

OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS

Lead Administrator: John McReyrols, Interim Director

Lead Financial Officer: Shantha Varahan

FY'13 Budgeted FTE							
		Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Division 6	Nursing Care	225	1946	99	1513	480	52
Division 11	Central Office	7	19	9	7	17	4
Division 20	Claims and Benefits	4	30	3	18	15	0
Division 30	State Accrediting Agency	1	2	2	0	3	1
Total		237	1997	113	1538	515	57

FTE History						
		2013 Budgeted	2012	2011	2010	2009
Division 6	Nursing Care	2045	1800.7	1821.0	1878.9	1826.6
Division 11	Central Office	28	24.5	26.3	24.1	26.2
Division 20	Claims and Benefits	33	25.8	25.6	24.3	24.7
Division 30	State Accrediting Agency	4	4.0	4.0	3.8	3.9
Total		2110	1855.0	1876.9	1931.1	1881.4

FY'13 Projected Division/Program Funding By Source							
		Appropriations	Federal	Revolving	Local	Other*	Total
Division 6	Nursing Care	\$32,557,474	68,668,722	\$21,623,708	\$0	\$0	\$122,849,904
Division 10	Capital Lease	\$918,994	\$0	\$0	\$0	\$0	\$918,994
Division 11	Central Office	\$377,961	\$0	\$2,352,599	\$0	\$0	\$2,730,560
Division 20	Claims and Benefits	\$950,815	\$0	\$1,397,953	\$0	\$0	\$2,348,768
Division 30	State Accrediting Agency	\$0	\$443,566	\$0	\$0	\$0	\$443,566
Division 88	Information Technology	\$893,508	\$0	\$1,718,919	\$0	\$0	\$2,612,427
Total		\$35,698,752	\$69,112,288	\$27,093,179	\$0	\$0	\$131,904,219

*Source of "Other" and % of "Other" total for each.

FY'12 Carryover by Funding Source							
		Appropriations	Federal	Revolving	Local	Other*	Total
FY'12 Carryover		\$200,653	\$5,609,572	\$0	\$0	\$0	\$5,810,225

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'12 and FY'13

- Are there any services no longer provided because of budget cuts?
No services have been discontinued; however, the budget cuts in the central office and claims division hampers the expansion of programs as desired by the Governor.
- What services are provided at a higher cost to the user?
To avoid higher cost to the user, the agency continues to maintain occupancy rates as high as possible and manage personnel resources by hiring temporary employees in positions where possible in order to save benefit costs. While the agency continuously monitors expenditures for efficiency, more strenuous efforts will be initiated.
- What services are still provided but with a slower response rate?
The reduction in general appropriation has been partially absorbed by the increase in federal revenue. This allowed us to keep all seven veterans centers operational. Turnover in direct care staff is a continuous problem. Agency is in the process of developing career progression to encourage retention of direct care staff. Agency is in the process of realigning Claims and Benefits Division in order to provide services to outreach for an ever growing population of veterans in Oklahoma. Our veterans are not receiving the benefits they are entitled to because our centers are failing to submit the proper claims based upon the veterans disability history. There must be adequately trained claims representatives present on a permanent basis for oversight of claims and benefits within Oklahoma veterans centers.

FY'14 Requested Division/Program Funding By Source							
		Appropriations	Federal	Revolving	Other	Total	% Change
Division 6	Nursing Care	\$0	\$1,224,419	\$0	\$0	\$1,224,419	1.00%
Division 11	Central Office	\$266,500	\$0	\$0	\$0	\$266,500	9.76%
Division 20	Claims and Benefits	\$85,780	\$0	\$0	\$0	\$85,780	3.65%
Division 30	State Accrediting Agency	\$0	\$2,074	\$0	\$0	\$2,074	0.47%
Total		\$352,280	\$1,226,493	\$0	\$0	\$1,578,773	1.20%

*Source of "Other" and % of "Other" total for each.

FY'14 Top Five Appropriation Funding Requests

		\$ Amount
Request 1	Longevity Increase	\$4,648
Request 2	Insurance Benefit Allow. Increase	\$21,665
Request 3	Claims and Benefits Realignment	\$71,181
Request 4	Central Office Reorganization	\$254,786
Total		\$352,280

How would the agency handle a 3% appropriation reduction in FY'14?

Any appropriation reduction will have an adverse impact on the cost of care which has direct impact on federal revenue generated by the agency. 3% appropriation reduction would translate to \$1,070,963 reduction to our agency.

How would the agency handle a 5% appropriation reduction in FY'14?

In addition to the response to the previous question,
 Reorganization efforts of Claims and Benefits and Central Office will not be feasible.
 5% appropriation reduction would translate to \$1,784,938 reduction to our agency.

Is the agency seeking any fee increases for FY'14?

