



July 2019

VA NURSING HOME CARE

VA Has Opportunities to Enhance Its Oversight and Provide More Comprehensive Information on Its Website

GAO Highlights

Highlights of [GAO-19-428](#), a report to congressional requesters

Why GAO Did This Study

VA provides nursing home care for veterans whose health needs are extensive enough to require skilled nursing and personal care in an institutional setting. VA provides or pays for the cost of nursing home care for eligible veterans.

GAO was asked to examine VA nursing home care. In this report, GAO 1) describes utilization of and expenditures for VA-funded nursing home care, 2) examines VA's use of inspections to assess the quality of nursing home care and its oversight of the process, and 3) examines the information VA publicly provides through its website on the quality of nursing home care.

To perform this work, GAO reviewed VA policies and information on inspections and interviewed VA officials. GAO also selected six VA medical centers based on factors such as their participation with CLCs, SVHs, and CNHs and location. For each, GAO interviewed medical center officials and officials from corresponding VA regional offices, CLCs, SVHs, and CNHs.

What GAO Recommends

GAO is making four recommendations, including recommendations for VA to enhance its oversight of the quality of care provided to veterans in CLCs, SVHs, and CNHs and include on its website information on the quality of care for SVHs that is comparable to what it provides on CLCs and CNHs. VA concurred with two recommendations and concurred in principle with two recommendations.

View [GAO-19-428](#). For more information, contact Sharon Silas at (202) 512-7114 or silass@gao.gov.

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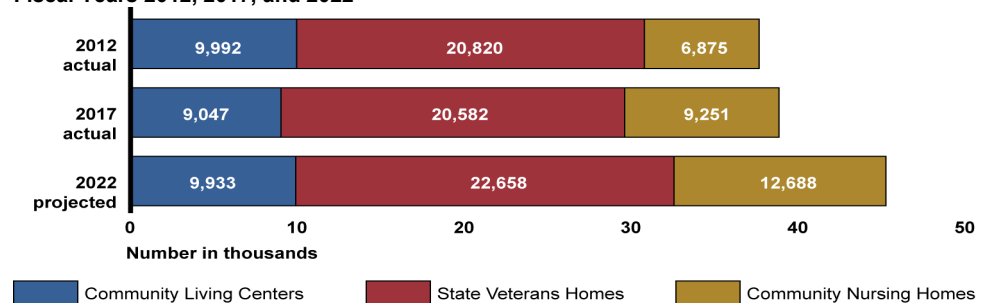
VA NURSING HOME CARE

VA Has Opportunities to Enhance Its Oversight and Provide More Comprehensive Information on Its Website

What GAO Found

According to the Department of Veterans Affairs (VA), veterans' use of nursing home care increased 3 percent, from an average daily census of 37,687 to 38,880 veterans, from fiscal years 2012 to 2017. VA projects that use will increase 16 percent from fiscal years 2017 to 2022 with the aging of Vietnam War veterans. VA's nursing home expenditures increased 17 percent (8 percent adjusted for inflation), from \$4.9 billion to \$5.7 billion, from fiscal years 2012 to 2017.

VA's Actual and Projected Average Daily Census of Veterans in Nursing Homes, by Setting, Fiscal Years 2012, 2017, and 2022



Source: GAO analysis of VA information. | GAO-19-428

During the contract year completed in 2018, VA contractors conducted required inspections of community living centers (CLC) (VA-owned and -operated) and state veterans homes (SVH) (state-owned and -operated) to ensure they complied with quality standards. Selected VA medical centers also completed required annual reviews of Centers for Medicare & Medicaid Services data and conducted optional onsite reviews for community nursing homes (CNH), with which VA contracts. However, VA has opportunities to enhance its oversight. For example, VA did not conduct the quarterly monitoring of contractor performance as stipulated in its contract for CLC inspections from April 2017 to April 2018. VA officials also said they intended to regularly observe contractors conducting inspections to ensure they effectively determine compliance with standards, but have not done so due to competing demands. Officials also said they had performed these observational assessments in the past but were unable to provide documentation of them occurring. Conducting and documenting the quarterly observational assessments would allow VA to identify areas for improvements and to take any needed corrective actions.

VA's *Access to Care* website provides publicly available information about the quality of CLCs and CNHs based on inspections. Veterans and their families can use the website to help inform their decisions on nursing home placement. However, the website does not include any SVH information. Although VA has access to SVH quality information, according to VA officials, they are not required to publicly report it. For some SVHs, VA is the only source for quality care information. Some of the quality information is available locally, but the VA website is an important tool for veterans and their families. Providing SVH information on its website could enhance veterans and their families' ability to evaluate all nursing home options.

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Abbreviations

CLC	Community living centers
CMS	Centers for Medicare & Medicaid Services
CNH	Community nursing homes
SVH	State veterans homes
VA	The Department of Veterans Affairs
VAMC	Veterans Affairs Medical Center
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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July 3, 2019

The Honorable Jon Tester
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable Mark Takano
Chairman
Committee on Veterans' Affairs
House of Representatives

The Honorable Tammy Duckworth
United States Senate

The Honorable Richard J. Durbin
United States Senate

The Department of Veterans Affairs (VA) operates one of the largest health care delivery systems in the nation. In fiscal year 2017, more than 9 million veterans were enrolled in the VA health care system, at a total cost of nearly \$72.9 billion. VA provides nursing home care for eligible veterans whose health care needs are extensive enough to require skilled nursing and personal care in an institutional setting.¹

VA provides or pays for nursing home care in three settings. Specifically:

- VA provides nursing home care in VA-owned homes known as community living centers (CLC).
- VA also pays for all or part of the cost of nursing home care for veterans in state veterans homes (SVH), which are owned and operated by states.
- Finally, VA pays for care provided to veterans in public or privately owned community nursing homes (CNH), with which VA contracts to provide care to veterans.

¹VA provides nursing home care for veterans, depending, in part, on their eligibility status—that is, whether VA is required to provide this care for a veteran or may provide this care on a discretionary basis.

A primary means through which VA oversees the quality of care provided to veterans at these facilities is through periodic inspections.² VA then reports some information on nursing home quality on a department-run website (called *Access to Care*) to help veterans and their families make decisions about where to receive nursing home care.³

Recent news stories have raised concerns about the quality of care veterans have received at some individual nursing homes.⁴ Amid these reports, you raised concerns about VA's oversight of the quality of nursing home care and the extent to which veterans and their families have access to information on the quality of individual nursing homes. In light of these concerns, you requested that we review VA's nursing home care. In this report, we

1. describe utilization of and expenditures for VA nursing home care;
2. examine VA's use of inspections to assess the quality of nursing home care and its oversight of the process; and
3. examine the information VA publicly provides on the quality of VA nursing home care.

To describe utilization of and expenditures for VA nursing home care, we analyzed VA data for fiscal years 2012 through 2017 reported in VA's congressional budget submissions and used in its Enrollee Health Care Projection Model.⁵ We interviewed VA central office officials, including

²Onsite nursing home health inspections—known as standard surveys—are used to determine whether nursing homes meet quality standards. For the purposes of this report, inspections include the onsite reviews of care provided to veterans receiving VA support in CNHs.

³Department of Veterans Affairs, Nursing Home Care for Veterans website, accessed March 1, 2019, <https://www.accesstoshep.va.gov/CNH>.

⁴For example, see "Secret VA Nursing-home Ratings Hid Poor Quality Care from Public." *Boston Globe*, June 17, 2018 and "Rauner Spends Night in Quincy Veterans Home Plagued by Deadly Water Problem." *The Chicago Tribune*, January 4, 2018.

⁵In this report, we use the term expenditures to refer to obligations, which VA reports in its budget justification. Obligations refer to a definite commitment creating a legal liability to make payments immediately or in the future. An obligation is incurred, for example, when an agency awards a contract to a private entity.

VA developed the Employee Health Care Projection Model to project veterans' health care utilization and expenditures for 21 years into the future, but VA officials told us that certain portions of VA care, such as care in SVHs, are not included in the model and may be projected separately or for shorter periods of time.

those from the Office of Enrollment and Forecasting responsible for enrollee projections and the Office of Community Care, which oversees community spending. We assessed the reliability of the information that VA uses to develop budgets by interviewing knowledgeable VA officials, reviewing VA and GAO reports related to this information, and performing data reliability checks. Based on our assessment, we determined that the data were sufficiently reliable for the purposes of this report.

To examine VA's use of inspections to assess the quality of nursing home care provided to veterans and its oversight of the process, we reviewed VA policy and guidance on VA's nursing home inspections and their implementation, including policy and guidance for how the inspections are used to determine whether nursing homes meet applicable quality standards. We interviewed VA officials responsible for VA's oversight of nursing home quality—including the Office of Geriatrics and Extended Care, which is responsible for strategic nursing home planning and policy development for all three settings—and the VA contractors that conduct CLC and SVH inspections. We interviewed officials from a nongeneralizable sample of six VA Medical Centers (VAMC) to learn more about their use of inspections.⁶ We selected these six because they have jurisdiction over nursing home care in all three types of settings and by considering factors such as geographic variation, level of hospital complexity at the VAMC, and whether the SVH associated with the VAMC accepted Medicare or Medicaid payment and was, as a result, subjected to additional federal oversight by Centers for Medicare & Medicaid Services (CMS), an agency within the Department of Health and Human Services. We also interviewed officials from a CLC, an SVH, and a CNH under each of the six VAMCs' jurisdiction and officials from the associated Veterans Integrated Services Network (VISN).⁷ We reviewed relevant documentation from VA and its contractors, such as nursing home inspection reports for our selected sites and associated corrective action plans, VA summary reports on CLC and SVH inspections for the contract year ending in 2018, and spreadsheets that VA uses to monitor

⁶A VAMC is a facility that provides two or more categories of care—inpatient, outpatient, residential rehabilitation, or institutional extended care. There are 170 VAMCs.

