STATE OF MINNESOTA DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF THE COMMISSIONER, LARRY SHELLITO

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To: Chairs and ranking minority members of the standing committees in the House of Representatives and the Senate having jurisdictions over Veterans affairs

From: Larry Shellito, Commissioner
Minnesota Department of Veterans Affairs (MDVA)

Date: February 15, 2017

RE: Feasibility Study on Partnerships to Provide Interim Housing for Disabled Veterans

Per 2016 Minnesota Session Law Ch. 189, Art. 13 Sec. 63; the Commissioner of Veterans Affairs shall study the feasibility of partnering with an established nonprofit organization to provide interim housing for disabled veterans in conjunction with fully integrated and customizable support services. The Commissioner of Veterans affairs shall submit a report including its findings and recommendations regarding the feasibility of such a partnership to the chairs and ranking minority members of the standing committees in the House of Representatives and the Senate having jurisdiction over Veterans Affairs by February 15, 2017.

The attached report includes an analysis of the issues associated with the housing needs of disabled Veterans, with an emphasis on addressing the waiting lists for entry into the Minnesota State Veterans Homes system, as well as recommended actions which could have a positive effect on reducing the wait lists and wait times.

If you have any questions concerning this report, please contact me.

Thank you.

Feasibility Study on Partnerships to Provide Interim Housing for Veterans

Prepared by The Improve Group for the MN Department of Veteran Affairs (MDVA)

February 2017

The Improve Group

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Executive Summary

MN Veterans Homes are skilled nursing and domiciliary facilities run by the MN Department of Veterans Affairs (MDVA). Veterans Homes play an important role in providing Veteran-centric care to aging Veterans in MN. They are often the preferred option for Veterans and their families at a time when skilled nursing care becomes necessary. Currently all four MN Veterans Homes that provide skilled nursing care have waitlists. As of December 2016, wait times ranged from 6-15 months (depending on location) for Veterans and one to three years for Veterans' spouses. These wait times may result in Veterans care needs not being met quickly and creating additional stress for caregivers.

The vast majority of Veterans on the waitlists are seniors, who often experience the greatest need for both affordable housing and quality health care. Statewide trends indicate that it will remain difficult for senior Veterans to find high-quality affordable senior housing with support services, especially for those with behavioral health or memory care needs. These difficulties may increase as competition for affordable housing and funding programs such as Medical Assistance surges with the increasing number of low-income senior baby boomers.

In 2016, MDVA contracted with The Improve Group to fulfill a legislative directive aimed at studying the feasibility of partnering with nonprofit organizations to provide interim housing for disabled Veterans. After conversations with MDVA staff, the resulting research question emerged: **Are partnerships between MDVA and established nonprofit organizations aimed at developing interim housing with supportive services a feasible strategy to alleviate MN Veterans Homes waiting lists?**

In order to answer this question, The Improve Group conducted semi-structured interviews with more than 40 stakeholders, including MDVA and U.S. Department of Veterans Affairs (VA) staff, County Veteran Service Officers, nonprofit housing developers and several MN State agencies.

This research focuses on four primary issues: 1) understanding the waitlists 2) understanding the composition of Veterans on the waitlists 3) understanding the types of interim housing that could be developed, and 4) understanding the ability of interim housing developed by a MDVA-nonprofit partnership to alleviate the waitlists. This research also explores other possible strategies to alleviate the Veterans Homes waitlists.

The MN Veterans Homes waitlists

The MN Veterans Home waitlist process is complex. Because of a wide array of motivations for getting on the waitlists, and a lack of care coordination for waitlisted Veterans, not all Veterans on the waitlist are ready and eligible to accept admission when their name comes to the top of the list.

Wait times are significant and can have a range of negative consequences on Veterans and their families., including; Veterans needs not being met as quickly as they could be, Veterans remaining at home longer than is safe, unnecessary transfer trauma for dementia patients, loss of an opportunity for Veteran-centric care, waitlists made longer because Veterans anticipate long wait times, spouses who are separated, and financial issues. Given the negative consequences caused by waitlists, they should be addressed.

Major Findings: Will partnerships for interim housing help to alleviate the waitlists?

An assisted living model: Assisted living emerged as the favored housing model amongst stakeholders because it could potentially provide relief to the waitlist and not replicate what is offered by MN Veterans Homes. Assisted living – in particular affordable assisted living – could be a valuable housing option for waitlisted Veterans before they obtain eligibility and admission into a Veterans Home.

Partnerships: Interviews with stakeholders indicate that partnerships are generally feasible and nonprofit developers have a strong interest in partnering with the MDVA. There is both development and service provision capacity in the state, especially in the metro area.

Financial feasibility: Assisted living for Veterans could fulfill a need, but this model has no readily available unique Veteran-specific funding if developed by a MDVA-nonprofit partnership. If the housing were to be owned and operated solely by the MDVA, it could potentially use the VA Per Diem Program–specifically the domiciliary per diem–to help cover the costs of operations. However, this per diem is quite low and would not cover the costs necessary to provide an assisted living level of care. If MDVA moved forward with developing assisted living in partnerships with nonprofits, it would need to compete for private sector funding and financing resources.

Ability to reduce wait times: It is uncertain that either affordable or market rate assisted living would have a significant impact on reducing the Veterans Homes waitlist lengths or wait times in the long-run. The housing would only serve a specific sub-set of Veterans on the waitlists, the housing could attract additional Veterans with lower care needs who are not currently on the Veterans Home waitlists, and turn-over may be slow once this housing is filled.

Summary: Interim assisted living may reduce waitlists initially, but over the long-run, may not significantly alleviate the wait times. Despite this uncertainty, the affordable model of assisted living would still meet important housing needs for MN Veterans, particularly Veterans who cannot afford market rate housing, have lower than skilled nursing care needs, and cannot stay at home.

Considerations

Developing partnerships to create interim assisted living units may not be the most efficient strategy for alleviating the wait times for the Veterans Homes, but it will certainly help in combination with other strategies. These partnerships will help address the significant affordable housing need for senior Veterans in MN and fill a specific gap in care.

The following stakeholder recommended actions could have a positive effect on shortening the wait list and wait times, provide education and resource identification to Veterans, and add needed affordable housing for Veterans:

- **Increase staff capacity for proactive care coordination –** Providing proactive care coordination to Veterans on the wait lists appears to be the most cost-effective strategy to reduce waitlists size and associated wait times. Adding care coordination may also result in better customer service. Care coordination will allow some Veterans to get their needs met elsewhere in a timely matter, and to be removed from the waitlist.
- **Partner with non-profits to offer assisted living settings -** This partnership could take many forms, from a highly involved partnership to an information-sharing partnership.
- **Promote better understanding of the waitlist process on the MDVA website**

- **Review options for amending Minnesota Administrative Rule Chapter 9050 –** This administrative rule currently prevents Veterans Homes from prioritizing the admission of Veterans with the highest care needs. Amending the rule to account for care needs when determining admission would reduce the wait times for Veterans with the highest needs.
- **Explore options for expanding bed capacity within the Veterans Homes –** The federal VA has allotted more skilled nursing and domiciliary beds for reimbursement (1058 beds) than MDVA currently operates (currently 815 beds). Adding new beds –or designating current domiciliary beds for assisted living and/or skilled nursing care —could help accommodate many waitlisted Veterans and reduce vacancies in some underused domiciliary Veterans Home units.
- **Explore possibility of voucher system for waitlisted Veterans-** A voucher system could help certain waitlisted Veterans to afford the care they need in community-based care settings while they wait for Veteran Home admission.

A full and robust approach to addressing waitlist times will include multiple strategies. Implementing process changes along with developing new partnerships will help to ensure that the needs of Veterans waiting to get into a MN Veterans Homes are met in timely and effective manner.

Background

In 2016, the Minnesota (MN) Legislature asked the Minnesota Department of Veteran Affairs (MDVA) to study the feasibility of partnering with nonprofit organizations to provide interim housing for disabled Veterans. The language of H.F. No. 2749 - Omnibus Supplemental Appropriations Bill, Chapter 189 (MN Laws 2016, Chapter 189) is as follows:

> Section §63. FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM HOUSING FOR DISABLED VETERANS. The commissioner of Veterans affairs shall study the feasibility of partnering with an established nonprofit organization to provide interim housing for disabled Veterans in conjunction with fully integrated and customizable support services. The commissioner of Veterans affairs shall submit a report including its findings and recommendations regarding the feasibility of such a partnership to the chairs and ranking minority members of the standing committees in the house of representatives and the senate having jurisdiction over Veterans affairs by February 15, 2017.

In the summer of 2016, MDVA contracted with The Improve Group, a research and evaluation firm located in Saint Paul, to complete the research and develop this legislative report.

Scope of the Study

Through multiple conversations, MDVA staff informed The Improve Group that the primary focus of this study was to address the waitlists for MN Veterans Homes and the associated wait times for Veterans.

This research focuses on four primary issues: 1) understanding the waitlists, 2) understanding the composition of Veterans on the waitlists, 3) understanding the types of interim housing that could be developed to alleviate wait times, and 4) understanding the ability of interim housing developed by a MDVA-nonprofit partnership to alleviate the waitlists. Finally, the research explored other possible strategies to alleviate the waitlists with stakeholders.

The Problem

MN Veterans Homes are skilled nursing and domiciliary facilities run by MDVA. MN Veterans Homes are located in Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay. All four MN Veterans Homes that provide skilled nursing care have waitlists. As of December 2016, waitlist times ranged from 6-15 months (depending on location) for Veterans and one to three years for Veterans' spouses.