		\$ Amount
Increase 1	NO	\$0
Increase 2		\$0
Increase 3		\$0

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
 State Veterans Home (SVH) Per Diem program standards and operational procedures are found in Title 38 of the US Code of Federal Regulations. VA per diem for nursing home care and domiciliary care is paid for any Veteran who is eligible for such care in a VA facility (38 U.S.C. 1741). VA is also required to make higher nursing home per diem payments for certain Veterans with service-connected disabilities (38 CFR 51.41). Hence, 100% of the federal revenue received by the agency is mandated by the federal government for the operation of all seven veterans centers.

2.) Are any of those funds inadequate to pay for the federal mandate?
 Yes. In our current Budget Work Program, the federal funding covers only 56% of the cost of care provided to veterans at the centers. The rest of the cost is borne by state appropriations of (26%) and the patient maintenance collections of (18%).

3.) What would the consequences be of ending all of the federal funded programs for your agency?
 Nursing Care Program:
 The mission of the Oklahoma Department of Veterans Affairs is to ensure all Oklahoma veterans and their families receive all benefits to which they may be entitled and to provide excellent health services and long-term skilled care in a residential environment to all qualified veterans residing in the state. Legislative action many years ago established a system of payment for services that enables all honorably discharged wartime veterans to receive quality care through the Oklahoma Department of Veterans Affairs Veterans Centers regardless of their ability to pay. Through various agreements with the USDVA and federal law, pension, compensation and Aid and Attendance payments are made to veterans by the federal government that enables them to participate in the cost of their care without pauperizing their spouse who is left at home, thus allowing them to put money back into the economy of their local communities and live without the need for Medicaid assistance. Hence, ending all of the federal funded program would result in closing all the veterans centers.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
 In addition to the above response:
 Funding for ODVA construction projects, in general, is shared between the state and federal government. The USDVA (federal) pays 65% of the cost of construction or renovation once the project is put on the federally approved construction priority list. Projects currently on the approved list for the State of Oklahoma are life safety issues. Hence, any federal budget cut will affect our construction projects.

5.) Has the agency requested any additional federal earmarks or increases?
 No. The agency has not requested any additional earmarks or increases. However, the annual federal basic per diem rate will reflect cost of living adjustment rate increase. Currently, 70-100% service-connected veterans are paid at a higher rate (Prevailing Ruggs Rate) than the basic per-diem rate or the actual cost of care whichever is lower. Our actual cost of care tends to be lower than the prevailing Ruggs rate which results in revenue reduction. However, Bill (H.R.1627- Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012) has passed the legislation allowing reimbursement of the prevailing Ruggs rate (regardless of the cost of care) effective February 6, 2013 which could result in increase in federal revenue.

Division and Program Descriptions	
Division 1	<p>Central Administration</p> <p>The Central Administrative program for the Oklahoma Department of Veterans Affairs provides administration, direction, and planning assistance to the seven long term care facilities and five Claims and Benefits division offices and field staff operated by the Department. It sets standards, policies and procedures, and goals for programs and monitors programs to ensure the required standards are met. The Administrative program consists of the following programs/functions: Administrative Services, Affirmative Action, Human Resources, and Fiscal Services. This program also provides administrative support for the office of the Executive Director as well as the War Veterans Commission.</p>
Division 2	<p>Claims and Benefits</p> <p>This program provides assistance to veterans relative to obtaining benefits from state and federal agencies. Benefits include compensation, pension, medical benefits and education. This program also provides intermediary financial assistance to eligible veterans that are temporarily unable to obtain basic necessities and other benefits.</p>
Division 3	<p>Nursing Care</p> <p>The agency provides a home for Military War Veterans who can no longer be cared for in their own homes. The clients are provided with long-term skilled nursing care, domiciliary care and outpatient clinic services.</p>

Performance Measure Review					
	FY12	FY'11	FY'10	FY'09	FY'08
Administration					
1. Percent of Total Budget	3.90%	4%	3%	3%	3%
Claims and Benefits					
1. Increase submittals for consideration	39,944	38,932	36,122	35,392	28,609
Nursing Care					
1. Percentage of facilities receiving USDVA certification	100%	100%	100%	100%	100%
2. Reduce turnover rate by 2% a year: actual reduction	34.16%	37.94%	37.23%	32.71%	34.50%
3. Statewide waiting list	200	185	372	178	236
4. Average length of stay*	2.18	1.67	1.85	1.86	2.17
5. Average out of pocket for veteran per year	\$ 27,516	\$ 27,864	\$ 27,139	\$ 26,256	\$ 25,555
6. Average out of pocket for veteran per month	\$ 2,293	\$ 2,322	\$ 2,262	\$ 2,188	\$ 2,130
7. Average age of veteran	78.3	77.0	76.5	76.4	75.0
Agency Vacancy Rate	\$ 3,728,369	\$ 4,353,126	\$ 1,186,925	\$ 1,808,420	\$ 1,566,810