



**SUBMITTED WRITTEN TESTIMONY OF
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(AHCA)**

**BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS
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On behalf of the 12,000 long term care facilities represented by the American Health Care Association (AHCA), I applaud the Veterans' Affairs Committee for not only recognizing the needs of America's frail, elderly, and disabled veterans, but for also continually seeking to optimize the quality of their care in the face of substantial challenges – both budgetary and demographic in nature.

As the former Surgeon General of the U.S. Air Force, I have a special interest in veterans' health care needs, and ensuring they receive the highest quality long term care our nation has to offer.

That's why I was thrilled to see that President Bush recently signed into law S 1156—enabling community nursing homes that are Medicare- and Medicaid-certified to form "agreements" with the VA in a manner already done with CMS. Under these new arrangements, certain barriers that have historically prevented community nursing homes (CNHs) from entering into contracts with the VA will be eliminated, thus S 1156 ensures that veterans will have access to a wider selection of quality facilities.

AHCA and our member facilities are proud to provide quality care to our veterans. CNHs provide the option of living closer to their families while receiving health benefits from the VA. As we all know, proximity to loved ones is critical in maintaining quality of life for any nursing home resident.

CNHs are a vital component of the VA long term care system. Whereas VA medical facilities tend to provide care to residents with high acuity levels, CNHs are an excellent choice for veterans who either have acuity levels that do not warrant placement in a VA facility, but are too high for home health care -- or for veterans who would be too far from their families if placed in one of their state's VA Medical Facilities or State Veterans Nursing Homes.

But as we now go about our mission to provide an increasing number of America's veterans with the quality care they need and deserve, further programmatic, structural and procedural obstacles must be addressed.

First, as we all seek to maintain the two core principles of VA long term care, choice and balance, we must reevaluate how we go about achieving these objectives. In an effort to care for one population, we must be cautious not to jeopardize the care for another.

Texas provides a stark example. With approximately 20,000 empty beds in skilled nursing facilities and a median occupancy rate of 74 percent, according to recent data, the state of Texas is in a position to respond to the needs of veterans. Yet, in the past several years, the state in conjunction with the VA, has built four new 160-bed nursing facilities and is now building two more.

These new state homes are exempt from state bed laws, and are designed expressly to serve veterans' needs. But given Texas facilities' capacity to house veterans – in conjunction with the fact the VA's other primary long term care program involves placement in CNHs—the Texas long term care community is correct to wonder why the VA would elect to build new homes when the existing under-capacity in some facilities can easily accommodate greater demand.

Under this scenario, quality of care is threatened, especially when considering reimbursement and staffing. Facilities with low census have fewer dollars to spend on patients. In times of fiscal uncertainty, we must carefully weigh the efficacy of constructing new State Veterans Homes when the possibility already exists for quality care within the community.

Mr. Chairman, now is the time to evaluate the extent to which the VA is enforcing statutes included in the Veteran's Millennium Health Care and Benefits Act-- which established standards for evaluating a state's need for constructing new facilities for veterans. The Texas example is but a microcosm of what is occurring nationwide, and this dilemma must be resolved if we are to maintain our commitment to providing quality long term care.

We laud Congress for passing the Millennium Act that specified in statute that the methodology for establishing the need for new veterans' beds must take into account the number of available community nursing facility beds in each state. We believe that failure to include availability of community nursing home beds has the potential to discriminate against long term care providers nursing home care and services to veterans through contracts.

Another problem that exists under the current situation is that, with staffing shortages at an all time high, facilities are competing for a smaller and smaller pool of caregivers. This is as problematic and unsustainable.

With record numbers of retirees in general and retiring veterans in particular requiring long term care, competing against ourselves for staff is damaging to every facet of our long term care system, and detrimental to the well being and livelihoods of all our patients.

A recent AHCA study examining the vacancy rates in the nation's nursing homes finds almost 100,000 health care professionals are immediately needed simply to fill key nursing jobs across the United States. The majority of the nursing home staffing vacancies -- nearly 52,000 -- were for CNA positions, who perform as much as 80 percent of direct patient care, and who help make the difference in care outcomes.

By 2012, there are expected to be approximately 1.3 million veterans over 85 years of age, and it is imperative that we work together to insure that both the veteran and civilian populations receive the best possible care, and that one population should not receive care at the expense of another.

For the record, Mr. Chairman, AHCA neither discourages in any way funding necessary improvements to veterans' homes nor disagrees with the need to provide alternatives such as State Veterans Nursing Homes. As a veteran myself, I am keenly aware of the need for choice in the long term care continuum. But we ask that prior to appropriating millions in construction costs, we work to determine whether there are quality facilities in proximity to the proposed new homes that could otherwise provide quality care and do it closer to a patient's family and friends.

Thank you again Mr. Chairman, and members of this Committee, for holding this important hearing. With our nation's soldiers and veterans in both the national and international spotlight, our concern for their care and safety today as well as tomorrow has never been more important to the soul and conscience of the American people. They deserve the best we have to offer.

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