Because of these wait times, Veterans care needs may not be met quickly. In addition, Veterans sometimes remain in their home (or in assisted living settings) longer than is safe, which can place additional burden, undue stress, and excess worry on family and friends serving as caregivers. Wait times may also cause unnecessary 'transfer trauma' if a Veteran must go through an additional move from home to a community facility while they wait for Veterans Home admission.[1]

[1] "Transfer trauma is a term used to describe the stress that a person with dementia may experience when changing living environments." Source: Crisis Prevention Institute. (2016, October 25). How to Reduce Transfer Trauma for a Person with Dementia. Retrieved January 17, 2017, from https://www.crisisprevention.com/Blog/November-2010/A-Real-Issue-for-Many-Individuals-With-Dementia

Research Question, Definitions, and Methodology

Research Question

Over the course of several conversations, MDVA staff and The Improve Group developed the following primary research question:

> Are partnerships between MDVA and established nonprofit organizations aimed at developing interim housing with supportive services a feasible strategy to alleviate MN Veterans Homes waiting lists?

Definitions

In order to properly scope the research, explicit definitions were outlined for key words and phrases in the legislative bill language. The following definitions are developed within the context of the primary research question:

- **Veteran:** honorably discharged Veterans who entered service from MN or are current residents, who served 181 consecutive days on active duty, unless discharged earlier because of disability incurred in the line of duty.[2]
- **Non-Veteran or Spouse:** the spouse of an eligible Veteran who is at least 55 years old and meets residency requirements.[3] While this study focuses primarily on the Veterans who are on the waitlists, it does not exclude the Veteran spouses. In this report, when the word 'Veteran' is used to describe people on the waitlist, it is referring to either a Veteran or a Veterans' spouse.
- **Disabled Veteran:** a disability may be service-connected, medical condition(s) or age-related, but applicants must demonstrate a medical or clinical need for admission into MN Veterans Homes.[4] According to MDVA stakeholders, this typically means needing skilled nursing care services, physical assistance with 3-4 Activities of Daily Living (ADLs), and/or on-going supervision for memory loss.[5]
- **Customizable support services:** for the context of this report, customizable support services range from skilled nursing (with memory care) to the care level right below skilled nursing - assisted living (with memory care).
- **Interim Housing:** for the context of this report, interim housing is housing that meets the needs of Veterans on the Veterans Home waitlists until they need skilled nursing care and they are admitted into a Veterans Home.
- **Community nursing home or assisted living setting:** for the context of this report, community nursing home or assisted living setting refers to private or nonprofit facilities.
- **Housing with Supportive services**: The legislative language guiding this research includes the phrase - "housing with supportive services." For the purposes of this research, this term is assumed to refer to the development of new housing units.

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[2] Same definition used by the MN Veterans Homes. Source: Minnesota Department of Veteran Affairs. (n.d.). Retrieved January 23, 2017, from https://mn.gov/mdva/homes/

[3] Ibid.

[4] Ibid.

[5] "Activities of daily living (ADL) are routine activities that people tend do every day without needing assistance. There are six basic ADLs: eating, bathing, dressing, toileting, transferring (walking) and continence." Source: Investopedia. (2015, May 11). Activities of Daily Living - ADL. Retrieved January 17, 2017, from http://www.investopedia.com/terms/a/adl.asp

Data Collection

The Improve Group conducted semi-structured interviews with more than 40 individuals. These included interviews and multiple follow-up conversations with:

- MN Veterans Home Administrators & staff;
- MDVA administrative staff;
- Veterans Affairs (VA) social workers;
- County Veteran Service Officers (CVSOs);
- Nonprofit housing developers;
- U.S. Department of Veterans Affairs (VA) staff;
- State agencies (MN Department of Human Services Continuing Care Division, MN Housing Finance Agency, and the Olmstead Implementation Office); and
- Advocacy organizations.

Secondary research includes analysis of the following:

- MDVA documents;
- VA documents;
- Internet research of trends in the senior housing market, definitions, etc.;
- Code of Federal Regulations;
- MN state statutes and administrative rules; and
- Improve Group research collected through previous work with MDVA.

Understanding the Context

MN Veterans Homes operate within a larger environment of senior care providers. As such, they are subject to demographic and market forces that affect every provider working with older Minnesotans. This section is intended to outline the types of care available to aging Veterans in the state and to highlight the broader care trends that are impacting all seniors.

Demographic profile of the Veterans Home waitlists and its implication

Demographic data (such as age and income) of Veterans on the MN Veterans Home waitlists are not tracked. However, MDVA Veterans Home staff were able to provide approximations of certain demographic information. Interviews with stakeholders suggest that the vast majority of Veterans on the waitlists are seniors (typically in their 70's and 80's), and that the average age is 80. The waitlists contain a mix of people with service connected, non-service connected, and age-related disabilities, all warranting a clinical and medical need for skilled nursing care.

Because the majority of the waitlists are comprised of older Veterans, interim housing that targets this age group will most effectively alleviate waitlist times.

Continuum of care for Seniors

Understanding the care options available to senior Veterans in MN is an appropriate place to start framing the types of housing and services that are most needed as people age.

Table 1 outlines the Continuum of Care for seniors. This continuum concept defines the array of care services that meet varying levels of care need for seniors. Table 1 is a useful guide in understanding the breadth and depth of services people often need as they age.

Table 1: Continuum of care for seniors[6]

Lowest care need → Highest care need

Independent living	Independent Living Plus or 'Supportive Housing'	Home care and services*	Domiciliary (room and board)	Assisted living	Assisted living with memory care	Skilled Nursing	Skilled Nursing with memory care	Hospice care

*Depending on the provider/program, home care services can range from independent living to assisted living level care[7]
Other kinds of care:
1) Adult Day (primarily for seniors in good physical health but with memory care needs.)
2) Respite Care provides short-term or temporary care of the sick or disabled for a few hours or weeks to provide relief, or respite, to the regular caregiver, usually a family member.

Senior Care options available to Veterans in MN

In this study, Veterans Homes are assumed to be the primary care choice for Veterans on the waitlists. However, these Veterans frequently have other care options. Table 2 is a summary of care options that are generally available to aging and disabled Veterans in MN.

Gaps in housing & care for senior Veterans in MN

Interviews revealed that there are some Veterans in MN whose needs are not met by current program offerings, including:

- Veterans without service-connected disabilities (or less than a 70% rating) who need an assisted living level of care *and* whose income is too low to access private sector care, but too high to receive Medical Assistance.[8] These Veterans have care needs that are too advanced to receive care through VA Home and Community Based Services, but not advanced enough to require skilled nursing care. They struggle to both find and pay for services.
- Veterans without service-connected disabilities who need skilled nursing, but their income is too low to access private sector care, and too high to receive Medical Assistance.
- Homeless Veterans who do not have a place to live, but may not meet skilled care requirements.

[6] Data sources: stakeholder interviews & internet research including: Juniper Communities. Types of Senior Care Along the Continuum. Retrieved January 17, 2017, from http://www.junipercommunities.com/contiuum.php
[7] Stakeholders shared that MDVA run domiciliary housing/care provides a lower level of care than assisted living because it does not provide support with Activities of Daily Living (ADL), whereas assisted living settings can provide ADL support.
[8] Medical Assistance is MN's Medicaid Program.

Table 2: Senior Care Options Available to MN Veterans[9]

Care need	Program	Services	Eligibility
Lowest care need ↕ Highest care need	Federal VA Home and Community Based Services*	VA paid home care, adult day health care and respite services, etc.	Available to most honorably discharged Veterans; potentially subject to co-pays
	Federal VA Aid and Attendance	VA monetary benefit to help pay for the aid and attendance of another person	Veterans and survivors who are eligible for a VA pension, essentially low-income Veterans
	MDVA domiciliary Veterans Homes	A variety of supportive services for Veterans suffering from chemical dependency, mental health illnesses, dual disorders, and/or the debilitating effects of aging	Honorably discharged Veterans who can demonstrated medical or clinical need
	MDVA skilled nursing Veterans Homes	Skilled Nursing	Honorably discharged Veterans who can demonstrate medical or clinical need
	Federal Veterans Affairs (VA) contracts with community nursing homes	Skilled Nursing	Typically only available for Veterans with a 70% service connected disability or who are hospice eligible
Varying care needs	State programs for all seniors: • Elderly Waiver (for services) • Group Residential Housing (for housing) • Medical Assistance (for community assisted living or skilled nursing homes)	Varies	Varies depending on program, generally for low-income adults
	Private pay care facilities	All levels of care/supportive services	Senior Veterans with economic means who can afford private pay

*VA Home and Community Based Services typically provides services which allow veterans to live mostly independently in their own home. Veterans may be able to get assisted living care at home, including assistance with ADLs, but it depends on the veteran's diagnoses, clinical situation, service-connected disability, how long the care is anticipated to be needed, and where they live (e.g. in the Twin Cities Metro area it's easier to get veterans connected with more home care agencies, making assisted living care at home more feasible). VA Home and Community Based Services can also include skilled nursing, but only short-term for rehabilitation with a maximum of approximately four months. Source: stakeholder interviews and VA Home and Community Based Services web-site.

Larger trends that affect all MN seniors, including Veterans on the waitlists

Stakeholder interviews highlighted salient trends that are not only affecting care and housing for senior Veterans in MN, but all seniors in the state. These trends are intended to highlight national and statewide shifts that affect all seniors in Minnesota, regardless of Veteran status. These developments are relevant

[9] Data sources: stakeholder interviews, VA website and MDVA website.

because they influence both the current availability of care for older adults and the development of new service models.