VAMCs selected were located in Jackson, Mississippi; Los Angeles, California; Manchester, New Hampshire; Marion, Illinois; Spokane, Washington; and Wilmington, Delaware.

⁷VA provides healthcare services through 18 geographically divided VISNs. Each VISN is responsible for coordination and oversight of all administrative and clinical activities within its specified geographic region.

inspections for all CLCs and SVHs.⁸ We examined the information collected using criteria from VA policies and federal internal control standards related to performing monitoring activities.⁹

To examine the information that VA publicly provides on the quality of VA nursing home care, we reviewed the information VA provides to veterans through its website. We interviewed officials at the National Association for State Veterans Homes and six SVHs to collect information on how veterans receive information on SVH quality. We also interviewed VA officials responsible for providing this information to veterans, including those from the Office of Geriatrics and Extended Care and officials from the six selected VAMCs, about the information they provide. We examined the information collected using criteria from federal internal control standards about communicating important information externally.¹⁰ We also examined the information using criteria developed during our prior work on transparency tools.¹¹

We conducted this performance audit from February 2018 to July 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁸The timeframe for the contract year varies by setting. For CLC inspections, the contract year was from April 11, 2017, through April 10, 2018, and the contract year for SVH inspections was from August 1, 2017, through July 31, 2018.

⁹Veterans Health Administration (VHA) Handbook 1143.2, *VHA Community Nursing Home Oversight Procedures*, VHA Directive 1145.01, *Survey Procedures for State Veterans Homes Providing Nursing Home Care and/or Adult Day Health Care*, and VHA Handbook 1142.01, *Criteria and Standards for VA Community Living Centers*. GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014). Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

¹⁰[GAO-14-704G](#), *Standards for Internal Control*.

¹¹GAO, *Health Care Transparency: Actions Needed to Improve Cost and Quality Information for Consumers*, [GAO-15-11](#) (Washington, D.C.: Oct. 20, 2014). To examine characteristics of effective transparency tools, we reviewed the literature on best practices for conveying cost and quality information to consumers and interviewed subject matter experts.

Background

VA provides or pays for nursing home care through three separate programs, one for each of the nursing home settings in which VA provides or pays for care. In general, the three settings provide similar nursing home care, in which veterans receive skilled nursing care, recreational activities, and other services. However, some of the nursing homes may provide care to veterans on a short-term basis, such as rehabilitation after a hospitalization for a period of 90 days or less (“short stay”), or on a long-term basis, which is a period of 91 days or more (“long stay”). Further, officials told us that some of these homes may also provide certain special needs care for a limited number of residents, such as dementia or rehabilitative care, which may require additional specialized equipment or trained staff. Federal oversight of care provided to veterans within the three settings is conducted by VA only or a combination of VA and CMS. See table 1 for key characteristics on the three nursing home settings.

Table 1: Key Characteristics of Department of Veterans Affairs (VA) Nursing Home Care Settings, Fiscal Year 2018

Setting	Owner	Number of participating facilities	Federal agency oversight responsibility
Community Living Centers (CLC)	VA	134	VA oversees all CLCs.
State Veterans Homes (SVH)	States	148	VA conducts annual inspections for all SVHs in order to assess compliance with VA standards. The Centers for Medicare & Medicaid Services (CMS) provides oversight for about two-thirds of SVHs that receive Medicare or Medicaid payments.
Community Nursing Homes (CNH)	Public or private companies	1,769	VA requires CNHs under contract to be certified by CMS or receive special approval from VA and conducts monthly care assessments for each veteran. CMS provides oversight for all CNHs that receive Medicare or Medicaid payments.

Source: GAO analysis of VA documentation. | GAO-19-428

Depending on a veteran’s eligibility status, VA pays the full or partial cost of nursing home care in each setting. For example, VA is required by law to provide the full cost of nursing home care for veterans who need nursing home care for a service-connected disability—which is an injury or disease that was incurred or aggravated while on active duty—and for

veterans with service-connected disabilities rated at 70 percent or more.¹² For all other veterans, VA provided nursing home care is based on available resources.¹³

Veterans and their families are responsible for making decisions about nursing home care that will best meet their needs. At the national level, VA provides information about nursing homes on its *Access to Care* website; according to VA, the website is intended to help inform veterans and their families' about the quality of care in nursing homes.¹⁴ According to VA central office officials, the responsibility for helping veterans make decisions about nursing home care is decentralized to local VAMCs. In consultation with veterans and their families, VAMC social workers and clinical care providers can discuss factors such as the veteran's eligibility for care in each setting, health needs, the type of care provided at different homes, space availability, and the veteran's geographic preference. VAMC staff may also encourage veterans to take a tour of the prospective home.

Oversight of Nursing Home Quality

VA models its oversight of nursing home services provided to veterans on the methods used by CMS. CMS defines the quality standards that approximately 15,600 nursing homes nationwide must meet in order to participate in the Medicare and Medicaid programs.¹⁵ To monitor

¹²38 U.S.C. § 1710A(a). Unless reauthorized by Congress, this provision will terminate on September 30, 2020. A service connected disability is an injury or disease that was incurred or aggravated while on active duty. VA classifies veterans with service-connected disabilities according to the extent of their disability. Disability classifications are expressed in terms of percentages—for example, the most severely disabled veteran would be rated as having a service-connected disability of 100 percent. Percentages are assigned in increments of 10 percent.

¹³VA may provide nursing home care to eligible veterans on a discretionary basis as capacity and resources permit. See 38 U.S.C. § 1710(a). When we refer to veterans receiving nursing home care in this report, we refer to veterans who receive VA-funded nursing home care. Veterans who are not eligible for VA-funded nursing home care may also receive care in some of these settings under certain conditions, such as by paying for their own care at CNHs.

¹⁴Department of Veterans Affairs, Nursing Home Care for Veterans website, accessed March 1, 2019, <https://www.accesstoshep.va.gov/CNH>.

¹⁵See 42 U.S.C. §§ 1395i-3(f)(1), 1396r(f)(1); 42 C.F.R. Part 483, Subpart B (2018). CMS nursing home quality standards focus on the delivery of care, resident outcomes, and facility conditions. The survey standards are grouped into 22 categories, such as Resident Rights, Quality of Life, Resident Assessment, Quality of Care, Pharmacy Services, and Administration.

compliance with these standards, CMS contracts with state survey agencies to conduct inspections of each home not less than once every 15 months. During these inspections the state survey agency might identify deficiencies—or instances in which the nursing home does not meet an applicable quality standard. To address identified deficiencies, CMS generally requires nursing homes to implement corrective action plans. CMS also monitors—by conducting observational assessments of state agencies during inspections or conducting its own comparison inspections on a sample of homes each year—the state agencies that inspect CNHs to ensure that these inspections accurately identify whether the homes meet quality standards.¹⁶ In addition, CMS collects data on various clinical quality measures and calculates nursing home staffing ratios. CMS assigns each nursing home ratings in three components—inspections, quality measures, and staffing ratios—and an overall quality rating. CMS places the greatest weight on inspections in its calculations of each home’s overall quality rating. CMS publicly reports a summary of the information it collects on the quality of nursing homes on its *Nursing Home Compare* website, which uses a five-star quality rating system.¹⁷ As we previously reported, this website facilitates public comparison of nursing home quality.¹⁸

Within VA central office, the Office of Geriatrics and Extended Care is responsible for overseeing the quality of nursing home care provided to veterans in each of the three settings—CLCs, SVHs, and CNHs. The key mechanism VA uses to assess quality in each of these settings is regular inspections—generally occurring annually—that determine the extent to which homes meet relevant quality standards. VA’s use of inspections

¹⁶Federal law requires CMS to conduct monitoring inspections in at least 5 percent of state-inspected Medicare and Medicaid nursing homes in each state each year. CMS indicated it meets the statutory requirement by conducting a mix of comparative and observational inspections. Comparative inspections are conducted by federal surveyors to evaluate state inspections by re-inspecting a home that was recently inspected by state inspectors and comparing the deficiencies identified during the two inspections to assess whether a deficiency existed at the time of the state inspection and should have been cited. CMS’s observational inspections are conducted by federal inspectors who accompany state inspectors to directly observe them during a nursing home inspection to evaluate the team’s performance and ability to document inspection deficiencies.

¹⁷Centers for Medicare & Medicaid Services, *Nursing Home Compare* website, accessed March 12, 2019, <https://www.medicare.gov/nursinghomecompare/search.html>.

