
home beds in 2005. It then used current Detroit-area data from the Health Care
Financing Administration (HCFA) on nursing home bed availability to project the
likely number of beds that would be available in 2005. VA concluded that the
supply would be sufficient to meet projected demand.

In reviewing VA's assessment, we looked at the various assumptions and
estimates VA made and discussed the details of the assessment with the VA
official responsible for the analysis. However, we did not independently verify the
source data contained in the VA assessment. With this exception, we performed
our work in accordance with generally accepted government auditing standards.

B-285901

PROJECTED DEMAND

To estimate the future veteran demand for nursing home beds in the four-county, metropolitan Detroit area, VA used an estimate (based on 1990 census data) of the veteran population, by age group, in the Detroit area in 2005. To this projection, VA applied nursing home usage rates, also by age group, developed in a 1996 study by the Agency for Healthcare Research and Quality[1] (AHRQ) and the National Institutes of Health (NIH). These calculations yielded an estimate of the number of Detroit-area veterans who might require nursing home care on any given day in 2005—3,981 veterans.

According to VA estimates, VA has historically met about 16 percent of veterans' demand for nursing home care nationwide. The remaining 84 percent is met by sources such as Medicaid and private funds. Applying the 16 percent figure to the estimated need for all Detroit area veteran nursing home care in 2005, VA computed that its expected need for nursing home beds would be 637 (or about 16 percent of the 3,981 veterans who need care) on any given day. VA used the 16 percent nationwide average as the upper limit of the potential workload. To establish a lower limit boundary, VA used 6.7 percent, because, according to VA records, about 6.7 percent of Detroit-area veterans used VA health care services in fiscal year 1999. Given these two boundaries—6.7 percent at the low end and 16 percent at the high end—and the total expected daily need for nursing home beds in 2005 for 3,981 veterans, VA expects its nursing home bed need in the Detroit area in 2005 to be between 266 and 637 per day.

However, the Veterans Millenium Health Care and Benefits Act (P.L. 106-117), which was passed in 1999, could affect the accuracy of VA's estimated need for nursing home beds by increasing the number of veterans to whom VA must furnish nursing home care. The Millennium Act requires VA to furnish or fund care (1) for any veteran in need of such care for a service-connected disability and (2) for any veteran who needs such care and who has a service-connected disability rated at 70 percent or more, regardless of whether care is needed specifically for the disability. Before the act, VA offered nursing home care to veterans if resources were available, but it was not obligated to furnish nursing home care to any veteran. Thus, the act could increase the number of veterans who request and are furnished nursing home care beyond the historic rates. On the other hand, VA may have already been providing nursing home care to a significant number of veterans who are now entitled to receive care. If so, the act would have little or no effect on the numbers of veterans who will be served in the future.

According to an official who helped prepare the VA study, the potential effect of the act was not factored into estimates of future demand for nursing home beds in the Detroit area. According to this official, VA is currently studying implications

---

[1] Formerly known as the Agency for Health Care Policy and Research.

B-285901

of the act, but estimates were not available when the study was completed. Nonetheless, this official told us that VA does not expect the act to result in much increase in demand because (1) a portion of veterans currently receiving VA nursing home care are among those who became entitled to care under the act and (2) it is likely that use of alternatives to nursing home care such as home-based care will fill the long-term care needs of a larger portion of veterans in the future. In addition, VA expects that any increase in demand due to the act will be small because some veterans who are now statutorily entitled to receive nursing home services from VA will continue, as they do now, to obtain care through Medicaid or to be cared for by family members.

Similarly, but less significantly, VA's low-end estimate is affected by VA's decision to base projected 2005 need on the 1999 veteran usage rate for any kind of health care, not just nursing home care. At the time of VA's analysis, VA was furnishing or funding nursing home care for 174 Detroit-area veterans, out of an estimated total of 3,347 veterans needing nursing home care. Therefore, VA was meeting about 5.2 percent (174 divided by 3,347) of Detroit-area veteran demand for nursing home beds. The low end of demand for beds, based on the 5.2 percent of veterans needing care and receiving it from VA, would be an average daily census in 2005 of 207 veterans, rather than VA's estimate of 266. This does not materially affect the results of the study because it serves only to reduce the projected low-end demand.