- **Shortage of affordable housing in MN**
  - In 2016, The Improve Group conducted a statewide survey of providers who serve Veterans in MN. When asked about what types of housing 'many Veterans' will need in three years, providers' top response was affordable rental apartments (46% of respondents).[10] Another Improve Group study found that the largest need for affordable housing for Veterans is in the following counties: Hennepin, Anoka, Ramsey, and Dakota.[11]
  - There is an affordable housing crisis in the Twin Cities, according to an analysis by Thomas O'Neil of Dougherty Mortgage in Minneapolis. The demand for affordable rental units far exceeds availability.[12] According to the MN State Demographers Office, median household income for Minnesotans declines with age.[13] The current lack of affordable housing will continue to be an issue as more Minnesotans age.
  - The discontinuation of HUD 202—a federally funded affordable housing option for seniors—has contributed to waiting lists of up to 10 years for seniors seeking affordable senior housing.[14]
- **Shortage of supportive housing in MN**
  - The Corporation for Supportive Housing estimates that MN needs an additional 17,029 units of supportive housing with 5,399 of those units targeted to seniors.[15]
- **Nursing home business model is moving from long-term to transitional care**
  - Statistics on national trends in skilled nursing homes indicate that short-stay and therapy days are increasing—and over-all length of stay is decreasing—in nursing homes.[16] Stakeholders affirmed that this national trend is reflected in MN.
  - According to interviewed stakeholders, business models are changing in community-based nursing homes from a traditional long-term nursing home model to a transitional care nursing home model.[17] Transitional care often includes providing short-term therapies for people recovering from acute medical problems or surgery. Since the

[10] The Improve Group (2016). Providers Survey Preliminary Findings.
[11] The Improve Group (2016). MN Housing and Finance Authority: Veteran's Housing Needs Assessment.
[12] Buchta, J. (n.d.). Construction of affordable apartments will rise in Twin Cities, though still far short of demand. Retrieved January 24, 2017, from http://www.startribune.com/construction-of-affordable-apartments-will-rise-in-twin-cities-though-still-far-short-of-demand/367255301/
[13] Brower, S. MN State demographer. (2016, June 16). MN Board on Aging. Retrieved January 24, 2017, from http://mn.gov/admin/assets/sbrower_mn-board-on-aging-june2016-post_tcm36-250657.pdf
[14] Stakeholder interviews.
[15] Corporation for Supportive Housing. Supportive Housing Need. Retrieved January 17, 2017, from http://www.csh.org/data
[16] Health Industry Distributors Association (2015). Extended Care- Market Overview: Skilled Nursing Facilities, Home Health, and Beyond. Retrieved February 6, 2017, from: http://webcache.googleusercontent.com/search?q=cache:sgmuecR8KykJ:www.hidaams.org/AMS/asicommon/controls/BSA/downloader.aspx%3Fidocumentstoragekey%3D3C734621-FE5B-4851-A7AE-AACEF762EE65%26ifiletypecode%3DPDF%26ifilename%3DAMS_Extended_Care_Market_Overview_Skilled_Nursing_+&cd=1&hl=en&ct=clnk&gl=us
[17] Transitional Care is when a patient/client leaves one care setting (i.e. hospital, nursing home, assisted living setting, skilled nursing facility, primary care physician, home health, or specialist) and moves to another. Source: National Association of Clinical Nurse Specialists. Retrieved January 23, 2017, from http://www.nacns.org/docs/TC-definitions.pdf

Medicare reimbursement structure provides much higher reimbursement for transitional care than long-term care, many community-based nursing homes have eliminated long-term care beds to build larger transitional care units. This shift in business model has increased waitlists for some seniors attempting to secure long-term, skilled nursing beds at high-quality facilities (e.g. 5-star Medicare rated facilities).[18]

- **A coming surge of seniors**
  - Minnesota Compass reports that "between 2010 and 2030, the number of adults age 65+ is expected to nearly double, while the number of younger residents will increase only modestly. Around 2020, Minnesota's 65+ population is expected to surpass the 5-17 school-age population for the first time. This major demographic shift will have widespread impact on our economy, workforce, housing, health care system, social services, and civic institutions."[19]
  - This demographic shift puts even more pressure on affordable housing, supportive housing and programs that help seniors afford care facilities (such as Medical Assistance). It is estimated that the annual spending for Medical Assistance will rise from $1.1 billion in fiscal year (FY) 2015 to an estimated $3.8 billion by 2040 due to this demographic shift.[20]
- **Staff shortages for nursing homes**
  - As of 2016, there are nearly 2,900 Nursing Home job vacancies statewide.[21]
  - Vacancy rates for direct care positions (Registered Nurse-RN, Licensed Practical Nurse-LPN, Nursing Assistant Registered-NAR) are at historically high levels in MN.[22]
  - Beginning in 2012, employee retention declined annually in MN nursing facilities.[23]
  - The MN nursing home RN turnover rate jumped in 2015. In the Twin Cities, the turnover rate in 2013 was 30.8%, and climbed to 84.3% in 2015.[24]
- **High-end assisted living is replacing skilled nursing**
  - There is a moratorium on new skilled nursing beds in MN, meaning new skilled nursing beds cannot be added unless an exception is granted by the MN Department of Health in consultation with the MN Department of Human Services (DHS). This means that new developments must provide services at a care level below skilled nursing. It's important to note that MDVA Veterans Home skilled nursing beds are exempt from the moratorium process, according to MN Statute 144A.071, subd. 3 (Hardship)(5)(e)(1).[25] If the legislature were to pass a law authorizing a MDVA Veterans Home facility, DHS could license it and certified it outside the moratorium process.
  - According to a senior housing advocacy organization, most new construction of assisted living settings in MN are upscale and can charge fees that are beyond the means of moderate and low-income seniors. Availability of high-quality, affordable assisted living units is very limited.

[18] Source: stakeholder interviews.
[19] Minnesota Compass. (n.d.). Retrieved January 24, 2017, from http://www.mncompass.org/aging/overview
[20] Ibid.
[21] Long Term Care Imperative (2016) Payment Reform Benchmark Survey.
[22] Ibid.
[23] Ibid.
[24] Ibid.
[25] "The commissioner may: (1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration." Source: MN Statute 144A.071. Retrieved February 6, 2017, from https://www.revisor.mn.gov/statutes/?id=144A.071&format=pdf.

- Assisted living settings are increasing their capacity to address higher-level care needs, allowing people to stay in these settings longer. Assisted living can now capture much of what was previously demand for skilled nursing for those seniors who can afford private pay. In 2016, LeadingAge Minnesota found that there was an estimated11.5% vacancy rate in MN skilled nursing facilities, which is approximately 3% higher than in previous years. Despite these vacancies in nursing homes of varying quality, waiting lists exist for long-term skilled nursing beds in high quality facilities. Additionally, stakeholders indicated that as baby boomers age, demand for skilled nursing will likely begin to rise again.

- **Growing gaps in behavioral health services for seniors**
  - Stakeholders identified an increasing need for behavioral and mental health care for senior Veterans. According to some stakeholders, this need is increasing as Vietnam Veterans age. Many Vietnam Veterans have been coping with undiagnosed post-traumatic stress disorder (PTSD) and other mental health issues and disabilities for many decades.
  - Stakeholders identified a lack of secure facilities for seniors with behavioral issues.
  - There is an increasing need for memory care. According to the Alzheimer's Association, the projected number of Minnesotans with Alzheimer's is expected to increase from 89,000 (2015) to 120,000 (2025), an increase of 34.8%.[26]
  - Simultaneously, there's a growing recognition that affordable housing is a critical factor for mental health. The MN Governor's Mental Health Task Force issued a 2016 report stating that "Because housing stability is a critical factor in mental health, the governor and Legislature should ensure that affordable housing—including housing with supports where needed—is available to all individuals and families to ensure both the access to and the effectiveness of mental health care. This should include funding for additional affordable housing development for low-income Minnesotans and supports and protections targeted to people with mental illnesses."[27]

These trends suggest that MN seniors are facing a range of care and housing challenges—and that the situation is particularly difficult for low incomes seniors. They indicate that senior Veterans will continue to struggle to find high-quality, affordable senior housing that provide care, including behavioral health or memory care. These difficulties may increase as competition for affordable housing and demand on funding programs, such as Medical Assistance, surges with the increasing number of low-income senior baby boomers.

MN Veterans Homes Overview

This section provides an overview of what the MN Veterans Homes are, who they serve, and why Veterans on the waitlists prefer them to community-based facilities.

[26] Alzheimer's Association. 2015 Alzheimer's Disease Facts and Figures. (2015). Retrieved January 24, 2017, from http://www.alz.org/facts/downloads/facts_figures_2015.pdf

[27] GOVERNOR'S TASK FORCE ON MENTAL HEALTH FINAL REPORT. (2016, November 15). Retrieved February 6, 2017, from https://mn.gov/dhs/assets/mental-health-task-force-report-2016_tcm1053-263148.pdf

Brief description and history of MN Veterans Homes

The MN Veterans Homes history goes back to shortly after the Civil War (1887). As the MDVA web-site explains, "because of the devastation brought on by that conflict, there was a growing conviction that provisions should be made for the care of the nation's Veterans. The MN legislature authorized the establishment of the MN Soldiers' Home in 1887 as a reward to the brave and deserving, and a Board of Trustees was established to manage the facility."[28] This was the beginning of the Minneapolis Veterans Home. The Hastings Veterans Home was opened in 1978, and the remaining Veterans Homes in Greater MN (Fergus Falls, Luverne and Silver Bay) opened in the 1990's.[29] The MN Veterans Homes are all owned and operated by the MDVA. According to Code of Federal Regulations 38 CFR 51.2 – Definitions, the five MN Veterans Homes are considered state homes.[30] Table 3 provides an overview of MN Veterans Home capacity by location.

Table 3: MN Veterans Homes skilled nursing and domiciliary capacity by location

Veterans Home	Skilled Nursing Capacity (# of beds)	Domiciliary Capacity (# of beds)
Fergus Falls	106	0
Hastings	0	200
Luverne	85	0
Minneapolis	291	50
Silver Bay	83	0

Eligibility requirements

In order to be eligible for admission into a MN Veterans Home, Veterans must be "Honorably discharged Veterans who entered service from MN, or are current residents, who served 181 consecutive days on active duty, unless discharged earlier because of disability incurred in the line of duty."[31]

Veterans must also prove medical or clinical need. According to Minnesota Administrative Rules Chapter 9050, "the person must also provide current evidence of medical need for admission."[32] Stakeholders revealed that this typically means needing physical assistance with 3-4 Activities of Daily Living (ADLs), and/or on-going supervision for memory loss, or a physician determination that the person needs skilled nursing level care for an alternative reason.