¹⁸For additional information, see GAO, *Nursing Homes: Consumers Could Benefit from Improvements to the Nursing Home Compare Website and Five-Star Quality Rating System*, [GAO-17-61](#) (Washington, D.C.: Nov. 18, 2016).

and other methods to ensure the quality of care in each of the three nursing home settings differs:

- **CLCs.** VA owns, operates, and oversees the quality of CLCs, and conducts regular unannounced inspections to determine the extent to which CLCs meet quality standards.¹⁹ VA central office contracts with the Long Term Care Institute to conduct these inspections, and VA central office reviews the results of all inspections.²⁰ CLCs receive an initial inspection when they open and then periodic, unannounced inspections thereafter. The frequency of these inspections depends on the number and severity of deficiencies identified during the prior year's inspection, but they generally occur every 11 to 13 months.²¹ CLCs are required to develop and implement corrective action plans for each deficiency identified that detail how it will be addressed. VA central office approves these plans, and the VISN and VA central office monitor the CLC's actions until each deficiency is addressed. Per VA's contract, VA monitors the Long Term Care Institute to ensure that inspections are conducted within required timeframes and to conduct quarterly assessments of the contractor's performance, among other things. In addition, for each CLC, VA also collects information on quality measures and staffing ratios and uses this information, along with the inspection results, to assign a star rating from 1 to 5 stars. In June 2018, VA central office consolidated the ratings for all of the individual CLCs—modeled after CMS's *Nursing Home Compare*—into its *Access to Care* website.

¹⁹VA is required to establish and conduct a comprehensive program to monitor and evaluate the quality of health care furnished by the VHA. In addition, VA will evaluate all programs on a continuing basis to determine each program's effectiveness in achieving its stated goals, with sufficient frequency to allow for an assessment of the continued effectiveness of the programs, and will be designed to determine if the existing program supports the intent of the law. A VA 2016 memorandum specifies that VA will implement an unannounced inspection program modeled upon CMS's inspections to provide direct oversight of CLC care and to, for example, identify serious concerns with quality of care through direct observations.

²⁰VA's contract with the Long Term Care Institute outlines the contractor's deliverables, such as conducting inspections within required timeframes. The contract also states that VA will conduct quarterly assessments of the contractor's performance.

²¹CLCs that have no repeat deficiencies from the previous year and no deficiencies that pose actual harm are inspected every 18 months. Until 2017, homes with repeat deficiencies from the previous year or deficiencies above a certain severity level were inspected every 6 months. According to VA officials, the frequency of inspections was changed to allow CLCs time to implement corrective action plans.

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- **SVHs.** States own and operate SVHs and, as a result, in most cases SVHs are inspected by state agencies to determine the extent of their compliance with state requirements.²² About two-thirds of SVHs are inspected by CMS; however, VA is the only entity that conducts annual inspections for all SVHs. Although, VA does not exercise any supervision or control over the administration, personnel, maintenance, or operation of any state home, VA conducts these annual reviews for all SVHs and is prohibited from making payments to SVHs until it determines that they meet applicable quality standards.²³ VA central office contracts with Ascennon to conduct these inspections and reviews the results of the inspections.²⁴ The inspections first occur when an SVH initially seeks to become eligible for VA payments, and, once the SVH is eligible, unannounced inspections occur on an annual basis to verify that an SVH is eligible to continue to receive VA payments. For these annual inspections, the contractor generally cites deficiencies when SVHs are not in compliance with applicable quality standards. SVHs develop and implement corrective action plans for each deficiency identified, and the VAMC director approves the plan. VA should monitor the contractor's performance annually, for example, to ensure that inspections are conducted within certain timeframes. VA's Office of Geriatrics and Extended Care maintains a database of all corrective action plans, and VISN and VAMC staff monitor the SVHs' actions until each deficiency is addressed. VA also collects VA prescribed quality measure and staffing data from SVHs as part of its survey process. However, VA does not currently assign a quality rating to SVHs.
 - **CNHs.** CNHs can be publicly or privately owned and operated, and, CMS provides federal oversight for all CNHs that receive Medicare or

²²Some SVHs that do not receive Medicare or Medicaid payments may still be inspected by a state agency. The specific state agency that oversees the SVH may vary by state. However, some SVHs may not be inspected by CMS or by the state, and, instead, VA is the only inspecting agency.

²³VA may inspect any SVH at such times as the Secretary deems necessary to ensure that such facility meets the standards it prescribed. VA's policy requires that SVH's be inspected at least annually. VA requirements for SVHs cover similar categories as CMS requirements. See 38 C.F.R. Part 51, Subpart D (2018).

²⁴VA's SVH inspection contract outlines the contractor's deliverables, such as conducting inspections within certain timeframes, and broadly states that VA will conduct annual assessments of the contractor's performance.

Medicaid payments.²⁵ VA requires CNHs under contract to be certified by CMS, and, unlike the other two settings, VA is not required to conduct regular inspections of CNHs. Instead, VA requires VAMC staff to conduct veteran care assessments on a monthly basis and annually review information CMS collects on the homes' quality, including CMS inspection results, to evaluate whether to initiate or continue a contract with a CNH.²⁶ The annual reviews use seven criteria established by VA's Office of Geriatrics and Extended Care, including whether the CNH's total number of health deficiencies from the most recent CMS inspection is twice the average of the state in which it is located.²⁷ According to VA officials, CNHs that fail to meet four out of VA's seven criteria during the annual reviews of CMS data are excluded from participation in its CNH program unless the VAMC seeks a waiver from VA central office to allow the home to participate. If VAMC staff are considering seeking a waiver to allow a CNH to continue participating in the CNH program, or have any other concerns about a home, they have the option of conducting their own onsite reviews of the home to assess care quality.²⁸

²⁵In addition to CMS's oversight of compliance with federal requirements, CNH's may also be subject to oversight of compliance with state requirements.

²⁶In addition, according to a VA policy, veterans placed in CNHs are generally visited by a registered nurse or a social worker monthly, but these visits may be done by phone for veterans under certain circumstances, such as for veterans in long-term placements without a significant change in health status. In those circumstances, a VA registered nurse or social worker must visit the veteran every 6 months.

Every nursing home receiving Medicare or Medicaid payment must undergo a survey not less than once every 15 months, and the statewide average interval for these surveys must not exceed 12 months. See 42 U.S.C. §§ 1395i-3(g)(2)(A)(iii), 1396r(g)(2)(A)(iii).

²⁷The other six exclusion criteria are (1) whether CMS identified cases of actual harm; (2) whether CMS identified cases related to staff treatment of residents, such as inappropriate use of restraints, that show a pattern of care with the potential to cause harm; (3) whether CMS identified cases related to insufficient staffing, such as having insufficient numbers of personnel on a 24-hours basis to provide nursing care, that show a pattern of care with the potential to cause harm; (4) whether total nursing staff ratios per resident day are below the state average; (5) whether total registered nursing staff ratios per resident day are below the state average; and, (6) six or more of the CMS Quality Measures listed in *Nursing Home Compare* fall above the state average.

²⁸Optional onsite reviews are for VAMC staff to evaluate specific areas of non-compliance when deciding to initiate or renew a CNH contract. According to VA policy, the team members must include a registered nurse, social worker, plus other disciplines, as appropriate. During the course of this review, VAMC staff at our selected sites referred to these onsite reviews as "inspections."

Utilization of and Expenditures for VA Nursing Home Care Increased from Fiscal Year 2012 through 2017, with Larger Increases Expected in Future Years

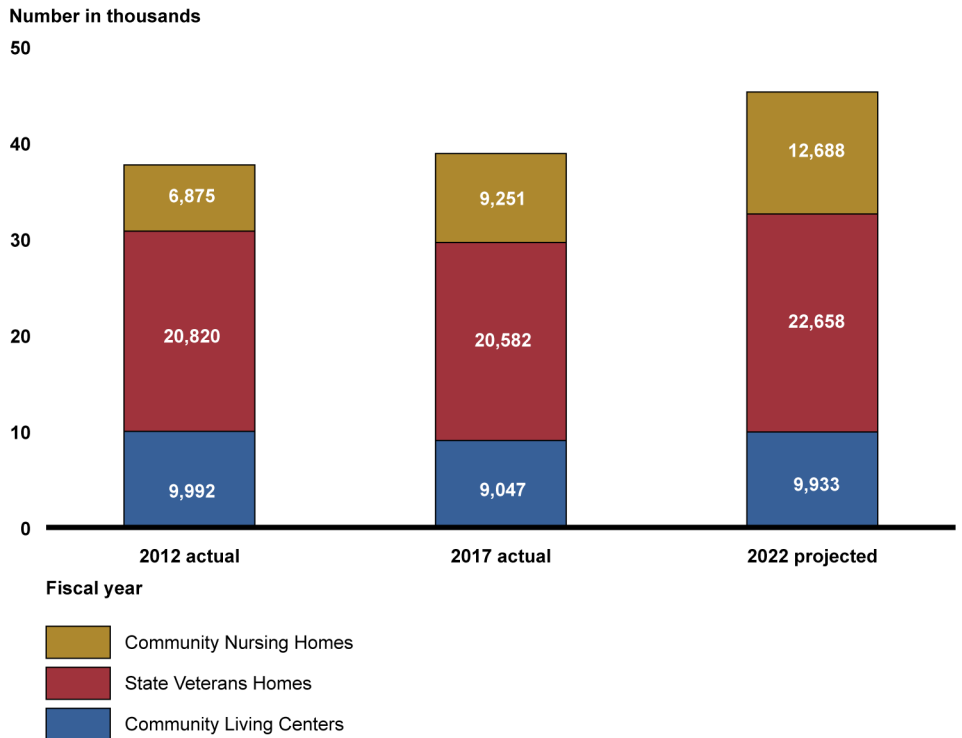
Utilization of VA Nursing Home Care

Our analysis of VA data shows that veterans' utilization of VA nursing home care—across CLCs, SVHs, and CNHs—increased 3 percent from fiscal year 2012 through 2017, from an average daily census of 37,687 to 38,880 veterans.²⁹ VA projects that nursing home utilization will increase another 16 percent, to an average of 45,279 per day by fiscal year 2022, with varying increases projected for each of the nursing home settings. (See fig. 1.) Moreover, VA projects that overall demand for VA nursing home care will continue to increase through 2034, driven by the aging of the cohort of Vietnam War veterans.³⁰ VA projects that Vietnam veterans will increasingly rely on VA's health care system for care and will use more health care services, including nursing home care.