PROJECTED AVAILABILITY

In addition to future demand for nursing home beds, VA's estimate of the future supply of nursing home beds in the Detroit area rests primarily on its assessment of the future number of community nursing home beds that will be available to VA on a contract basis.[2] However, several factors complicate the ability to predict the future availability of nursing home beds to VA. To estimate the number of available Detroit-area community nursing home beds that might be available in 2005, VA used 1999 HCFA data to determine the number of currently empty community nursing home beds in the Detroit area, which was 4,018 in 1999. It assumed there would be no change in the number of empty beds between 1999 and 2005. Based on data from a 1993 VA assessment of nursing homes, VA assumed that about 28 percent of empty nursing home beds would be available to and suitable for use by VA.[3] VA then calculated that 1,128 beds (28 percent of

[2] VA assumes that the capacity of the Michigan state veterans' nursing home and the VA nursing home care units in Michigan will be stable through 2005. We have no reason to believe these assumptions are inaccurate.

[3] In this study, VA determined, on a community nursing home-specific basis, (1) whether there were empty nursing home beds in which to place veterans and (2) whether the nursing homes with empty beds were suitable for placing of veterans. In 1993, there were 1,852 empty beds in the Detroit area. Of those, only 525—or about 28 percent—were deemed suitable for veteran placements. The remaining 72 percent of beds were closed for staffing or other reasons, in homes that did not accept VA patients, or in homes that were unsuitable for VA patients for quality or other reasons.

4,018) would be available in community nursing homes in 2005. If, as VA expects, the 82 beds in the Michigan state veterans' home and the 309 VA nursing home beds that are currently occupied by Detroit-area veterans remain available, a total of 1,519 nursing home beds will be available in 2005.
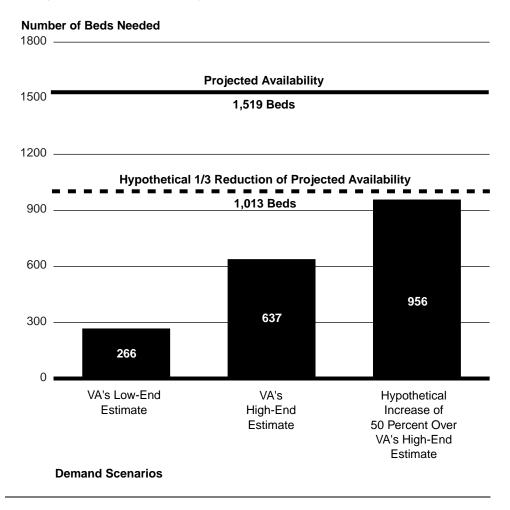
VA assumed that the number of available beds would not change from 1999 to 2005. However, as pointed out in the VA study, the occupancy rate for Detroit-area community nursing home beds has decreased significantly since the 1993 survey was completed. At that time, about 90.5 percent of local beds were filled, leaving 1,852 empty beds. In 1999, about 80.4 percent of local beds were filled, leaving 4,018 empty beds. If this continues, more beds would be empty and the number of available beds is likely to be higher than VA's estimate, making it even more probable that beds will be available to veterans when needed in 2005. On the other hand, if the demand for nursing home beds increases in the community as the general population ages, the number of beds available to VA would be less than it assumed in its report unless additional beds are constructed.

A VA official told us that VA used 1999 figures to represent 2005 community nursing home availability because information was not available to more accurately project nursing home bed availability to 2005. According to this official, the number of available community nursing home beds should not significantly change because (1) Michigan does not have a moratorium on nursing home construction as do some other states, and therefore, if demand increases, additional nursing homes can be built; (2) alternatives to nursing home care, such as assisted living and home-based programs, are increasingly used to provide long-term care, thus reducing the demand for nursing home beds; and (3) between 1993 and 1999, the number of beds available to VA increased, a trend that VA expects will continue.