[28] MN Department of Veterans Affairs. Veterans Homes History. Retrieved January 17, 2017, from https://mn.gov/mdva/homes/vethomeshistory.jsp
[29] Ibid.
[30] "State home means a home approved by VA which a State established primarily for veterans disabled by age, disease, or otherwise, who by reason of such disability are incapable of earning a living. A State home may provide domiciliary care, nursing home care, adult day health care, and hospital care. Hospital care may be provided only when the State home also provides domiciliary and/or nursing home care." Source: Code of Federal Regulations 38 51.2 Definitions. Retrieved February 6, 2017, from https://www.law.cornell.edu/cfr/text/38/51.2.
[31] MN Department of Veteran Affairs. (n.d.). Retrieved January 17, 2017, from https://mn.gov/mdva/homes/
[32] MN Administrative Rules. (n.d.). Retrieved January 17, 2017, from https://www.revisor.mn.gov/rules/?id=9050.0050

Veteran Home Beds Allocated to MN

The U.S. Department of Veterans Affairs (VA) is responsible for determining the number of skilled nursing and domiciliary beds that each state can receive reimbursement for via the VA State Home Per Diem and Construction Grant Programs.[33] Currently, the VA has allotted more nursing home care and domiciliary beds for reimbursement to MN than MDVA has in existence. In 2016 the U.S. Department of Veterans Affairs allotted 1,058 nursing home care and domiciliary care beds to MDVA for possible reimbursement. However, as of December 2016, MDVA utilizes only 815 allotments.[34] The federal allotment number adjusts yearly due to an ever changing Veteran population.

MDVA could leverage the VA's additional allotments – and more closely align the VA's reimbursement allotment with MDVA's utilized allotments – by either developing a new state Veterans home or by expanding an existing Veterans home. A number of MN communities have expressed a desire to have a Veterans Home in their community. The decision to build additional Veterans Homes is determined by the Legislature and Office of the Governor, and requires obtaining state and federal funding approvals. This process can take several years.

Why Veterans prefer Veterans Homes

The advantages of being a resident at a Veteran Home with skilled nursing, rather than a community-based nursing home, are many. For senior Veterans making decisions about their care, both quality of care and financial considerations are important factors when choosing Veterans Homes.

Veterans Homes are highly Veteran oriented, specializing in meeting specific Veteran health care needs. Community skilled nursing facilities can have the stigma of a traditional nursing home that conjures ideas of a place to merely exist until a person passes. Veterans Homes generally provide a military appreciative atmosphere, where one's service to the country is regularly celebrated.

Veterans Homes are known among many Veterans for providing superior quality of care. In addition, the Veterans Homes offer ancillary services that are not available in other nursing homes, including: onsite nurse practitioners, on-site therapy, recreational services and behavioral health staff, and the provision of transportation to appointments.

The Veterans Homes create a community that encourages Veterans to share their own experiences which are unique in the general aging population, helping them to feel at ease. Veteran's Homes primarily provide services to men, reflecting similar demographics of when residents were in military service. This is the opposite of community nursing homes, where residents are predominantly female. Female Veterans and/or spouses also have a sense of security and safety within a Veteran's Home because of their history with military culture and environments. This demographic difference allows the Veterans Homes to provide programs and services that are generally geared to the Veteran population. In addition, the Veterans Homes provide support to Veterans' spouses, families and caregivers via a team of professionals that are experts in Veterans' health care needs.

[33] The VA State Home Per Diem program offers state homes a per diem for each eligible Veteran to help cover the costs of care. The amount of reimbursement depends on the level of care (e.g. skilled nursing vs. domiciliary). The Construction Grant program pays for up to 65% of new construction or re-models of state homes. More information on the VA State Home Per Diem and Construction Grant programs can be found here: https://www.va.gov/PURCHASEDCARE/programs/veterans/nonvacare/statehome/

[34] Cornell University Law School (n.d.). 38 CFR 59.40 - Maximum number of nursing home care and domiciliary care beds for Veterans by State. Retrieved January 19, 2017, from https://www.law.cornell.edu/cfr/text/38/59.40

Currently MN Administrative Rules Chapter 9050 allows greater retention and protection of assets for Veteran Home resident spouses and children. Other than highly service connected Veterans (generally 70% or greater service connection disability) Veterans are required to private pay for community skilled nursing facilities, which can, and usually does, result in near complete asset depletion followed by a reliance on state Medical Assistance. In a Veterans Home, the allowed late asset transfer preserves the majority of a Veteran and/or a couple's assets .[35] A Veteran and/or spouse does still pay for their care at a MN Veteran's Home and the formula for assessing those private pay expenses are done in a similar manner to a community nursing home. It is the reduced look back period for asset transfers that is a key difference that often benefits Veteran families financially.

In 2016, The Improve Group asked a group of Veterans and stakeholders who work with Veterans on the waitlist what their major housing preferences were.[36] Primary answers included:

- Ability to stay close to family and in their community
- Ability to stay at home as long as possible
- Ability to live with other Veterans, in a Veteran-centric environment

Other preferences include:

- Single rooms (interviews also revealed that from a care perspective single rooms are important for controlling behaviors, as behaviors can worsen in tight quarters—especially for memory care patients)
- Private bathrooms

Veterans Homes play an important role in providing Veteran-centric care to aging Veterans in MN. Veterans Homes are often the preferred option for Veterans and their families once skilled nursing care is necessary.

Veterans Homes Waitlists

The following section provides an overview of MN Veterans Homes waitlists, the waitlist process, and the complicated reasons why Veterans are on the waitlists.

Waitlists for MN Veterans Homes

Currently there are waiting lists at MN's four skilled nursing Veteran Home facilities, and no waiting lists for the two domiciliary sites. Wait times for admissions to these facilities vary by location. The longest expected wait time is at the Minneapolis Veteran Home where the time from admission request to admission is anywhere from 12-15 months for Veterans. Other Veteran Home wait times vary from 6-9 months. The wait times for Veteran spouses are longer, ranging from 1-3 years. Each Veterans Home maintains its own independent waitlist. Please see Table 4 for more information.

[35] An asset look back period refers to how far in the past a family can transfer assets from a person needing care/housing to another family member, without those assets needing to be used for that care/housing. The asset look back for Veterans Homes is 1-day for spouses and 1 year for Veterans' children, while the asset look back for Medical Assistance is five years.

[36] Sources: stakeholder interviews; The Improve Group (2016). Hastings Veterans Home Facility Remodel Needs Assessment; and The Improve Group (2016) Veteran Survey Preliminary Findings.

Table 4: Veterans Home Waitlist Estimates*

*numbers as of December 2016, as reported by Veterans Home Administrators and MDVA Administrative staff
"-" means the data was not available at the time

Location	Bed Capacity			Current # of beds for Veterans' spouses[37]	Total Active waitlist size	Number of spouses on active waitlist	Waitlist as % of total bed capacity	Typical wait time for Veterans	Typical wait time for spouses
	Skilled nursing beds	Memory care beds	Total						
Fergus Falls	-	-	**106**	-	191	68 (~36% of active waitlist)	180%	6-9 months	2 years
Luverne	68	17	**85**	14	142	-	167%	6-8 months	1-3 years
Minneapolis	192	99	**291**	-	555	275 (~50% of active waitlist)	191%	12-15 months	3 years
Silver Bay	40	43	**83**	8	157	61 (~39% of active waitlist)	189%	6-8 months (less for memory care patients)	2 years

Although these wait times may seem excessive, they align with the increasing wait times for long-term skilled nursing care in the broader care industry. In community nursing homes, this trend is likely due to the changing business model from a traditional long-term nursing home model to a transitional care nursing home model. The Veterans Home waitlists are likely reflective of Veterans and their families desire to choose a facility that offers Veteran-centric care, financial benefits, and increased oversight by state and federal agencies. Waiting lists for high-quality, long-term nursing home beds are a larger issue impacting all seniors in MN, not just the Veterans on the Veteran Home waitlists.

Who is on the waitlists?

Wait list sizes are not as long as they first appear. It is necessary to examine the waitlist process and the profiles of Veterans who typically make up the waitlists in order to better understand the waitlist issue.

The vast majority of people on the waitlists are seniors in their 70's and 80's who are honorably discharged Veterans. Data from interviews indicate that approximately one-third to one-half of people on the waitlist are spouses. Veterans tend to be male and their spouses tend to be female. Though Veterans Homes cannot ask for applicants' income before offering admittance, one Veterans Home estimated that about 50 percent of waitlisted Veterans are "lower income," and another 40 percent are "middle income," and the remaining 10 percent are wealthy.

[37]Code of Federal Regulations -38 CFR 51.210(d)- states that a VA nursing home must be at least 75 percent veterans. Source: https://www.law.cornell.edu/cfr/text/38/51.210 Most MN Veterans Homes allocate approximately 10% of beds to Veteran spouses.

Waitlisted Veterans Care & Housing needs

Most stakeholders felt that the vast majority of people on the waitlists need skilled nursing, although some have care needs just below skilled nursing or are on the borderline between skilled nursing and assisted living (see Table 1). Stakeholders at one Veterans Home mentioned that people with lower care needs may be getting on the waitlists early, long before they need skilled nursing, because they anticipate an extended wait. They estimated that between 15-20% of the people on their waitlist could have needs met by assisted living. One stakeholder mentioned that many people on the waitlist can manage care at home with VA funded Home and Community Based Services, but some may stay at home longer than is safe because they do not want to pay (or cannot pay) for additional around-the-clock care before they gain admittance to a Veterans Home.

One Veteran's Home estimated that about 50% of new residents come from community nursing homes or assisted living settings and the other half arrive directly from home. Another Veterans Home estimated that about 55% of incoming residents are coming from assisted living settings (they may have been qualified for skilled nursing but were 'overstaying' in assisted living as they waited for Veterans Home admittance), another 25% come from community nursing homes, 20% come from home, and 5% come from independent living housing. Another Veterans Home estimated that 30% come from home while up to 70% come from a community-based facility.

Other needs for Veterans on the waitlists

Interviews revealed that Veterans on the waitlists need care coordination or more intensive case management to help connect them with other care and housing resources while they are waiting to get into the Veterans Homes.[38] This service would help meet Veterans' care and housing needs more quickly, without them having to wait for Veterans Home admission.