²⁹VA's average daily census reflects the average number of veterans for which VA funded nursing home care on any given day during the fiscal year.

³⁰VA projects different utilization trends for each cohort of veterans based on the years they served in the military. For example, the cohort of veterans who served in World War II generally had lower reliance on VA for care and utilized fewer services than the veterans in the Vietnam cohort.

Figure 1: Department of Veterans Affairs (VA) Actual and Projected Average Daily Census of Veterans in Nursing Homes, by Setting, Fiscal Years 2012, 2017, and 2022



Source: GAO analysis of VA information. | GAO-19-428

As figure 1 shows, SVHs accounted for the largest percentage (53 percent) of the average number of veterans who received nursing home care each day in fiscal year 2017. However, the number of veterans in CNHs has increased and is projected to continue to increase. For example, the average number of veterans receiving nursing home care in CNHs increased 35 percent from fiscal year 2012 to 2017, from an average of 6,875 to 9,251 per day. Over the same period, the number of veterans in CLCs fell 9 percent, and in SVHs it fell 1 percent. VA officials told us that they are prioritizing the use of CLCs for short-term care, and that CNHs have the greatest capacity to meet the future long-term needs

of veterans.³¹ VA projects that by 2034 the number of veterans receiving nursing care in these homes will exceed 17,000. In addition, VA projects that demand for nursing home care in CLCs and CNHs will decrease after 2034, and VA has not projected care in SVHs beyond 2022. VA officials also said that VA has limited flexibility to expand the number of beds in CLCs and SVHs to accommodate the projected number of veterans needing care.³²

While VA expects to continue placing more of the veterans needing nursing home care into CNHs, officials noted some challenges contracting with these homes. Specifically, VA central office officials said that about 600 CNHs had decided to end their contracts with VA over the last few years for a variety of reasons. For example, officials from four of the VAMCs we interviewed told us about CNH concerns that contract approvals can take 2 years, homes have difficulties meeting VA staff requirements, and VA's payment rates were very low. Officials said provisions in the VA MISSION Act of 2018 may alleviate some of these difficulties. Specifically, the Act consolidates various VA community care programs into the Veterans Community Care Program and authorizes VA to enter into veterans care agreements with certain providers, including nursing homes.³³ In contrast to contracts, such agreements may not require providers to meet certain wage and benefit requirements. Officials told us that they are in the process of replacing CNH contracts with veterans care agreements, which may alleviate some of those challenges.

In addition, VA officials told us that most nursing homes—including homes in each of the three settings—have limited capacity to serve veterans with special needs, such as those needing dementia, ventilator,

³¹Some research also indicates that CNHs may have additional capacity. For example, national nursing home occupancy rates have ranged from 82.4 percent in 2000 to 79.7 percent in 2016. See Centers for Disease Control and Prevention, National Center for Health Statistics, *Health, United States, 2017*, accessed January 31, 2019, <https://www.cdc.gov/nchs/hus/contents2017.htm#092>.

³²For example, while the number of SVHs that provide nursing home care has grown from 137 homes in 2014 to 148 homes in 2017, VA officials told us that they cannot predict future years' funding. VA is generally authorized to pay up to 65 percent of the costs of construction of SVHs; however, construction grants for these homes depend on VA's prioritization process and state and VA funds available in any given year. See 38 U.S.C. § 8135.

³³Pub. L. No. 115-182, §§ 101, 102, 132 Stat. 1483, ____ (2018).

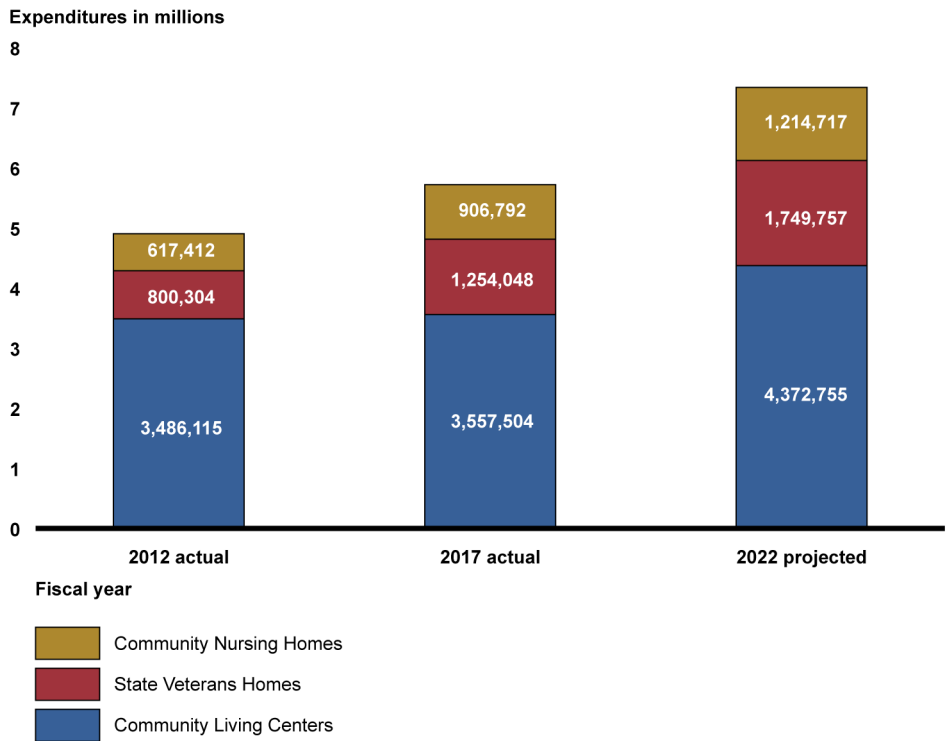
or behavioral care. For example, they said that homes may not have any of the necessary specialized equipment or trained staff, or may not have as many of these beds as needed, to meet certain veterans' special care needs. VA officials told us that they are working to expand the availability of special needs care in each of the three settings.

Expenditures for VA Nursing Home Care

Our analysis of VA data also shows that VA nursing home care expenditures have increased in recent years, reflecting increases in the number of veterans receiving such care. Specifically, VA's nursing home expenditures across all three settings increased 17 percent from fiscal years 2012 through 2017, from \$4.9 billion to \$5.7 billion.³⁴ These expenditures are expected to increase to \$7.3 billion in fiscal year 2022 as utilization is projected to increase. VA officials told us that expenditures for nursing home care are projected to increase due to the rising costs of care as well as higher utilization of services. (See fig. 2.)

³⁴The percentage change from 2012 to 2017 reported here is based on the nominal dollars. If adjusted for inflation by converting the 2012 amounts to 2017 dollars, the percentage change would be 8 percent.

Figure 2: Department of Veterans Affairs (VA) Actual and Estimated Expenditures for Nursing Home Care, by Setting, Fiscal Years 2012, 2017, and 2022



Source: GAO analysis of VA information. | GAO-19-428

Of the three settings, CLCs accounted for the largest share of VA nursing home expenditures; however, this reflects differences in the costs of care and the extent to which VA pays for these costs in each of these settings:

- For CLCs, VA pays the full cost of care for veterans in these homes and, according to VA officials, VA expenditures for care provided in CLCs are greater compared to the other settings, because CLCs are able to provide acute care that requires higher staffing levels and more specialized equipment. In addition, VA officials indicated that CLC expenditures also include the overhead costs of being associated with VAMC hospitals.
- For SVHs, 80 percent of veterans receive VA's partial daily rate that covers only about a quarter of their care costs. For example, in fiscal year 2017, VA's average SVH per diem was \$106 for veterans without

eligible service connected disabilities.³⁵ VA also pays the full cost of care for the remaining 20 percent of veterans with service-connected disabilities. In fiscal year 2017, the full rate for these veterans was \$397 per day.³⁶

- For CNHs, VA pays the full cost of care for veterans; however, more of these veterans receive long-term care, at a lower cost per day, than the short-term care that many veterans receive in CLCs, such as for rehabilitation after surgery, at a higher cost per day.

As a result of these differences, in fiscal year 2017, VA paid, on average, \$1,074 per day per veteran for care in CLCs, \$268 for CNHs, and \$166 for SVHs.³⁷

VA Contractors Completed Required Nursing Home Inspections, but VA Has Opportunities to Enhance Its Oversight of the Process

During the contract year completed in 2018, VA's two contractors conducted the required annual inspections of CLCs and SVHs to determine the extent to which the homes met quality standards. However, VA has opportunities to enhance its oversight of the contractors' inspections by regularly monitoring both contractors' performance inspecting CLCs and SVHs through observational assessments and by citing all SVH deficiencies. Although VA's plans call for quarterly observational assessments, they have not been consistently conducted and documented. Similarly, VA has not provided guidance for the optional onsite reviews of CNHs that VAMCs may perform thus limiting their potential impact.

³⁵According to VA officials, the remaining daily costs are paid for by the states, the veteran, and could include Medicare or Medicaid payments for SVHs that participate in those programs.

³⁶In addition to these expenditures, VA was also appropriated \$90 million for grants to assist states to acquire or construct state nursing home and domiciliary facilities in fiscal year 2017.