SUFFICIENCY OF NURSING HOME BEDS

In our opinion, the study's conclusion that the supply of beds available to VA in 2005 will be sufficient to meet VA's needs is likely to be correct. While a number of factors not addressed by VA, such as demographic changes in the veteran population and changes in the demand for community nursing home beds, could affect the accuracy of VA's projections, the cushion between VA's estimated demand and supply is so large that any effects from such factors should not change VA's conclusions. Supply should be adequate unless there is a large increase in the percentage of veterans for whom VA provides nursing home care or a substantial decrease in the number of available Detroit-area community nursing home beds. Based on what is known today, this scenario is unlikely to occur. As figure 1 shows, demand could increase 50 percent above VA's high-end projection—due to the Millennium Act, for instance—and still leave a cushion in the event that only two-thirds of the beds VA is counting on prove to be available and suitable.

Figure 1: Nursing Home Beds Needed in 2005 Under Various Scenarios, Compared to Projected Bed Availability

Number of Beds Needed

Figure showing bar chart with:
- Projected Availability: 1,519 Beds (solid line)
- Hypothetical 1/3 Reduction of Projected Availability: 1,013 Beds (dashed line)
- VA's Low-End Estimate: 266
- VA's High-End Estimate: 637
- Hypothetical Increase of 50 Percent Over VA's High-End Estimate: 956

Demand Scenarios

AGENCY COMMENTS

VA reviewed a draft of this letter and agreed with our conclusion. While VA agreed that factors not accounted for in its analysis could effect the magnitude of its supply and demand estimates, it said that, given the degree of community bed availability shown in VA's study, it did not seem prudent to devote more resources to additional, more intensive analyses. VA's comments are included as enclosure II.

We will send copies of this letter to the Honorable Hershel W. Gober, Acting Secretary of Veterans Affairs, and to appropriate congressional committees. We will also make copies available to others upon request.

B-285901

Please contact me at (202) 512-7101 or Ron Guthrie at (303) 572-7332 if you or your staff have any questions. Other contributors to this analysis were Joe Buschy and Steve Gaty.

Sincerely yours,

Stephen P. Backhus
Director, Veterans' Affairs and
  Military Health Care Issues

Enclosures – 2

VETERANS HEALTH ADMINISTRATION
NEEDS ASSESSMENT FOR NURSING HOME CARE
IN THE DETROIT, MICHIGAN, AREA

DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Administration
Washington DC 20420

APR 1 7 2000

In Reply Refer To:

The Honorable John D. Dingell
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Dingell:

The Secretary asked me to reply to your letter concerning the recently completed southeast Michigan long-term care bed study. I apologize for the delay in writing while we examined this latest information about our need for the Allen Park campus.

The Department of Veterans Affairs VIP Network (VISN 11) conducted a needs assessment to determine if the number of nursing home beds in southeastern Michigan is sufficient to serve the needs of VA patients in that area through the year 2002. The needs assessment satisfies a request made by the House Committee on Appropriations in House Report 106-286, which accompanied the House bill making appropriations for the Department of Veterans Affairs for Fiscal Year 2000. I have enclosed a copy of the report for your review.

Thank you for your attention to this issue and your commitment to quality treatment of the Nation's veterans.

Sincerely,

Thomas L. Garthwaite, M.D.
Deputy Under Secretary for Health

Enclosure

Veterans Health Administration
NEEDS ASSESSMENT FOR NURSING HOME CARE IN THE DETROIT, MICHIGAN, AREA

A. **Introduction**

In response to language included in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 2000 (Public Law 106-74) and the associated House Committee Report 106-286, the Department of Veterans Affairs VIP Network (VISN 11) conducted a needs assessment to determine if the number of nursing home beds in southeastern Michigan is sufficient to serve the needs of VA patients in that area through the year 2002.

> *The Committee expects VA and VISN 11 to complete the agreed upon review of health care in southeast Michigan and issue a report on the findings.*
>
> *(House Rpt. 106-286, page 13)*

B. **Background**

Using the methodology which VA applied in 1993 to conduct a nationwide needs assessment for nursing home care in the year 2005, the VIP Network (VISN 11) conducted an independent study of the Detroit, Michigan, area using current data. This study focuses on a future need in a specific location. For the purpose of this study, a service area of four counties was defined based on geographic proximity to the Detroit VAMC. It should be noted that VA is currently providing nursing home care to veterans in this area through VA nursing home care beds, community resources and state-run veterans homes.