Interviewees also indicated that Veterans on the waitlists may also need assistance organizing financial paperwork. Veterans without active caregivers are often at a disadvantage for timely entry into a Veterans Home because they do not have help assembling the proper financial documentation. Veterans Home staff may provide limited assistance as staff resources and time allows. But the Veterans Homes do not have the staff capacity to provide the intensive support needed, nor the financial legal authority to access and report on a Veteran's financial status.

Waitlist Process

The process governing the waitlists is defined in Minnesota Administrative Rules Chapter 9050. Veterans Home Administrators are required to adhere to these rules.

[38] **Care coordination** is defined as: "a service based on consultations and information with and among the individual, his/her providers, and family members where appropriate, facilitated by a knowledgeable and trained professional that leads to the individual obtaining the right care, in the right place, at the right time to address his/her needs with an appropriate use of resources." Source: The Scan Foundation (2013, December). Achieving Person-Centered Care Through Care Coordination. Retrieved January 20, 2017, from http://www.thescanfoundation.org/sites/default/files/tsf_policybrief_8_person_centered_care_dec_2013.pdf
Case management is defined as: "A process to plan, seek, advocate for, and monitor services from different social services or health care organizations and staff on behalf of a client." Source: National Association of Social Workers. (2003) Standards for Social Work Case Management. Retrieved January 20, 2017, from https://www.socialworkers.org/practice/naswstandards/casemanagementstandards2013.pdf The continuum of support to seniors, from low to high, is as follows: Resource Consultation --- Long Term Care Counseling --- Care Coordination --- Case Management.

All eligible Veterans may apply and be placed on the waitlist without proof of medical/clinical need at the time of their application. However, if they do not demonstrate medical/clinical need at the time of application assessment, they will not be accepted for admission.

Generally, there is no contact with waitlisted applicants until 1-3 months prior to potential admission. At that time, MDVA staff reach out to the applicant, help them prepare financial and medical paperwork, and facilitate a tour of the facility. It is at this time that the Veteran's application is reviewed for demonstrated medical/clinical need for skilled nursing care.

There are two waitlists; an active list and an inactive list. The active list is meant for people who are both eligible and prepared to accept admission when their name comes to the top of the list. The inactive list is meant for those who are not ready or eligible to accept admission.[39] If a Veteran declines admission when their name comes to the top of the active waitlist, their name will be placed at the bottom of the active list. If they decline a second time, their name is removed from the active waitlist for a minimum of one year and transferred to the inactive waitlist. This rule is designed to encourage Veterans to not enter the active waitlist before they are ready to accept admission.[40]

Generally, neither care coordination nor case management is provided for Veterans on the waitlists by the MDVA. Therefore, the active waitlist is comprised of individuals with a range of care needs and living situations, and not everyone on the active waitlist is ready, willing and eligible for admission.

Motivations for being on the waitlist

Table 5 outlines the general profiles of Veterans on the Veterans Homes waitlists. This information comes from interviews with stakeholders who work closely with Veterans on the waitlists. The table summarizes why Veterans are on the lists, why they may decline admission, and how each general profile affects the entire waitlist.

It is important to note at this time that the care system for seniors in general is complicated and is often less coordinated than it could be. It is not unusual for families to feel confusion or frustration when attempting to navigate the system. In addition, health care needs are very difficult to predict, and it is challenging for a family to plan in advance for abrupt changes in care needs.

[39] For the purposes of this report, when we use the word "waitlist" we are referring to the active waitlist only.
[40] Minnesota Administrative Rules Chapter 9050: "Subp. 5. **Limitations on refusals to exercise option for admission from active waiting list.** A person who is placed on the waiting list and who twice refuses an opportunity for admission must be removed from the active waiting list and placed on the inactive waiting list. The person is not permitted to transfer to the active waiting list for one year from the date the person refused an opportunity for admission unless the person can verify by an attending physician a significant change in health status since the date of last refusal. 'Significant change' means the worsening of an applicant's medical condition due to an unexpected health condition such as a sudden stroke or heart attack." Source: https://www.revisor.mn.gov/rules/?id=9050.0055

Table 5: General Waitlist Profiles

Level of need	**Individuals Anticipating Need**	**Individuals with Immediate Need**		
General situation	Currently require less than skilled nursing, but anticipate that level of care in the near future	Has skilled nursing need and is getting care at a community skilled nursing facility	Has (potentially) temporary skilled nursing need when leaving hospital for acute care	Has skilled nursing need, but refuses care at non-Veteran centric facility due to cost and/or preference
Where do they currently live?	In their home or in a community assisted living setting	In a community nursing home	In a community nursing home, or, if they recovered, home	"Overstaying" in their home or potentially in an assisted living setting
Why are they on the waitlist?	They are attempting to estimate exactly when they will need skilled nursing and be eligible for admittance	They would prefer to live in a Veterans Home than a community-based nursing home	Often this group gets on the waitlist immediately after leaving hospital due to an acute medical condition, needing skilled nursing care for a short period. They may go to a community facility and stay there or return home after recovery.	They would greatly prefer to be in a Veterans Home over a community-based care facility
Why might they decline if accepted to a Veterans Home?	They still do not need skilled nursing level care or because they prefer to stay at home or in community-based assisted living	They prefer to continue living in community-based nursing home (because they/their family do not want another move, or because they prefer it)	They recovered from their short-term condition that required skilled nursing or they prefer to continue living in community based nursing home	This group would be the least likely to decline admittance
Impact on the waitlist	Since Veterans expect a long waitlist, they get on the waitlist before they need skilled nursing care, thus making the waitlist appear longer than it really is	Sometimes Veterans stay on the Veterans Home waitlists despite having decided to stay at a community-based nursing home	Veterans may stay on the waitlist even after recovering from a short term condition that requires skilled nursing	Veterans may end up in dangerous situations because they are not getting the level of care they need, and it may cause undue burden to the caregiver

Other groups on the waitlists include:

- Spouses whose wait times are far longer than the wait times for Veterans
- People experiencing less than optimal housing and who have an immediate need for housing
- Veterans who have passed away. If the death has not been communicated to MDVA staff, the deceased's name will remain on the waitlist

As can be observed in Table 5, not everyone on the waitlists are eligible and prepared to accept admission when their name rises to the top. The Veterans Homes admissions teams often have to make several calls on the waitlist before finding a person who is ready, willing, and qualified for admittance. The reasons why people may not be ready to accept immediate admission are many, including:

- Veterans choosing to stay in their current living situation, because they prefer it or they want to stay in their own home as long as possible;

- Veterans getting on the waitlist too early and thus not able to demonstrate skilled nursing need when their name comes to the top of the waitlist; and
- Veterans passing away while on waitlist.

Even if waitlists were to be cleared of Veterans who are not eligible for admittance, wait times will not necessarily shrink. When the Veterans Home calls to inform a Veteran that their name came to the top of the list, ineligible Veterans either decline admittance or be declined by the MDVA. Their name would then promptly be removed from the list (or put at the bottom of the list). This means that their presence on the waitlist does not significantly increase the wait time for others lower down on the list—it just makes the lists look longer than they really are.

Efforts to reduce the wait times have uncertain outcomes. Some stakeholders speculated that some Veterans may not apply for the Veterans Homes because they hear that the waitlist list is too long. If the waitlist were to shrink, more Veterans may apply to the Veterans Homes who wouldn't have otherwise, thus potentially increasing the size of the waitlist again. The waitlist is dynamic and complex, and variation in wait times occur based on availability of beds and current demand. These complex factors make it difficult to quantify the extent of the waitlist problem.

Potentially negative consequences of the current waitlists

Stakeholders identified a number of negative consequences due to the current size of the waitlists and the associated wait times. These consequences include:

- **Veterans needs are not being met as quickly as they could:** this is likely due to the size of the waitlist and related waitlist times. In addition, Minnesota Administrative Rules Chapter 9050 does not allow for prioritization of admission based on care needs.
- **Veterans remain at home (or possibly in assisted living settings) longer than is safe:** this may result in an undue burden for care givers and/or a potentially unsafe situation for Veterans.
- **Unnecessary transfer trauma for dementia patients:** transfer trauma may occur if a Veteran must go from home to a community facility while they wait to get into the Veterans Home. Ideally, they would go directly from home to the Veterans Home when they begin to need skilled nursing care.
- **Loss of opportunity for Veteran-centric care:** due to the wait times, some Veterans go to community care facilities and end up staying there because it's too much trouble to move once again. Therefore, they lose out on experiencing a Veteran-centric care facility.
- **Waitlists are made longer because Veterans are anticipating long wait times:** because waitlists times are perceived to be long, Veterans may be putting themselves on the waitlists long before they have skilled nursing needs.
- **Separated spouses:** the longer wait times for spouses may separate spouses, which can diminish quality of life for both individuals.
- **Financial issues:** Veterans and their families may encounter financial difficulty based on current Medical Assistance regulations if a community-based care facility is necessary while waiting for admission to a Veterans Home.

Is there an "Ideal" Waitlist Time?

Considering the administrative need for waitlists as well as the complex needs of Veterans on them, an "ideal" waitlist size or time is difficult to determine. Based on interviews conducted for this research, it is clear that stakeholders have different ideas about what represents an appropriate or acceptable wait time.

- Two recent studies conducted by The Improve Group found that Veterans wish to stay in their home and community as long as possible as they age.[41] Based on these data, it can be inferred that Veterans want near-immediate admittance into a Veteran Home after they apply.
- Veteran Home Administrators desire some amount of waitlist time for several reasons:
    - The admissions process required under Minnesota Administrative Rule Chapter 9050 necessitates an extensive amount of documentation and paperwork. It can take weeks to months for staff to obtain military service and financial records from Veterans and their families. Additionally, time is needed for the allowed asset transfer.
    - Full beds allow the MDVA to better provide high-quality ancillary services to residents.
    - Veteran Home waitlists ensure that beds are continuously filled and help ensure efficient operations of the Veterans Homes.
- Level of demand and some diagnoses determine waitlist times. Wait times for Veterans requiring a non-memory care bed is generally shorter than wait times for a memory care bed. There are simply less memory care beds available and they require increased physical building requirements and staffing levels.
- Code of Federal Regulations 38 CFR 51.210(d) mandates that Veterans Homes can only have 25% of beds available to spouses, meaning spouses climb the waitlists at a slower rate. This skews the meaning of the size of the "active waiting list." Since spouses are admitted at a lower rate, the active waitlist is actually comprised of two lists – a faster moving list for Veterans and a slower moving list for spouses.