³⁷For more information on the costs associated with each nursing home setting, see GAO, *VA Nursing Homes: Reporting More Complete Data on Workload and Expenditures Can Enhance Oversight*, [GAO-14-89](#) (Washington, D.C.: Dec. 20, 2013).

VA's CLC Contractor Conducted Required Annual Inspections, but VA Did Not Conduct Quarterly Monitoring of Contractor Performance

Our review found that during the contract year completed in 2018, VA's CLC contractor performed the required annual inspections for 126 CLCs.³⁸ (See table 2.) Through these inspections, VA's contractor determined the extent to which each CLC met applicable quality standards and issued deficiencies when standards were not met. The most common areas of deficiencies were those in which 1) the facility did not provide quality care for its residents, for example, in its treatment and prevention of pressure ulcers or managing its residents' pain; 2) the facility did not adequately prevent and control infections, for example, by providing residents influenza and pneumococcal immunizations; and 3) the facility did not provide adequate care and services to sustain the highest possible quality of life for its residents, for example, by providing residents unable to carry out activities of daily living with adequate assistance to maintain good nutrition, grooming, and personal and oral hygiene. (See appendix I for more information on the types of deficiencies identified.)

Table 2: Community Living Center (CLC) Inspections and Deficiencies, April 2017 to April 2018

CLCs inspected	CLCs with deficiencies	Number of inspections	Deficiencies identified	Average number of deficiencies per inspection
126 (100 percent of required CLCs) ^a	117	139 ^b	576	4.14

Source: GAO analysis of VA information. | GAO-19-428

Note: The contract year for the CLC inspection contractor was April 11, 2017, to April 10, 2018.

^aCLCs with no repeat deficiencies from the previous year and no deficiencies that pose actual harm from the previous year's inspection are inspected every 18 months. Therefore, not all CLCs required inspections during the 2017-2018 contract year.

^bThirteen CLCs were inspected more than once during the contract year.

To address deficiencies, VA required CLCs to produce corrective action plans and tracked the CLCs' progress until the deficiencies were resolved. In addition, for some of the most common deficiencies among CLCs, VA officials said VA took steps such as developing additional VAMC policies to facilitate improvement. For example, to reduce the number of CLC deficiencies related to pain management and improve

³⁸VA Memorandum, *Resumption of Unannounced Community Living Center Surveys*, (April 22, 2016). The contract year for the CLC inspection contractor was April 11, 2017, to April 10, 2018. As noted earlier, CLC inspections generally occur on an annual basis, although their frequency varies based on the number and severity of deficiencies identified on the previous year's inspection.

CLCs' performance in this area, VA officials said they developed specific guidelines for CLCs to use to assess pain in patients with dementia who were unable to provide numeric pain scores.

While VA has monitored and determined that CLC inspections occurred as stipulated in its contract and tracked the results of the inspections, it has an opportunity to enhance its oversight. According to its contract, VA will monitor contractor performance on a quarterly basis, and VA central office officials told us their intention has been to meet this stipulation by observing the contractor as it conducts some inspections—an approach consistent with CMS's inspection oversight process.³⁹ However, VA officials told us that they have not been completing these observations quarterly and did not conduct any observations for the April 2017 to April 2018 contract year.⁴⁰ VA officials said they had not performed this quarterly observation due to competing demands. For example, the three-person team at VA central office responsible for CLC oversight has overseen a number of recent initiatives, including the rollout of CLC quality ratings in 2018. Officials also told us they conducted one observation for the current contract year in December 2018 (during the course of our review). However, we were not able to confirm the December 2018 observation or any other observations of the CLC inspections because VA has not documented the results. A VA official said that developing an approach for documenting the quarterly observations is something VA needs to work on.

VA's failure to monitor the CLC contractor's performance through observational assessments is inconsistent with its own goals of assessing the contractor's performance quarterly and modeling its oversight after CMS's approach to its own contractors' inspections. It is also inconsistent with federal internal control standards that state that management should

³⁹As noted earlier, CMS conducts regular annual oversight of inspections—through sample observational and comparative inspections—of the state survey agencies that inspect nursing homes to assess that inspections accurately identify whether homes meet CMS standards. GAO has previously examined CMS's nursing home inspections and its oversight process. For example, in 2009, we found that state agencies significantly underreported nursing home deficiencies for a variety of reasons, and recommended that CMS address them. See GAO, *Nursing Homes: Addressing the Factors Underlying Understatement of Serious Care Problems Requires Sustained CMS and State Commitment*, [GAO-10-70](#) (Washington, D.C.: Nov. 24 2009)

⁴⁰As specified in the contract, VA completed annual assessments of whether the contractor performed the inspections, among other things; however, VA has not conducted quarterly reviews through observations as intended.

establish and operate monitoring activities to monitor the internal control system and evaluate the results. By not conducting these quarterly observations for more than a year, VA does not know whether, or to what extent, the contractor is effectively assessing CLC compliance with quality standards and is unable to hold the contractor accountable for its inspections.⁴¹ Without effective monitoring of the contractor's performance inspecting CLCs, VA risks that quality concerns in some CLCs could go overlooked, placing veterans at risk.

VA's SVH Contractor Conducted Required Annual Inspections of SVHs; VA Has Opportunities to Enhance This Oversight

Our review found that during the contract year completed in 2018, VA's SVH contractor performed required annual inspections for all 148 SVHs.⁴² (See table 3.) As with CLCs, VA's SVH contractor determined through these inspections the extent to which each SVH met applicable quality standards and cited deficiencies when they were not met. The most common areas of deficiencies were those in which 1) the facility's physical environment did not adequately protect the health and safety of its residents, for example, by ensuring their safety from fires; 2) the facility did not provide quality care for its residents, for example, by adequately managing their pain; and 3) the facility did not assess residents' health sufficiently, for example, within 14 days of residents' admission and on an annual basis thereafter. (See appendix II for more information on the types of deficiencies identified.)

⁴¹For example, when asked specifically how VA would determine whether the contractor made accurate decisions about homes' compliance with standards related to pressure ulcers without conducting these observational assessments, VA officials said they might check to see what the quality measure data on pressure ulcers indicates for a CLC, and, if the data indicated pressure ulcers were problematic, they would expect to see a related deficiency on the inspection report. While this is a useful check, it would not verify whether the contractor accurately determined whether a CLC's efforts to prevent and treat pressures ulcers are commensurate with quality standards.

⁴²VHA Directive 1145.01. The contract year for the SVH inspection contractor was August 1, 2017, to July 31, 2018.

Table 3: State Veterans Homes (SVH) Inspections and Deficiencies, August 2017 to July 2018

SVHs inspected	SVHs with deficiencies	Number of Inspections	Deficiencies identified	Average number of deficiencies per inspection
148 (100 percent)	76 (51 percent)	154 ^a	192 ^b	1.2

Source: GAO analysis of VA information. | GAO-19-428

Note: The contract year for the SVH inspection contractor was August 1, 2017, to July 31, 2018.

^aThe contractor conducted six repeat inspections during the contract period. This total includes initial and annual inspections.

^bThe total number of deficiencies may include deficiencies from one SVH that VA does not consider a skilled nursing facility.

To address deficiencies, VA required SVHs to produce corrective action plans and tracked the SVH's progress until they were resolved. In addition, VA officials said they took steps to address deficiencies common among SVHs. For example, to reduce SVH deficiencies related to physical environment standards for fire safety and improve SVH performance in this area, VA central office staff told us they held SVH town halls with a fire safety engineer and created reference guides for SVH administrators about regulatory changes in fire safety codes.

However, while VA has monitored that its contractor conducted the required SVH inspections and tracked the results of these inspections, VA has not monitored the SVH contractor's performance of these inspections through regular observational assessments to ensure that contractor staff effectively determine whether SVHs are meeting required standards. Specifically, VA officials told us they intended to observe the SVH contractor's inspections on a quarterly basis, which would be consistent with VA's approach to CLCs and its goal of modeling its oversight on CMS's. VA officials told us that although they have a goal of performing this monitoring on a quarterly basis; they could not recall when VA last observed the SVH contractor's inspections.⁴³ When asked, VA officials did not provide specific reasons why they had not performed the observational assessments; in prior discussions, these officials noted that VA's oversight of SVHs is less involved than its oversight of CLCs because VA does not exercise any supervision or control over the administration, personnel, maintenance, or operation of any state home.

⁴³We were unable to obtain the dates for or the results from VA's last observation because, according to VA officials, they do not maintain records of their observations.

However, VA pays for veterans to receive care in SVHs, and states that oversee these homes may or may not conduct their own oversight. Furthermore, as CMS conducts oversight of only those SVHs that receive Medicare or Medicaid payments (about two-thirds of all SVHs), for some SVHs, VA is the only federal agency with oversight over the quality of those homes care. For example, VA is the only entity that conducts regular inspections of SVHs in Missouri and New Hampshire.

VA is missing another opportunity to enhance its oversight of SVHs by not requiring the SVH contractor to identify all failures to meet quality standards as deficiencies during its inspections. While CMS requires its inspectors to cite all deficiencies, VA directed its contractor to cite low-level deficiencies—deficiencies considered by the contractor to pose no actual harm but with potential for minimal harm—as “recommendations” rather than deficiencies. For example, during one SVH inspection, the contractor recommended that “to ensure nutritional adequacy, the facility should follow the menus, which are planned in advance.” VA officials told us that unlike deficiencies, they do not track or monitor the nature of the recommendations or whether the recommendations have been implemented.⁴⁴ In contrast, state survey agencies under contract with CMS are required to cite all failures to meet quality standards as deficiencies. In addition to not citing recommendations as deficiencies, according to the VA contractor’s 2016-2017 annual summary report, SVHs can fix issues identified by the SVH contractor while the inspectors are still onsite to avoid being cited on the inspection. As a result, these issues are also not documented as deficiencies. Officials at four of the six SVHs we interviewed specifically reported being able to make on-site corrections to avoid being cited for deficiencies—for instance, officials at one SVH told us that the SVH was able to relocate handwashing stations before the end of the inspection in order to avoid being cited for a deficiency by the VA inspectors.