It is VA policy to first maximize the use of community and state nursing home resources before constructing new VA nursing home care beds. Thus, the availability of community and state beds may decrease or even offset the need for VA nursing home beds required to serve the increase in veteran demand.

The most recent planning guidance for VA supported nursing home care, VA Long Term Care at the Crossroads: Report of the Federal Advisory Committee on the Future of Long-Term Care, issued in June 1998, recommends that:

> *"...new demand for long-term care should be met primarily through non-institutional services contracting, and, where available, State Veterans Homes.... VA must commit to allocating a larger portion of its budget to long-term care, shifting most new demand from VA-provided to VA-contracted services, developing more integrated home- and community-based care...."*

> *Furthermore*

> *"...VA should not seek funding for any new nursing home beds, except for approved projects that are justified by objective standards that include a measure of community capacity and national policy goals. Renovation projects that affect the number of beds also should be rejustified...."*

Planning for VHA-supported nursing home care is driven by the projected veteran population to be served. The primary service area for the Detroit VAMC and the nursing home care it supports includes the following Michigan counties: Macomb, Oakland, St. Clair and Wayne.

C. **Projected Total Demand for Nursing Home Beds**

Consistent with all VHA workload projection methodologies, the nursing home workload production methodology applies age-specific utilization rates to the projected veteran population served by the medical center. Nursing home utilization rates employed were found in a 1996 study by the Agency for Health Care Policy and the National Institutes of Health. Utilization rates are for the male

---

Geriatrics and Extended Care Service Line   VIP Network – VISN 11, Ann Arbor, Michigan   March 20, 2000

2

population by age group. Application of these utilization rates to the 2005 veteran population projections yields the total projected veteran demand for nursing home care. Planning guidelines also mandated that planning be based on VHA providing 16 percent of the total projected veteran demand for nursing home care. The 16 percent number was established based on the level of nursing home care demand that VHA has historically served. Nearly seven percent of veterans in the Detroit area used VA health care services in fiscal year 1999, thus that factor, as well as the 16 percent factor, were included in this analysis to illustrate the potential range of need.

Currently there is no VA-approved planning model for projecting nursing home workload; however, county-specific, age-specific veteran population data are available as are national utilization rates by age for nursing home care. Appendix A shows the Detroit service area counties and the veteran population used in the study.

It is estimated that the veteran population of the Detroit service area will be 320,988 by the year 2005. Thirty-eight percent of these veterans will be 65 years and older. Applying age-specific expected utilization rates to the projected veteran population, VHA is able to estimate the number of veterans who will require nursing home care in the future.

A 1996 study by the Agency for Health Care Policy and the National Institutes of Health resulted in national utilization rates by age for nursing home care which were used in this study. Appendix B illustrates the current utilization of medical program by veterans in the Detroit primary service area; nearly seven percent of the general veteran population uses VA health care services. For the purpose of this analysis, we have used the historical planning factor of 16 percent to determine a range of projected need. It should be noted that a general population utilization factor of 16 percent is probably a generous proxy and provides a high-end to a calculated range of projected need.

Appendix B displays the application of the utilization rates to the projected veteran population, and a total projected census to be served. Overall, VHA should be planning to provide nursing home care for an average daily census of between 266 and 634 Detroit area veterans in the year 2005.

D. Projected Supply of Community Nursing Home Beds

A critical element in the nursing home care planning process is the assessment of the ability of community nursing homes to meet the projected demand for nursing home care.

The key controlling factors on planning for increased use of community nursing homes are: the availability of empty beds; the suitability of those beds for veteran placements (from a quality of care and safety standpoint); willingness to contract with the VHA; and any restrictive admission policies. Another significant factor is the distance between the nursing homes and each veteran's residence. VHA planning guidelines stipulate that maximum efforts be made to place each veteran in a nursing home in geographic proximity to his/her home.