Addressing the waitlists

Wait times can, and do, have a negative impact on Veterans, Veteran's spouses, families and other stakeholders. The waitlists should be addressed. This is particularly true because of the MDVA's mission to serve MN Veterans and broader trends that are negatively affecting senior Veteran care options.

Will partnerships for interim housing with supportive services help to alleviate the waitlists?

Based on stakeholder interviews, there are two specific housing options that could potentially provide waitlist relief – and potentially increase access to housing and care for MN Veterans – without replicating what is offered by the MN Veterans Homes. These options are:

- Interim assisted living; and
- Interim transitional care/rehabilitation/post operation housing.

Of these two options, only assisted living matches the definition of interim used for this report: "housing to meet the needs of Veterans on the Veterans Home waitlists in the interim until they need skilled nursing care *and* their name comes up for admittance into a Veterans Home." In order to meet the needs of Veterans on the waitlists, assisted living would need to include as many medical and supportive services as possible before turning into a skilled nursing facility.

[41] The Improve Group (2016). Hastings Veterans Home Facility Remodel Needs Assessment; and The Improve Group (2016) Veteran Survey Preliminary Findings.

There are two types of assisted living: affordable and market rate. Only affordable assisted living would help to directly address the need for more affordable housing for Veterans in MN.

Considerations on "Interim" housing

Although the bill language uses the word "interim" to describe this housing, stakeholders reiterated that the definition should not include a particular time limit. Putting a time limit on this housing for seniors would likely cause unnecessary transfer trauma and instability for vulnerable seniors. Rather, "interim" should refer to the level of care that is needed. Veterans should transition from assisted living when they begin to require skilled nursing care. Therefore, "interim assisted living" should be understood as assisted living that does not place any time limits on residents' length of stay.

The spectrum of needed supportive services

In order to affect the waitlists, interim assisted living in this context would need to provide services to Veterans whose care needs *are relatively close to skilled nursing*. The services would need to be customizable (*a la carte)* and fit the specific needs of Veterans, including those needing memory care.

Housing with services (HWS) in MN is defined as housing (such as apartments, board and lodging, corporate adult foster care and certain sections of nursing homes) that offers health services (such as nursing care, grooming, and help with medicines), as well as support services (such as help with laundry and arranging rides to appointments). Assisted living services are offered in a HWS setting and they are not considered 'facilities.' Some, not all, HWS offer assisted living. Assisted living is a mixture of health and support services. A HWS setting can use the term "assisted living" if it meets basic minimum criteria, including assistance with medication and ADLs.[42]

Some interviewees felt that in order to truly meet the care needs of Veterans on the waitlists, this new housing would need to provide a skilled nursing level of care. However, if a nonprofit owned this housing, the MN skilled nursing bed moratorium would prevent it from creating new skilled nursing care. Alternatively, if the housing was owned by the MDVA, creating additional skilled nursing beds would be the equivalent of creating additional bed capacity in the existing Veterans Home system. This option is discussed in the section "Reducing waitlist times will take multiple strategies" on page 30.

Because this housing will be only for people with demonstrated clinical/medical need for assisted living (see the following section on Disability), it will be by definition 'segregated housing.' Drawing on the Olmstead Plan, service planning should include attention to integration within the broader community when appropriate and/or desired by residents.[43]

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[42] The criteria to be met in order to use the term 'assisted living' in MN are: 1. Offers help with medication and at least three of the following: bathing, dressing, grooming, eating, transferring, continence care and toileting. 2. Has a registered nurse (RN) that assesses the tenant's physical and cognitive needs. 3. Ensures the RN has a system to delegate health care activities. 4. Has access to an on-call RN 24/7. 5. Has a way for tenants to ask staff for help for health and safety needs 24/7. Staff must be: • Awake (unless there are 12 or fewer tenants) • Located in the same or an attached building. Or staff must be on the same campus as the HWS site • Capable of communicating with tenants • Able to recognize the need for help • Able to provide the help needed or able to get the right assistance • Able to follow directions 6. Has a system in place to check on each client at least daily. 7. Provides or makes available: • Two meals per day • Weekly housekeeping and laundry services • Arrangement for rides to certain appointments and community resources • Chances for tenants to socialize 8. Makes the Uniform Consumer Information Guide available to all prospective and current tenants. Source: Housing with Services: A consumer resource. A joint handbook of the Minnesota Board on Aging and the Office of Ombudsman for Long-Term Care (n.d.). Retrieved January 24, 2017, from http://www.health.state.mn.us/divs/fpc/homecare/surveyortraining/houswithsvcsguide.pdf

[43] The MN Olmstead plan can be viewed at: http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=opc_home

Framing the foundational criteria of the housing model

The development of a new housing model aimed at serving disabled Veterans is nuanced and will require extensive discussions among various stakeholders to be fully realized. However, through the interviews conducted for this research, several key criteria were identified which should form the basis of this potential new housing model:

- **Entry Criteria**
  Stakeholders agreed that entry criteria for this housing should generally be the same as that of the MN Veterans Homes. This will help to ensure an easier transition from assisted living housing to the skilled nursing available at Veterans Homes.

  Specific entry criteria should include:
  - The same definition of Veteran as the Veterans Homes. Stakeholders shared that Veterans are not a protected class under the Fair Housing Act, meaning that the housing can be limited to only Veterans.

- **Exit Criteria**
  Given the definition of 'interim' used in this report, exit criteria would be:
  - Individual's care needs rise to skilled nursing AND the individual is accepted into a Veterans Home.[44]

- **Disability**
  Stakeholders agreed that keeping the definition of disability open is important.[45] Thus, defining disability as a demonstrated clinical or medical need is advisable. In this case the medical/clinical need would be one associated with an assisted living level of care, but with a reasonable case to be made that when the Veteran's name comes up on a Veterans Home waitlist for admission they will need skilled nursing level care.

- **Affordability**
  Some stakeholders believe that this housing should be affordable, given the great need for affordable housing in MN for seniors, including senior Veterans. Building in an affordability component will work to both ease housing burdens and increase access to medical services. Income eligibility could be defined using a mix of percentages of the Area Median Income (AMI); some at 30% AMI or less and some at 50% AMI or less.

- **Needs-based Admission**
  Some stakeholders felt that this kind of housing would be most valuable if admission were based on care and financial need, in order to primarily help Veterans with the highest care needs (within the category of assisted living) and the least ability to pay for private care.

[44] If the care needs of a resident were higher than the assisted living setting could provide, and they were still waiting for MDVA Veterans Home admission, they would need to be discharged to another skilled nursing facility.
[45] Because people with disabilities are a protected class under the Fair Housing Act, this housing cannot be restricted to only people with disabilities. If the MDVA and their nonprofit partner wishes to serve primarily people with disabilities, they would need to do so through marketing campaigns.

Considerations on the Financial Viability of the Housing Model

Understanding the funding mechanisms that could be accessed to build, staff, and maintain new interim assisted living options for Veterans is critical. It is equally important to understand how Veterans could pay for these new services. Interviews revealed a range of financial considerations.

Funding the construction of new assisted living units:

- MDVA and VA stakeholders confirmed that funding for construction of assisted living settings is not available through the competitive Federal Construction Grant program (which typically covers 65% of construction costs for new/rehabilitated Veterans Homes). In addition, Construction Grants would not be available to any facilities that are interim if they have a time-limit for residents. Construction Grants are available only to state Veterans Homes and not to nonprofit or private developers.
- With the lack of Veteran-specific funding sources, stakeholders generally agreed that the MDVA and its nonprofit partner would need to compete with the private market for the funding necessary to develop new assisted living units. The MDVA and their nonprofit partner would require funding that any private developer would have access to for this housing. However, as a cabinet level agency, MDVA is well positioned to pursue public support for this housing model.
- Some developer stakeholders who were interviewed felt that philanthropists and other funders tend to respond to public commitment. A legislative commitment of funds for a housing project such as this could help leverage private funding and financing.
- If this assisted living were to be affordable, tax credits would be a critical funding component. Tax credits are the primary source of financing for affordable housing, but they can only be used for housing, not 'care facilities.'[46] Housing Tax Credits do not prohibit allocating credits for assisted living settings. However, an assisted living setting in MN might not be considered 'housing' by all government agencies if it is considered to provide "continual or frequent nursing, medical, or psychiatric services" within the meaning of Treasury Regulation 1.42-11(b)(2).[47] If it is considered to provide these services it may be ineligible for affordable housing tax credits. As such, some kind of alternative classification may be necessary. For example, Housing with Services with a designated space for these services – which some interviewed developers termed to be a 'lighter' form of assisted living.

Paying for the services:

- Veterans Health Care is available to eligible Veterans, which includes additional health care services that are delivered in the community if there is a clinical need (e.g. VA Home and Community based services which includes: paid home care, adult day health care and respite services).
- Stakeholders generally agreed that the VA Per Diem Program would not fund an assisted living setting primarily run by a nonprofit or by the MDVA in partnership with a nonprofit.
- If the assisted living setting were to be owned and operated solely by the MDVA, there is a potential for the MDVA to use the domiciliary per diem for assisted living level care as other

[46] The distinction between housing and care facilities is that care facilities settings that provide "continual or frequent nursing, medical, or psychiatric services" or are any type of licensed settings. Care facilities are not considered 'housing'. [Source: Email exchange with staff at MN Housing]
[47] Source: email communication with staff at MN Housing.

states have done.[48] However, since assisted living care costs more (in particular for additional staff support for ADL assistance), using the domiciliary per diem for assisted living will leave a funding gap that the MDVA would need to fill with other sources. Other states have experimented with using other state sources of Veteran's funding to help cover the gap. Other stakeholders thought that Medicare could help cover the gap, assuming the assisted living setting were to be Medicare certified.