According to VA, VA does not require its SVH contractor to identify all failures to meet quality standards as deficiencies in its inspections, VA officials said this practice reflects policy and a negotiated position with SVHs. VA officials reiterated that because SVHs are owned and operated by the states, VA is less involved with their oversight than CLCs. Our review of the VA contractor’s annual summary report showed that almost

⁴⁴VA officials told us that while they track the number of recommendations, they do not track the nature of the recommendations.

50 percent of SVHs inspected between August 2017 and July 2018 (the contract year completed in 2018), zero deficiencies were identified through inspections. VA officials cited VA's 'collegial approach' and willingness to make onsite corrections as factors contributing to the decline in recent years. Furthermore, while VA and CMS subject SVHs to slightly different standards, our review of VA and CMS inspection reports from a sample of five SVH inspection reports shows that VA identified a total of seven deficiencies and made four recommendations from these homes. In contrast, CMS identified a total of 33 deficiencies for these homes for approximately the same time period.

By not performing observational assessments of SVH inspections, VA does not know whether, or to what extent, VA's contractor needs to improve its ability to identify SVHs' compliance with quality standards, which increases the possibility that quality concerns in some SVHs could go overlooked, potentially placing veterans at risk.⁴⁵ Further, by not requiring the contractor to cite all failures to meet quality standards as deficiencies on its inspections, VA does not have complete information on deficiencies identified at SVHs and therefore cannot track this information to help identify trends in quality across these homes. Further, it is inconsistent with federal internal control standards that state that management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

⁴⁵Ensuring that inspections accurately assess SVH compliance with quality standards has real health and safety implications for residents. For example, during one inspection, the contractor found that a resident lost 40 pounds over a 7 month period without the home administering interventions to maintain the resident's weight. The contractor cited the home for a deficiency and required it to develop a corrective action plan to improve its quality of care.

Selected VAMCs Completed Required Annual Reviews, but Conducted Optional CNH Onsite Reviews without the Benefit of Guidance

We found that in 2017 the six selected VAMCs annually reviewed CMS data on the quality of all the CNHs with which they contract, which is a VA requirement.⁴⁶ Specifically, the VAMCs reviewed the CMS data to determine whether the CNHs met VA criteria for contract renewal.⁴⁷ (See table 4.) The top three criteria from the annual reviews that VAMCs failed to meet were 1) whether total registered nursing staff ratios per resident day fell below the state average, 2) whether total nursing staff ratios per resident day fell below the state average; and 3) whether six or more of selected CMS quality measures fell above the state average.

Table 4: Overview of Community Nursing Home (CNH) Annual Reviews for Selected Veterans Affairs Medical Centers (VAMC), 2017

Total number of CNHs under contract with select VAMCs	Number of VAMC annual review of CNHs	Number of CNHs that failed annual review	Number of CNHs inspected by VAMC
74	82 ^a (100 percent)	6	29 ^b

Source: GAO analysis of VA information. | GAO-19-428

^aSome CNHs at one of the VAMCs received more than one annual review.

^bWe confirmed that four of the six selected VAMCs inspected at least one CNH in 2017. Officials at one VAMC said they did not inspect any CNHs in 2017 and that the VAMC inspects all CNHs under contract every 3 to 5 years. We were unable to confirm whether the remaining VAMC inspected its CNHs in 2017.

In addition, we found that all six of our selected VAMCs conducted their own onsite CNH reviews—which, according to VA policy, VAMC officials have the option of performing if they have quality concerns about CNHs with which they contract or are determining whether to seek a waiver. The CNH onsite reviews conducted by these VAMCs focused on many of the categories for quality standards, such as food and nutrition services, quality of care, quality of life, and physical environment. While conducting onsite reviews of CNHs is optional under VA policy, officials at many of the VAMCs we interviewed told us that these onsite reviews—which the VAMCs we interviewed referred to as CNH inspections—are valuable in conducting CNH oversight as they provide important information about a

⁴⁶VHA Handbook 1143.2.

⁴⁷To determine if a CNH meets VA criteria, VAMC staff use CMS quality ratings from inspections, staff ratios, and quality measures to evaluate CNHs on seven factors. These factors include whether the CNH's total number of deficiencies from the current state survey is twice the state average, and whether total nursing staff hours per resident day are below the state average. If four or more factors are present, the VAMC must seek a waiver to initiate or continue the contract with the CNH.

home's quality that VAMC staff would not have known otherwise. For example, officials from one VAMC shared with us results from an onsite review in which they found moldy and expired food in a CNH's kitchen—food storage had been identified as an issue during a previous state survey for CMS and was purported to have been corrected 5 months prior. Furthermore, some VAMC staff said that they would suspend placement of veterans in certain CNHs and may not renew a CNH contract based on their findings from these onsite reviews.

However, VA could strengthen its support for the optional onsite reviews by providing guidance to VAMC staff conducting these reviews. Officials at some VAMCs expressed concerns that VA did not provide the guidance they needed to conduct the optional onsite reviews, and that they would like to have more information from VA's central office. As one VAMC official said, "without training or guidance from VA [central office], it is difficult for VAMC staff, especially new staff, to know how to conduct these inspections." VAMC officials at the six selected VAMCs told us that in the absence of guidance from VA, they had each independently developed their own tools and processes. Furthermore, officials at these VAMCs had differing understandings of the steps they can take if they identify quality concerns during onsite reviews. For example, staff at some VAMCs required CNHs to write corrective action plans and monitored the CNHs' implementation until the deficiencies were addressed; in contrast, staff at other VAMCs did not monitor implementation, because they did not think they had the authority to hold CNHs accountable to correct deficiencies they identified.

VA central office officials who oversee the CNH program told us that they do not provide training or guidance because CMS and the states, not VA, are responsible for regulating the quality of care in these nursing homes. However, in the absence of guidance from VA central office on the optional CNH onsite reviews—guidance that could be developed, for example, by collecting and disseminating best practices—VA has missed an opportunity to leverage efficiencies across VA's network of VAMCs and empower VAMC officials with knowledge about the steps they can take to hold CNHs accountable for correcting problems. Furthermore, it is inconsistent with federal internal control standards that state that management should design control activities to achieve its objectives—in

this case, to ensure that VAMCs contract with CNHs that provide high quality care.⁴⁸

VA Publicly Provides Information on Care Quality for Only Two of Its Three Nursing Home Settings

As part of its efforts to help veterans find placement into a nursing home, VA publicly provides information on care quality for CLCs and CNHs through its *Access to Care* website, but VA does not provide information on the quality of SVHs. Specifically, the website allows users to enter a location—such as a city and a surrounding distance—to produce a map with a list of CLCs and VA-contracted CNHs in their preferred area (see fig. 3). For each of the homes on the list, VA reports quality information it collects through its own inspections for CLCs and information CMS collects for CNHs.⁴⁹ As previously noted, veterans and their families are responsible for making decisions about the nursing home care that will best meet their needs. Their decision-making can be aided by discussions with VAMC staff and information provided on VA’s *Access to Care* website, among other sources.⁵⁰ The ability for veterans and their families to access information on nursing home quality through the *Access to Care* website—such as the currently available quality information on CLCs and CNHs—is particularly critical as VAMC officials do not always discuss quality information in their consultations with veterans and their families.

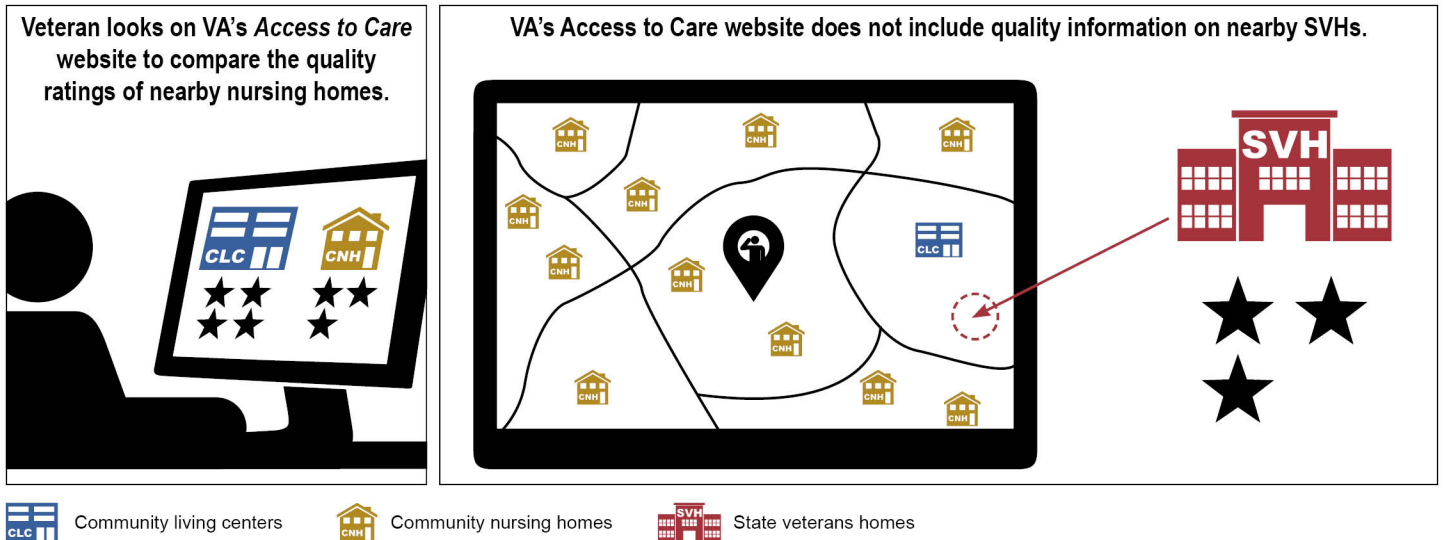
⁴⁸GAO-14-704G.