Veterans residing in Michigan currently have access to VHA-supported nursing home care through three mechanisms – VHA nursing homes (which is addressed in section E), community nursing homes, and the Grand Rapids State Veterans Home.

Community Nursing Home Beds:
A critical step in the nursing home care planning process is determining the availability of empty community nursing home beds which are suitable for VA patients. During the-mid 1990's a comprehensive nation-wide survey was conducted. Through this process, determinations were made on a nursing home specific basis: (1) whether there were empty nursing home beds in which to place veterans; and (2) whether the nursing homes with empty beds were suitable for placement of veterans. A summary of the results of this community nursing home survey for the counties in the Detroit nursing home service area is included as Appendix C.

Geriatrics and Extended Care Service Line   *VIP Network – VISN 11, Ann Arbor, Michigan*   *March 20, 2000*

3

To determine the number of nursing home beds to maintain, VHA uses a planning standard of 95 percent occupancy. In other words, community nursing home beds would not be considered available for placement once occupancy would exceed 95 percent. Community nursing homes that restricted admissions to certain groups, could not meet VHA life/safety standards, restricted admissions based on the type/level of nursing home care needed, or that were unwilling to contract with VHA were eliminated from further consideration. At the time of the survey, there were 19,418 community nursing home beds in the Detroit VAMC primary service area of which 1,852 were empty. Of those which were empty, 1,001 (54 percent) were empty and available for placement – that is, not taken out of service due to staffing issues, construction, etc. After consideration was given as to quality of care, interest in VA contracts, and service limitations, only 525 (52 percent) of those available were determined to be suitable for veteran placements.

The total number of nursing home care beds and those which are empty were updated for the purpose of this analysis. The updates were based on inspection information obtained from the Medicare internet site (http://medicare.gov.nursing). Results from the 1999 inspections show that there are currently 20,497 nursing home beds in the Detroit primary service area, of which 4,018 are empty. We would expect 2,170 (54 percent) of those beds to be empty and available, and of those, 1,128 (52 percent) to be suitable for our patients. This is over twice as many as were available and suitable in the community in 1993, as shown in Appendix C.

The Detroit VAMC financially supports nursing home care for a number of Detroit area veterans through the Contract Nursing Home program. The FY 1999 community nursing home Average Daily Census (ADC) for the four counties in the Detroit primary service is approximately 13 patients. In addition, the Detroit VAMC facilitates community placement, on a non-contract basis, for an average of five patients per month. Facilitation includes identification of facilities, communication with staff regarding care and transfer, and assistance in application for other public or private assistance, as necessary. According to the Chief of Social Work Service, the Detroit VAMC is experiencing no difficulty in placing patients in community nursing home beds, either with or without VA contracts.

Grand Rapids State Veterans Home Nursing Home Care Beds:
Through the State Home construction grant process, VHA has a legal right to placement of veterans in State Home nursing homes. The planning guidelines require that there be appropriate accounting of all existing and planned State Home nursing home beds, and that VA use 75 percent or more of these beds. To ensure appropriate distribution of the supply of State Home nursing home beds among the medical centers (and service areas of those medical centers), patient origin studies were conducted to identify the home county for each veteran placed by VHA in the Grand Rapids State Veterans Home. The following table illustrates the breakdown of patients from the Detroit area.

State	Home County	Average Daily Census
Michigan	Macomb	20
	Oakland	27
	St. Clair	7
	Wayne	28
Total	Detroit PSA	82

E. Projected Supply of VA Nursing Home Care Beds

Nursing home care is currently provided to southeastern Michigan veterans through VHA nursing homes at each of the four medical centers in Michigan. The following table reflects the number of operating nursing home beds, average daily census, and occupancy rates of each.

4

VA Medical Center Location	Operating Beds	Average Daily Census	Occupancy Rate (%)
Ann Arbor, MI	46	42	92
Battle Creek, MI	153	111	72
Detroit, MI	84	80	95
Saginaw, MI	81	76	94

To the extent that VHA nursing home beds already exist, it is assumed in the planning guidelines that operating beds will continue to be filled at a 95 percent or greater occupancy rate. Any known changes in the supply of VHA beds (whether as a result of new construction, renovation for patient privacy, or other situations) were also considered. In summary, the net number of beds allocated (for planning purposes) to VHA represents only those beds which must exist to meet veteran needs that cannot be met through any other program.