- Financial resources that are available to seniors to assist with payment for care needs include any privately funded/work pension benefits, social security income and benefits specific to Veterans and/or dependents of Veterans, such as VA pension with aid and attendance. All of these resources are paid to the senior who in turn uses that income to privately pay for care. These benefits would be available to any housing or service provider.

Structure of MDVA Partnerships with Nonprofit Developers

In general, the developers that were interviewed expressed an interest in partnering with MDVA. However, developers emphasized that their interest would depend on the specifics of the model including: location, affordability, and ongoing property management and service provision roles.

Interest in Partnerships

Interviews revealed that there is a strong interest among surveyed nonprofit housing developers to partner with the MDVA to provide interim housing with supportive services for Veterans.

- Several non-profit developers have already worked on Veteran housing and expressed an interest in future projects, while others are interested in initiating Veteran housing projects for the first time.
- The developers interviewed were concentrated in the Twin Cities metropolitan area however, several developers also indicated they offer services statewide and would be interested in opportunities in Greater MN.
- One developer is poised to develop affordable housing with supportive services in the metropolitan area. They have a majority of funding in place, a service provision plan, and access to property.
- Interviewed developers expressed concerns with the trend in healthcare workforce shortages and its effects on this model and other senior care models.
- Many developers were interested in affordable housing, as it aligns with their missions. Affordable housing was found in previous studies to be the greatest housing need among Veterans in MN.

What could the partnership roles look like?

Developers suggested that decision-making be shared within a partnership with the MDVA. Most developers preferred a partnership where MDVA would own the facility and the nonprofit partner would operate the services. However, partnership roles would depend on the nonprofit and its particular

[48] VA staff affirmed that it is extremely rare that a state home-nonprofit partnership would be recognized and eligible for the federal VA per diem program. A state department of Veterans affairs would need to review CFR §51.210 Administration section with their lawyers in order to determine if there are any actions that the state could take in order to make a partnership between a state Veterans department and a nonprofit eligible for the federal per diem program. Source: Stakeholder interviews.

interests, preferences, and skillset. Developers also suggested that the MDVA could potentially have an information-providing role and offer guidance in offering high-quality, veteran-centric care.

Considerations on how chose a nonprofit partner

In order to find and choose a partner, the MDVA would be required to create a Request for Proposals (RFP) following the requirements of Minnesota Statute Chapter 16C. The RFP could include such examples of criteria as:[49]

- Ability to create and effectively manage multiple partnerships with various stakeholders, including:
    - Service providers (specifically who have worked with Veterans);
    - Developers;
    - Multiple funding partners;
    - Regulatory agencies;
    - Referral partners; and
    - Building managers.
- Proven track record of working with Veterans:
    - To build trust, it would be preferable that at least some staff would be Veterans or people who understand Veteran experiences; and
    - Experience and knowledge of Veteran-specific benefits.
- Demonstration of high-quality service provision and management:
    - Evidence from a customer satisfaction survey;
    - Reputation in the community; and
    - MDVA could conduct site visits to confirm quality.
- Clear fit between housing model and the organization's mission, ensuring that the partner is not experiencing mission drift.
- Alignment of organizational values with values in the Veteran population.
- Demonstrated financial stewardship.
- Demonstrated ability to provide appropriate environment and culture for seniors and people with disabilities.

Stakeholder interviews revealed that the ideal partner for the MDVA would be a developer with strong skills in forging partnerships, a reputation for high-quality development and services, and experience working with Veterans.

Major Findings and Discussion

The primary question for this study was: are partnerships between the MDVA and established nonprofit organizations aimed at developing interim housing with supportive services a feasible strategy to alleviate the Veterans Homes waiting lists?

[49] These criteria emerged from stakeholder interviews.

This section lays out the findings on the waitlists, the proposed interim housing model, and its ability to alleviate the waitlists. It also discusses other strategies that would be effective at alleviating the waitlist congruent with the proposed housing model.

Waitlist findings

Due to the complexities of the Veterans Homes waitlists and the waitlist processes explored earlier in this report, it is clear that waitlist sizes are not as long as they first appear. However, the wait times are significant, and can have significant, negative consequences on Veterans and their families – and therefore should be addressed.

Findings on the interim assisted living setting proposal

The Model

The most popular model of interim housing with supportive services among stakeholders was interim assisted living as a step for Veterans before they obtain eligibility and admission into a MN Veterans Home. This study looks at how well this model would match Veteran needs and preferences, its financial feasibility, as well as its ability to reduce the wait times for the Veterans Homes. There are two major options for interim assisted living for Veterans:

- Affordable; and
- Market rate.

Stakeholders asserted that affordable assisted living would have the double benefit of both helping to reduce Veteran Home waitlists, as well as filling an important need for affordable housing for Veterans in MN (as documented earlier in this report).

Alignment with Veteran Needs:

Stakeholder interviews and other data point to the conclusion that this interim assisted living could fulfill the needs of some of the Veterans on the Veterans Homes waitlists. However, due to the complexities of the waitlists and waitlist process, it is difficult to determine the exact number of Veterans that would be served. To be most effective at reducing the waitlist, the assisted living would need to include a level of care that is close to skilled nursing.[50] This housing, if affordable, would also meet MN Veterans need for affordable housing.

Alignment with Veteran Preferences:

Stakeholders generally felt that Veterans would welcome any additional care and/or housing options, and would welcome the opportunity to preserve their assets and live with fellow Veterans while waiting for Veterans Home admission. Additionally, Veterans would welcome the opportunity to have access to the single rooms and private bathrooms that assisted living settings provide.

[50] This may preclude affordable housing if affordable supportive housing with services cannot offer medical care that's advanced enough to meet waitlisted Veterans' medical needs. See prior discussion on affordable housing tax credits.

Findings on Financial feasibility

Stakeholder interviews revealed that assisted living for Veterans could fulfill a need, but has no readily available unique Veteran-specific funding if developed and operated by a MDVA-nonprofit partnership. There is no veteran-specific funding for the construction of assisted living settings. If the housing were to be owned and operated by the MDVA, it could use the VA domiciliary per diem to help cover the costs of operating assisted living. However, this per diem is quite low and would not cover the costs necessary to provide an assisted living level of care (including daily help with ADLs, which is staff-intensive). If MDVA moved forward with developing assisted living in partnership with a nonprofit, it would need to compete with the private sector for funding and financing resources.

What would it take to make this a sustainable business model?

- Designating a housing project as affordable could enable affordable housing tax credits. However, this may require offering a lower level of care than desired for an assisted living setting that can offer services to Veterans on the borderline of needing skilled nursing. This issue is still being deliberated among stakeholders.
- A government funding commitment may be necessary in order to leverage additional forms of funding from other sectors.
- Geographic proximity to a VA hospital or clinic, and to a state Veterans Home, would be beneficial in order for this housing to better facilitate the Veteran-centric care on the continuum of care needs from independent living to assisted living to skilled nursing. This geographic proximity could help ensure beds are always filled, and cut costs because services and care may be shared between the three Veteran-centric organizations.

Findings on partnerships

Interviews with stakeholders indicate that partnerships are generally feasible and nonprofit developers have a strong interest in partnering with the MDVA. There is development and service provision capacity in the state, especially in the metro area. The one caveat is that there are staffing shortages for nursing homes across the state (as documented previously in the report), which may affect staffing for assisted living settings as well.

In interviews, developers worked through ideas of what partnership means to them. Partnership roles would depend on the particular interests, preferences, and skillsets of the MDVA and their nonprofit partners. Developers expressed that the role of the MDVA could be a full partnership role; sharing in property management/ownership and/or service provision. It could also be a smaller, nonfinancial role focused on providing information and feedback.

Ability of interim assisted living to alleviate the waitlists

Stakeholders described two potential assisted living models: 1) affordable interim housing with services – including assisted living – targeted for low-income Veterans, and 2) market rate assisted living for Veterans. Both would be targeted for primarily senior Veterans with disabilities.

It is unclear whether affordable or market rate assisted living would have a significant impact on reducing the Veterans Homes waitlist lengths in the long-run for the following reasons:

- This kind of housing would only work for a specific subset of Veterans on the waitlist who are;

    - a) For affordable assisted living: Low income enough to meet the income/asset eligibility requirements of low income housing, and;
    - b) For both models: Veterans who have less than skilled nursing level of care, and yet cannot stay at home until they get into a Veterans Home.
- Both options for assisted living might not significantly reduce the waitlists in the long-term because people who need assisted living will likely stay on the Veterans Home waitlist knowing they will eventually need skilled nursing.
- Both options for assisted living would attract additional Veterans with lower care needs who are not currently on (or considering getting on) the Veterans Homes waitlists. Therefore, providing housing that requires that a Veteran be on the Veterans Home waitlist may actually cause the waitlists to become longer, because some Veterans may get on the Veterans Home waitlist specifically to gain admission into this assisted living setting.
- Given that these housing models would not have time limits, once they are filled, turn-over may be very slow.

These factors suggest that these interim assisted living housing options may reduce waitlists initially, but over the long-run will not likely significantly alleviate the waitlists length or associated wait times. Despite these factors, the affordable model of assisted living would still meet important housing needs for MN Veterans, in particular for Veterans who cannot afford market rate housing, have lower than nursing care needs, and do not want to or cannot stay at home.

Reducing waitlist times will take multiple strategies

Partnerships between the MDVA and nonprofits to provide affordable assisted living would help meet needs for affordable housing for Veterans. However, it is not clear that it is the most cost-effective way to reduce Veterans Home wait times. Partnerships for assisted living may be a viable strategy when implemented in tandem with other strategies.