⁴⁹In June 2018, VA began providing information on CLC quality to the public. According to VA officials, in May 2016, VA began integrating the information it already collects—such as inspection results and data on quality measures—which forms the basis for information on the VA website. VA is working on making additional changes to the website, such as increasing the number of quality measures it reports for CLCs.

VA uses the information it collects on CNHs from CMS’s *Nursing Home Compare* to populate its website, so veterans can view comparable information, including an overall star rating and quality measures for these homes.

⁵⁰The *Access to Care* website can be used independently by all veterans—regardless of their eligibility for VA-funded care—to evaluate their nursing home care options. See Department of Veterans Affairs, Nursing Home Care for Veterans website, accessed March 1, 2019, <https://www.accesstoshep.va.gov/CNH>.

Figure 3: Department of Veterans Affairs' (VA) Access to Care Website Shows Community Living Centers (CLC) and Community Nursing Homes (CNH), but Not State Veterans Homes (SVH)



Source: GAO analysis of VA information. | GAO-19-428

As figure 3 shows, VA's *Access to Care* website does not provide any information to the public about the quality of the 148 SVHs that provide nursing home care. Specifically, VA does not currently provide any information on SVHs on its *Access to Care* website—including information on the location of SVHs or CMS information on care quality that VA could easily provide on SVHs using information obtained from CMS's website, *Nursing Home Compare*, as VA does now for CNHs.⁵¹

VA has explored activities that could provide veterans and their families with information about SVHs. For example, as stated in VA's SVH strategic plan for fiscal years 2017 to 2022, VA considered an initiative to create a five-star program for SVHs. Additionally, VA has collaborated with SVHs to produce some data on quality measures. For example, during the course of this review, VA provided to us a quality measures

⁵¹Veterans can obtain quality information for about two-thirds of the SVHs on *Nursing Home Compare* because those SVHs participate in Medicare or Medicaid. Through *Nursing Home Compare*, veterans can view information, including an overall star rating and copies of the three most recent health inspections. For the remaining SVHs, no information is available on *Nursing Home Compare*. See Centers for Medicare & Medicaid Services, *Nursing Home Compare* website, accessed March 12, 2019, <https://www.medicare.gov/nursinghomecompare/search.html>.

report for SVHs by state that they developed in partnership with the National Association of State Veterans Homes. VA is able to develop this information because it has access to information on SVH quality—in fact, as the only entity that conducts regular inspections, it is the only source for quality information on all SVHs. Specifically, VA collects VA prescribed inspection, quality measure, and staffing data as part of its survey process that could be used to develop and distribute quality information for each home.⁵² Some of this information is available to the public at the local level, but it is not currently provided by VA. For example, SVHs are required to make the results of the most recent VA inspection of the home available for examination in a place accessible to residents.⁵³

According to VA officials, there is no requirement to provide information on SVH quality on the *Access to Care* website, as SVHs are owned and operated by the states.⁵⁴ However, the website is an important tool for veterans and their families to help inform their decision making on nursing home placement. VA has stated goals to provide useful and understandable information to veterans. The VA website could be the only readily accessible source of quality care information publicly available to veterans and their families for certain SVHs. As the SVH strategic plan indicates, VA sees the value in developing SVH ratings that could be used to provide quality information to veterans and their families. Furthermore, officials from three of the SVHs we spoke with told us that they supported having quality information available about their homes that would allow comparisons between SVHs or between SVHs and other homes, such as information contained in *Nursing Home Compare*.

Without information about SVHs on VA's *Access to Care* website, veterans and their families are limited in their ability to effectively evaluate all of their options when selecting a nursing home. Our prior work has shown that effective transparency tools—such as websites that allow consumers to compare the quality of different providers—provide highly

⁵²For example, SVHs are required to make a comprehensive assessment of a resident's needs, which could be used to generate quality measures. See 38 C.F.R. § 51.110(b) (2018). However, VA officials told us that, they cannot provide comparable information for some measures that rely on claims or payroll data because they do not have this information for SVHs.

⁵³38 C.F.R. § 51.70(g)(1) (2018). At four SVHs we visited, we observed that inspection results were located at the front desk of the home.

⁵⁴VA did not identify any limitation in its authority to publish quality information for SVHs on its website, nor were we able to identify any such limitations.

relevant information to consumers.⁵⁵ However, the limited information VA provides on its *Access to Care* website is inconsistent with VA's articulated commitment to veteran-centric care, a component of which is ensuring that veterans are well informed about their options for care.⁵⁶ The website's limited information is also inconsistent with federal internal control standards, which state that management should externally communicate the necessary quality information to achieve an entity's objective—in this case, providing important information to veterans on the quality of nursing homes.⁵⁷ Action to inform veterans about the quality of SVHs would better enable veterans and their families to compare the quality of their nursing home care options across all three settings.

Conclusions

In the coming years, VA projects an increase in the number of veterans receiving nursing home care. This makes it particularly important that VA ensure veterans receive quality care, regardless of the setting—CLC, SVH, or CNH—in which this care is provided. Inspections are a key oversight tool used to ensure veterans receive quality care. VA relies primarily on annual inspections to oversee the quality of nursing home care at CLCs and SVHs, and our review shows that VA's two contractors conducted these required inspections during the period we reviewed. However, our review also shows that VA has opportunities to enhance this oversight. First, VA has not regularly monitored the contractors' performance conducting these inspections by conducting observational assessments as intended and therefore does not know whether the contractors need to improve their ability to determine the homes' compliance with quality standards. Second, VA does not require inspectors of SVHs to identify all failures to meet quality standards as deficiencies, which limits VA's ability to track all deficiencies identified at SVHs and identify trends in quality across homes. Third, VA has not provided guidance for VAMC staff for instances in which they may conduct onsite reviews of CNHs directly. As a result, VA has missed an opportunity to leverage efficiencies across VA's network of VAMCs and

⁵⁵To examine characteristics of effective transparency tools, GAO reviewed the literature on best practices for conveying cost and quality information to consumers and interviewed subject matter experts. GAO, *Health Care Transparency: Actions Needed to Improve Cost and Quality Information for Consumers*, [GAO-15-11](#) (Washington, D.C.: Oct. 20, 2014).

⁵⁶VHA Directive 1140.11, *Uniform Geriatrics and Extended Care Services in VA Medical Centers and Clinics* (October 11, 2016).

⁵⁷[GAO-14-704G](#).

empower VAMC officials with knowledge about the steps they can take to hold CNHs accountable for correcting problems. By making enhancements to its oversight of inspections across all three settings, VA would have greater assurance that the inspections are effective in ensuring the quality of care within each setting.

VA also seeks to ensure that each veteran chooses a nursing home placement that best meets his or her preferences and needs. To enable veterans to evaluate their care options, VA uses its *Access to Care* website. However, this website provides no information about SVHs, which is where most veterans are currently receiving VA-funded nursing home care. Since VA is the only entity that inspects and collects quality information on all SVHs, VA possesses quality information that is not available elsewhere. However, because VA's website lacks information on the quality of SVHs, veterans and their families are limited in their ability to compare the quality of the available nursing home care options.

Recommendations for Executive Action

We are making the following four recommendations to the Veterans Health Administration:

The Under Secretary of Health should develop a strategy to regularly monitor the contractors' performance in conducting CLC and SVH inspections, ensure performance results are documented and any needed corrective actions are taken. (Recommendation 1)

The Under Secretary of Health should require that all failures to meet quality standards are cited as deficiencies on SVH inspections. (Recommendation 2)

The Under Secretary of Health should develop guidance for VAMC staff conducting optional onsite CNH reviews. (Recommendation 3)

The Under Secretary of Health should provide information on the quality of all SVHs that is comparable to the information provided on the other nursing home settings on its *Access to Care* website. (Recommendation 4)

Agency Comments

VA provided written comments on a draft of this report, which are reprinted in appendix III. In its written comments, VA generally concurred with all four recommendations. With respect to our recommendation on regularly monitoring contractor performance in conducting CLC and SVH

inspections, VA concurred and stated they would develop a procedure for observational inspections. VA also concurred with our recommendation requiring all failures to meet quality standards to be cited as deficiencies on SVH inspections and that “any regulation assessed to be noncompliant at the time of the survey will be rated as either provisional or not met, which requires a corrective action plan from the SVH.”

VA concurred in principle with our other two recommendations and described actions it plans to take to address them. Specifically, regarding our recommendation to develop guidance for VAMC staff conducting optional CNH onsite reviews, VA stated that it will issue a memo to clarify and provide guidance related to CNHs. VA also noted that, although we found the VAMC staff we interviewed discussed and considered these onsite reviews “inspections,” VA does not. Based on these technical comments, we adjusted our terminology. Further, we reiterate the value that VAMC officials placed on these reviews for assessing the quality of care veterans receive in the report. Accordingly, we believe that VA has the opportunity when developing the memo to clarify and provide guidance related to these optional CNH onsite reviews.