F. Met/Unmet Nursing Home Care Need

The nursing home care planning guidance mandates submission of the needs assessment data in a specific format. This format has been included as Appendix D, which illustrates how these veterans who will need nursing home care will receive that care. After veterans are placed in existing VA facilities, the state veterans home in Grand Rapids, or available community beds, there will still be significant availability of community resources in the Detroit VAMC primary service area.

Based upon the current availability of nursing home care resources in the Detroit VAMC and surrounding sister sites, the State Veterans Home in Grand Rapids, and in the community, VHA will not need to provide additional facilities to meet veteran need for nursing home care.

G. Recommendation

As this study shows that the level of services currently available are sufficient to meet nursing home care needs of Detroit area veterans, the former VA care site in Allen Park, Michigan, should no longer be considered for construction for nursing home care.

Geriatrics and Extended Care Service Line   VIP Network – VISN 11, Ann Arbor, Michigan   March 20, 2000

Veteran Population Projections for 1999, 2002 and 2005 for the Detroit Service Area   **Appendix A**

1999	<64	65-74	75-84	85+	Totals
MI MACOMB	45,081	16,304	8,594	730	70,709
MI OAKLAND	66,365	20,981	12,513	1,075	100,934
MI ST CLAIR	9,647	3,003	1,810	226	14,686
MI WAYNE	114,806	39,558	27,456	2,458	184,278
TOTAL	235,899	79,846	50,373	4,489	370,607

2002	<64	65-74	75-84	85+	Totals
MI MACOMB	41,244	14,006	9,559	1,212	66,021
MI OAKLAND	61,930	18,266	13,842	1,702	95,740
MI ST CLAIR	8,966	2,612	1,984	347	13,909
MI WAYNE	103,793	32,947	29,718	3,720	170,178
TOTAL	215,933	67,831	55,103	6,981	345,848

2005	<64	65-74	75-84	85+	Totals
MI MACOMB	38,092	12,403	9,218	1,885	61,598
MI OAKLAND	56,219	18,309	13,323	2,573	90,424
MI ST CLAIR	8,337	2,357	1,903	519	13,116
MI WAYNE	94,256	28,439	27,700	5,455	155,850
TOTAL	196,904	61,508	52,144	10,432	320,988

Data compiled by Office of Veterans Statistics and Analysis Office based on the 1990 Census

Prepared by:
Geriatrics and Extended Care Service Line
VIP Network - VISN 11, Ann Arbor, Michigan
March 20, 2000

VA-Supported Nursing Home Census
for Detroit Service Area
at Current Market Share
and Historical VA Community Nursing Home Utilization

Age Group	Utilization Rate Per 1,000 [1]	2002 Vetpop	Average Daily Census	ADC at 6.7% Utilization	ADC at 16% Utilization
21-64	0.886	215,933	191	13	31
65-74	10.635	67,831	721	48	115
75-84	33.896	55,103	1868	125	299
85+	132.761	6,981	927	62	148
TOTAL			3707	248	593

[1] Utilization rates for males in general population, Source: DHHS, 1995
[2] 10% of nursing home population is under the age of 65, Source: DHHS, 1995

Age Group	Utilization Rate Per 1,000 [1]	2005 Vetpop	Average Daily Census	ADC at 6.7% Utilization	ADC at 16% Utilization
21-64	0.886	196,904	174	12	28
65-74	10.635	61,508	654	43	105
75-84	33.896	52,144	1767	118	283
85+	132.761	10,432	1385	93	222
TOTAL			3981	266	637

[1] Utilization rates for males in general population, Source: DHHS, 1995
[2] 10% of nursing home population is under the age of 65, Source: DHHS, 1995

Prepared by:
Geriatrics and Extended Care Service Line
VIP Network - VISN 11, Ann Arbor, Michigan
March 20, 2000