In addition to new construction of assisted living housing settings, stakeholders had an abundance of other ideas on how the MDVA could alleviate the waitlists with partnerships. All strategies would require additional study on their respective costs and feasibility. Stakeholder-envisioned strategies include:

- **Provide assisted living settings to veterans using mechanisms other than new construction:**
    - **Vouchers:** According to a leading senior housing advocacy organization, there are vacancies in private sector assisted living in MN (an estimated 8% vacancy in 2016, though survey response rates were low). Some kind of voucher system—which allows Veterans to stay at community-based assisted living homes—may be a more cost-effective strategy. The voucher system could be designed similarly to the VA contracts for Veterans who are 70% service-connected disabled or more. This could potentially be much more cost effective then new construction.
    - **Use of existing housing:** Another strategy could be to use an existing assisted living setting or existing housing with services and phase out civilians until the housing consisted of all Veterans.

- **Maximizing staff capacity, knowledge and systems coordination to provide care coordination or case management for Veterans on the waitlists.**
    - There is an assumption that Veterans apply for the waitlist in anticipation of needing a skilled nursing facility. However, some Veterans on the waitlists may not necessarily need to be on the waitlists. Services and supports can be provided to help them stay at

home longer, which previous studies have shown is a major preference among Veterans. Other Veterans may need help to find appropriate care in the community based settings while they wait for Veterans Home admittance. MDVA should work to ensure that education is provided to Veterans regarding alternative resources for care and housing through increasing staff capacity to provide care coordination or case management for waitlisted Veterans.
    - Increasing staff capacity would mean both adding additional staff, and utilizing current staff members' skills and roles to the maximum potential – which means more professional development and systems redesign to improve efficiency so that education is appropriately provided to waitlisted Veterans.
    - The federal VA Health Care system does have a system in place to provide an interdisciplinary approach to care coordination through the use of Patient Aligned Care Team (PACT) primary care program and provides case management through the VA Social Work program. However, stakeholders felt that these services are overextended due to the volume of Veterans served, along with the challenge for staff to have knowledge of all the details regarding senior housing and care options that may be unique to a certain individual. MDVA does have social workers at each Veterans Homes who may offer some support, although their primary responsibility is to provide care to residents of the Veterans Home themselves.
    - Some stakeholders felt communication is sometimes lacking between state and federal programs. This applies to all state and federal programs – and offers unique challenges as it relates to Veterans health care because of size of each system, the complexities that may be unique to certain geographic regions, resources available, and the silos that exist within systems.
    - Developing strategies to increase staff knowledge and capacity in regards to senior health care and housing options would help to bridge the communication gap between state and federal programs and improve proactive education, resource counseling and care coordination to waitlisted Veterans regarding their options for care. In combination with adding additional staff hours for care coordination, this may help ensure that waitlisted Veterans have maximized supports available to them.
- **Adding more beds to existing Veterans Homes or building new Veterans Homes.**
    - Additional beds will add capacity to the Veterans Homes, thus accommodating Veterans on the waitlists.
    - Some stakeholders emphasized that an efficient way to add Veteran Home bed capacity would be to use buildings that have already been used in the Veterans Home system. For example, MDVA could continue utilizing Building 6 in the Minneapolis campus for additional skilled nursing beds once the new Building 22 opens. However, because of the historical nature of Building 6, these beds cannot be CMS (Centers for Medicaid & Medicare) certified so while using Building 6 may initially be a cost efficient way to help reduce the waitlist, it could significantly increase cost of operations over time (because the MDVA would not be able to use Medicare or Medicaid to help cover operation costs).
    - Other stakeholders indicated a desire for more Veterans Homes in various communities in greater MN.
    - **Reallocation of beds in current Veteran Homes system:** In addition to increasing the total number of units in the MN Veteran Homes system, the MDVA could also reallocate non-skilled nursing beds within the MN Veterans Homes system to become assisted living and/or skilled nursing units. The MN Veterans Homes with domiciliary (board and

care) beds have vacancies, because—as some stakeholders emphasized—the board and care model of domiciliary may be outdated, resulting in low demand. These vacancies cause economic and operational inefficiencies. Stakeholders felt that the Hastings Veterans Homes, for example, could be re-modeled to become a mixed campus of assisted living and skilled nursing units/beds. This would have the synergistic double benefit of 1) providing assisted living and skilled nursing capacity to help alleviate the skilled nursing waitlists and 2) helping resolve the inefficiencies of empty beds in domiciliary settings.

- **Amend Minnesota Administrative Rules Chapter 9050 to account for care needs when determining Veteran Home admission.**
    - Amending the rule to account for care needs when determining admission would reduce the wait times for Veterans with the most critical care needs, thus avoiding the negative consequences that result from the highest need Veterans not receiving timely care – including some passing away while on the waitlist.
    - As noted previously, some Veterans on the waitlists need immediate entry into Veterans Homes and some do not. If Veterans knew that they could get near immediate entry into a Veterans Home when their care needs become high, they may not get on the waitlist in advance of needing skilled nursing care.
- **Providing vouchers for certain Veterans on waitlists to get care in community nursing homes and assisted living settings**
    - Stakeholders suggested that the vouchers could be for those who are less than 70% service connected disabled, and have higher care needs than provided by VA Community and Home Care.
- **Enhanced partnerships.**
    - Waitlisted Veterans are often missing out on services and supports because not all Veteran systems are working together (federal, state and local). Improved and enhanced partnerships between Veteran support systems can help to ensure Veterans receive the best care possible.
- **Organizing support groups and/or providing advocates for Veterans on waitlists.**
- **Providing additional Adult Day Care to families with family members on the waitlists.**
    - Adult Day Care can provide respite for caregivers and keep Veterans with dementia at home longer

Other stakeholder-identified veteran housing issues

It is important to remember that the choice of what action to take on the Veteran Home waitlists will need to be determined within the context of other Veteran housing and care issues. Stakeholders shared a number of issues that they hoped state leadership would address. These issues included:

- **Shortage of affordable housing for Veterans, in particular senior Veterans.** Most stakeholders emphasized that this was a very important issue that needs to be addressed promptly given the larger trends effecting seniors in MN and the financial challenges faced by low-income Veterans.
- **Staffing shortages for nursing homes and senior care in general.** One MN Veteran Home expressed concerns that staffing shortages may limit their ability to accept high-needs memory care patients because they may not be able to provide the one-on-one support needed by memory care patients when they first transition to a new home.

- **Need for housing and services for homeless Veterans.** Some stakeholders specifically emphasized the specialized needs of aging Vietnam Veterans.
- **Redefinition of "Veteran."** Some stakeholders identified a need for housing for Veterans who have discharge statuses that are less than honorable discharges, but more than dishonorable discharges including "General Discharge" and "Other than Honorable." These Veterans often do not qualify for Veterans benefits including most Veteran-centric housing.[51]
- **Need for housing with services (including locked facilities) for Veterans with behavior issues.**
- **Short-term rehabilitation,** for Veterans recuperating from surgery or the hospital, or who need immediate care. After assisted living, this was second most popular housing model among stakeholders.

Considerations

The MN Veterans Homes waitlists represent a problem and a potential barrier to care for Minnesota Veterans. The solution is multi-tiered, including: adding care coordination capacity, supporting Veteran-centric affordable assisted living, and potentially adding new Veterans Home beds.

Potential Solutions

The following actions could help to reduce current wait lists, provide education and resource identification to Veterans for their current needs, and add needed affordable housing for Veterans:

- **Increase staff capacity for proactive care coordination[52] -** Adding staff resources to provide proactive care coordination to Veterans on the waiting lists. This appears to be the most cost-effective strategy, and can result in better customer service, as well as reduced waitlists, as some Veterans will get their needs met elsewhere. The MDVA could partner with the federal VA Health Care System and other community health care systems to offer care coordination. Education and partnership among all systems of care is key to ensuring that Veterans are offered counseling on all service options and can make informed choices.
- **Partner with non-profits to offer assisted living settings -** This partnership could take many forms, from a highly involved partnership to a partnership where the MDVA is simply an information provider.
- **Promote better understanding of the waitlist process for the Veterans Home on the MDVA website**
- **Review the admissions process and explore options for amending Minnesota Administrative Rule Chapter 9050 -** Proactive Care Coordination or Case management would allow MDVA and VA staff to better determine the exact care needs of waitlisted Veterans.
- **Explore options for expanding bed capacity at existing Veteran Homes or constructing new Veterans Homes -** This could include a reallocation of units within the current Veteran Home system. For example, remodeling current domiciliary Veterans Homes to become assisted living

[51] Note: technically a Veterans Home could allow Veterans with less than honorable discharge status' into their Veterans Home, but these Veterans would count towards the Veteran's Home civilians allowance (up to 25% of residents) and they would not be eligible to receive the federal VA per diem.
[52] "Care coordination" was chosen over "case management" because MDVA stakeholders felt that it was the most appropriate level of support for the circumstance of the waitlist.

and/or skilled nursing units could both help to alleviate the waitlist and to reduce the inefficiencies caused by vacancies in domiciliary units.

- **Explore possibility of voucher system -** This could be an alternative to new construction which would address financial issues and care needs, but not necessarily Veterans' preference to live with other Veterans.

Discussion

Partnerships for interim assisted living will help alleviate MN Veterans Homes waitlists, but won't be the only solution. To best serve Veterans, the solution will combine several dynamic strategies. As a starting place to address the waitlists, it is recommended that increased capacity for proactive case management be researched and implemented. Though the vetting of this option was outside the scope of this research project, from initial conversations with stakeholders it appears to be the most resource efficient method and can have an immediate effect on waitlisted Veterans. This strategy would also help the MDVA to gather more information about the needs of Veterans on the waitlists, which could be useful when exploring the other solutions. Other strategies to consider pursuing initially include expanding bed capacity within the current Veterans Homes system, partnering with nonprofits who are poised to develop Veteran-centric assisted living settings, and exploring options for amending MN Administrative Rule Chapter 9050.

Partnerships for interim assisted living may not be the most efficient strategy for alleviating the wait times for the Veterans Homes, but they will certainly help in combination with the other strategies listed above. In addition, these partnerships will help to meet the large need for affordable senior housing for Veterans in MN.