With respect to our recommendation that VA provide information on the quality of all SVHs that is comparable to the information provided on the other nursing home settings, VA stated it plans to evaluate the feasibility of providing SVH data. VA noted challenges with developing their own five star ratings for SVHs since VA does not have all the required data for SVHs that is needed. We acknowledge that developing comparable information will take time and have adjusted some language in our report to reflect that VA had considered developing an SVH five-star program. VA also stated that we inaccurately portrayed VA’s oversight authority, because each state oversees its own SVH and VA does not have the authority to regulate the business or clinical practices of the SVH. Both our draft and final reports stated that “VA does not exercise supervision or control over the administration, personnel, maintenance, or operation of any state home.” However, as stated in the report, federal law prohibits payments to SVHs that do not meet standards the VA prescribes and authorizes VA to inspect any SVH at such times as VA deems necessary to ensure that such facility meets those standards. Further, we reiterate that as VA is the only entity to conduct inspections for all SVHs—it uniquely possesses information that is not available elsewhere. Accordingly, we believe that VA has the opportunity to help veterans and their families by providing quality information for SVHs as it does for the other nursing home settings.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of the Department of Veterans Affairs, and other interested parties. In addition, the report will be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-7114 or silass@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Sharon M. Silas
Acting Director, Health Care

Appendix I: Types of Deficiencies Identified from Community Living Center (CLC) Inspections, 2017 to 2018

Table 5: Deficiencies Identified from Community Living Center (CLC) Inspections, April 2017 to April 2018

Deficiency	Number of deficiencies (percent)
Administration	1 (0)
Admission, Transfer, and Discharge Rights	0 (0)
Dental Services	1 (0)
Dietary Services	19 (3)
Infection Control	87 (15)
Nursing Services	1 (0)
Pharmacy Services	14 (2)
Physical Environment	3 (1)
Physician Services	1 (0)
Quality of Care	279 (48)
Quality of Life	67 (12)
Resident Assessment	51 (9)
Resident Behavior and Facility Practices	19 (3)
Resident Rights	32 (6)
Specialized Rehabilitative Services	1 (0)
Total	576

Source: GAO analysis of VA documentation. | GAO-19-428

Note: The contract year for the CLC inspection contractor was from April 11, 2017, to April 10, 2018.

Appendix II: Types of Deficiencies Identified from State Veterans Home (SVH) Inspections, 2017 to 2018

Table 6: Deficiencies Identified from State Veterans Homes (SVH) Inspections, August 2017 to July 2018

Deficiency	Number of deficiencies (percent)
Dietary Services	6 (3)
Infection Control	4 (2)
Nursing Services	0 (0)
Pharmacy Services	2 (1)
Physical Environment	93 (48)
Physician Services	1 (1)
Quality of Care	36 (19)
Quality of Life	4 (2)
Resident Assessment	33 (17)
Resident Behavior and Facility Practices	10 (5)
Resident Rights	3 (2)
Specialized Rehabilitation Services	0 (0)
Total	192

Source: GAO analysis of VA documentation. | GAO-19-428

Notes: The contract year for the SVH inspection contractor was from August 1, 2017, to July 31, 2018.

The total number of deficiencies may include deficiencies from one SVH that VA does not consider a skilled nursing facility.

Appendix III: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

June 14, 2019

Ms. Sharon Silas
Acting Director
Health Care
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Silas:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office (GAO) draft report: ***VA NURSING HOME CARE: VA Has Opportunities to Enhance Its Oversight and Provide More Comprehensive Information on Its Website*** (GAO-19-428).

The enclosure contains the actions VA plans to take to address the draft report recommendations.

VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. Wilkie".

Robert L. Wilkie

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
***VA NURSING HOME CARE: VA Has Opportunities to Enhance Its Oversight and
Provide More Comprehensive Information on Its Website***
(GAO-19-428)

Recommendation 1: The Under Secretary for Health should develop a strategy to regularly monitor the contractors' performance in conducting CLC and SVH inspections, ensure performance results are documented and any needed corrective actions are taken.

VA Comment: Concur. The Veterans Health Administration's (VHA) Geriatrics and Extended Care (GEC) Program Office will develop a Standard Operating Procedure (SOP) outlining a process for observational inspections of contractor performance for surveys in State Veterans Homes (SVH) and Community Living Centers (CLC). The SOP will include the frequency of observations; the minimum criteria to be observed, assessed, and documented, on the satisfactory execution of the contractor's performance required by the performance work statement; and the standard external review practices during the survey. The documentation will include comments and recommendations for action. All needed corrections will be tracked by GEC until closure. Target Completion Date: August 2019.

Recommendation 2: The Under Secretary for Health should require that all failures to meet quality standards are cited as deficiencies on SVH inspections.

VA Comment: Concur. GEC will revise VHA Directive 1145.01 and the vendor contract to cite all failures to meet quality or life safety standards as deficiencies. Education will be provided to all the participating VA SVHs, Veterans Integrated Service Network Liaisons, VA SVH Medical Facility Representatives, VA SVH Fiscal Representatives, and contractors. Any regulation assessed to be noncompliant at the time of the survey will be rated as either provisional or not met, which requires a corrective action plan from the SVH. Target Completion Date: September 2019.

Recommendation 3: The Under Secretary for Health should develop guidance for VAMC staff conducting optional CNH onsite reviews.

VA Comment: Concur in principle. VHA wants to clarify it does not inspect Community Nursing Home (CNH) facilities and does not have the authority or oversight to do so. The authority and oversight rests with the state office that conducts Centers for Medicare and Medicaid Services (CMS)-based inspections; provides the required licensures; and is the only entity that can directly affect a CNH operation due to any deficiencies cited.

VHA Handbook 1143.2 references CNH site visits which are care assessment reviews for individual Veterans residing at the facility but not for the larger facility or non-Veterans.

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
***VA NURSING HOME CARE: VA Has Opportunities to Enhance Its Oversight and
Provide More Comprehensive Information on Its Website***
(GAO-19-428)

A memo of clarification from the Assistant Deputy Under Secretary for Clinical Operations will be issued to clarify and provide guidance related to CNH site visits as referenced in VHA Handbook 1143.2. Target Completion Date: August 2019.

Recommendation 4: The Under Secretary for Health should provide information on the quality of all SVHs that is comparable to the information provided on the other nursing home settings on its Access to Care website.

VA Comment: Concur in principle. VHA is concerned that the draft report inaccurately portrays our SVH strategic plan on page 23. VHA is not able to develop its own five-star ratings for SVHs that is comparable to CMS since VHA does not have all the required data for SVHs that is needed to create a CMS comparable five-star rating system. VHA does not have the authority to require SVHs to provide data. It would be inappropriate to post incomplete SVH data under the guise of comparability since to do so could mislead Veterans' and the public.

Additionally, the draft report inaccurately portrays VHA's oversight authority. VHA does not oversee SVHs – each state oversees its own Veterans home. While VHA ensures annual review of SVHs to review care of Veterans under VHA support, it does not have the authority to regulate in any way the business or clinical practices of the SVH.

VHA agrees that Veterans need to have access to the comparable information on Contract Nursing Homes and SVHs. This information is already publicly reported and located on the CMS Nursing Home Compare site at www.medicare.gov/nursinghomecompare/search.html. VHA pulls information on Contract Nursing Homes from CMS's site to post on VA's Access to Care Web site. VA uses the same rating system for our CLCs, so Veterans can compare VHA owned CLCs against Contract Nursing Homes.

SVHs are not required to have any state CMS inspections or certifications if they do not accept payment from Medicare or Medicaid and VHA does not have the authority to require it. Sixty percent of the SVHs are certified by CMS and their CMS-comparable survey results are already publicly available on the CMS Nursing Home Compare site at www.medicare.gov/nursinghomecompare/search.html. The 40 percent of SVHs that do not undergo a state CMS inspection undergo a survey process, but it is not directly comparable to CMS based ratings. VHA does not have access to the SVHs staffing data nor the authority to request it. These issues prevent VHA from creating a standardized tool for SVHs that would be comparable to the CMS five-star model. A feasibility study is needed to review how and if the information can be communicated in a way that does not inadvertently confuse or mislead Veterans and the public.

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
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VHA does support, in principle, the ability to improve the processes by which data is supplied to VHA with the following considerations:

- VHA requires a feasibility study to determine the demands for, or if there is an ability for, data migration from SVH surveys to VHA sources while ensuring integrity of data and to also create a display tool to provide the data in a context that is not confusing or misleading to Veterans or the public.
- VHA supports the ability to provide the data from SVH surveys in an attempt to maximize the transformational goals of ensuring VHA lanes of effort are addressed.
- VA does not have access to the SVH staff rating information about the number of hours of care provided on average to each resident each day by nursing staff.
- VHA recommends evaluating feasibility over a 3-year period to ensure any possible solutions are comprehensively evaluated and explored, followed by feedback to the GAO on efforts and next steps.

Target Completion Date: July 2022.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Sharon Silas, (202) 512-7114 or silass@gao.gov

Staff Acknowledgments

In addition to the contact named above, Karin Wallestad (Assistant Director), Jim Melton (Analyst-in-Charge), Kye Briesath, Krister Friday, and Mandy Pusey made key contributions to this report. Also contributing were Vikki Porter and Jennifer Whitworth.

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