Summary of Community Nursing Home Environment
Appendix C

	Availability of Beds			Number of Unsuitable Beds				
	Total Beds	Total Empty Beds	Total Empty Available Beds*	Limited Services	Quality of Care Issues	Not Interested in VA Contract	Restricts Admissions	Suitable Available Beds**
1993 Needs Assessment by VA	19,418	1,852	1,001	99	21	273	83	525
1999 Medicare Nursing Home Inspection Reports	20,497	4,018	2,170					1,128

*1999 figure was derived by applying 1993 percentage of empty beds that were also available to the number of empty beds in 1999

**1999 figure was derived by applying 1993 percentage of available beds that were also suitable to the number of empty available beds in 1999

Prepared by:
Geriatrics and Extended Care Service Line
VIP Network - VISN 11, Ann Arbor, Michigan
March 20, 2000

2005 Nursing Home Bed Needs Summary   **Appendix D**

		Current Local Utilization (6.7%)	Historical Nursing Home Care Planning Utilization Factor (16%)
1	Projected total average daily census of veterans requiring nursing home care	3,964	3,964
2	Projection of VA-supported census based on past utilization	266	634
3	Assessment of Community Nursing Home (CNH) capability		
	a) total licensed CNH beds in service area	20,497	20,497
	b) Currently available/suitable CNH beds in area	1,128	1,128
4	Assessment of State Nursing Home capability		
	a) Current State Nursing Home census	82	82
	b) Empty beds up to 95% occupancy	0	0
	c) Planned changes in state home nursing home beds	0	0
	d) Projected available state nursing home beds (Line 4b + 4c)	0	0
5	Total future non-VA nursing home beds (Line 3b + 4c)	1,128	1,128
6	Current VA-supported census at VHA facilities available to southeast MI veterans	309	309
	Current VA-supported census for veterans in service area		
	a) VA NHCU	79	79
	b) CNH census	13	13
	c) Total (Line 6a + 6b)	92	92
7	Additional VA nursing home census need (Line 2 - 5 - 6c)	-954	-586
8	Additional VA nursing home bed need (Line 7 * 1.05)	0	0

Notes:

a) Service area includes the following Michigan counties: Macomb, Oakland, St. Clair, and Wayne

b) Source for nursing home utilization rates is from a 1996 study by the Agency
for Health Care Policy and the National Insititutes of Health. Utilization rates are
for the male population by age group.

c) Assessment of community nursing home beds is from a 1993 survey
by Detroit VAMC Social Work Service, and 1999 inspection results reported at http://medicare.gov/nursing.

d) Information about state home capacity was provided by the Chief, Social Work Service,
Detroit VAMC.

e) Current VA-supported nursing home census is based on September 1999 AMIS data
which reports ADC for CNH, State Dom, State Nursing Home and VA Nursing Home.

Prepared by:
Geriatrics and Extended Care Service Line
VIP Network - VISN 11, Ann Arbor, Michigan
March 20, 2000

COMMENTS FROM THE DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON DC 20420

AUG   8 2000

Mr. Stephen P. Backhus
Director, Veterans' Affairs and Military
  Health Care Issues
Health Education and Human Services Division
U. S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Backhus,

　　The Department of Veterans Affairs and the Veterans Health
Administration have reviewed your draft correspondence report, **"VETERANS'
HEALTH CARE: Department of Veterans Affairs Needs Assessment for
Nursing Home Care in Detroit, Michigan Area** (GAO/HEHS-00-164R). We are
pleased that GAO agrees with VA's conclusion that there is sufficient nursing
home care bed availability in the Detroit, Michigan, area to meet VA's needs
through 2005.

　　Although GAO considers that VA did not sufficiently address demographic
changes in the veteran population or changes in demand for community nursing
home beds, it still agrees with VA's basic conclusion. GAO acknowledges that
the cushion between VA's estimated demand and supply is so great that any
effects felt from these factors would still not alter our finding that sufficient beds
will be available. We agree with this conclusion, and only add that given the
degree of community bed availability shown in VA's study, it did not seem
prudent to devote additional resources to additional, more intensive analysis.

　　We appreciate the opportunity to comment on GAO's draft report.

Sincerely,

Dennis Duffy
Assistant Secretary for Policy
and Planning

(406199)