

**Prepared Testimony of**

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**Issues Affecting Long-Term Care for Veterans**

**Committee on Veterans' Affairs**

**U.S. House of Representatives**

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Mr. Chairman and members of the committee, thank you for the opportunity to testify today on behalf of the National Association of State Veterans Homes ("NASVH") on the issue of long-term care for veterans. I am pleased to serve as the 2003–2004 President of NASVH. Since 1999, I have been the administrator of the Scarborough Maine Veterans' Home. In that role, I oversee a 150-bed facility which provides skilled nursing care, skilled rehabilitation, long-term care, Alzheimer's care, respite care, residential care, and end of life care to veterans, their spouses, widows, widowers, and gold star parents.

I am joined today by two of my colleagues from across the country. Robert L. Shaw is the Administrator of the Colorado State Veterans Nursing Home at Rifle and the Legislative Officer of NASVH. John M. King is the Director of the Washington State Department of Veterans Affairs and Vice President of the National Association of State Directors of Veterans Affairs.

As the largest deliverers of long-term care to our nation's veterans, the State Veterans Homes system plays a substantial role in ensuring that eligible veterans receive the benefits, services, long-term health care, and respect that they have rightfully earned by their service and sacrifice to our country. We greatly appreciate this Committee's commitment to the long-term care needs of veterans, your understanding of the role that State Veterans Homes play, and your strong support for our programs.

NASVH is made up of the administrators and staff of State-operated veterans homes throughout the United States. We currently operate 117 veterans homes in 48 States and territories. Nursing home care is provided in 111 homes, domiciliary care in 52 homes, and hospital-type care in 5 homes. These homes presently have over 27,500 beds and in the most recent fiscal year provided nearly 6 million days of care. Attachment A to my testimony lists the homes and number of beds in each State.

We work closely with the Department of Veterans Affairs (“VA”), State governments, the National Association of State Directors of Veterans Affairs, veterans service organizations, and all other entities dedicated to the long-term care of our veterans. Our goal is to ensure that the level of care and services provided by State Veterans Homes meets or exceeds the highest standards available.

### Role of the State Veterans Homes

State Veterans Homes first began serving veterans in the wake of the Civil War. Faced with a staggering number of soldiers and sailors in critical need of long-term medical care, and with the capacity of the Federal veterans home system unable to meet the demand, several States established veterans homes to provide for those residents who had served honorably in the military.

In 1888, Congress authorized Federal aid to States which maintained homes in which certain disabled American soldiers and sailors received long-term care. At the time, the payments amounted to about 30 cents per resident per day. In the years since, Congress has made several major revisions to the State Veterans Homes program to expand the base of payments to include specialized hospital, nursing home, and domiciliary care.

Today, State Veterans Homes operate under a program administered by the Federal Department of Veterans Affairs (“VA”), which offers construction grants and per diem payments to support State Veterans Homes. Both the VA construction grants and the VA per diem payments are essential components of support. Each State Veterans Home meets stringent VA-prescribed standards of care, which exceed standards prescribed for other long-term care facilities. The VA conducts annual inspections to ensure that these standards are met and to certify the proper disbursement of funds. Together, the VA and the State Homes represent a very effective and financially-efficient Federal-State collaboration in the service of our veterans.

Construction grants are authorized by 38 U.S.C. §§ 8131–8137. The objective of such grants is to assist the States in constructing or acquiring State Home facilities. Construction grants also can be utilized to renovate existing facilities, and this recently has become a more important activity. Construction grants made by the VA may not exceed 65 percent of the estimated cost of construction or renovation of facilities, including the provision of initial equipment for any such project.

The per diem payments to State Homes are authorized by 38 U.S.C. §§ 1741–1743. They are intended to assist the States in providing for the higher level of care and treatment for eligible veterans in recognized State Veterans Homes which meet standards prescribed by the Secretary of Veterans Affairs. As you know, the per diem rates are established annually by Congress. They are currently \$56.24 per day for nursing home care and \$26.95 per day for domiciliary care.

State Veterans Homes are in a period of sustained managed growth – the result of increasing numbers of elderly veterans who have reached that time in life when long-term care is needed. In fact, we face the largest aging veterans population in our nation’s history, with our veteran population growing substantially each year, and creating a growing demand for service to long-term care veterans. The State Veterans Homes program must continue to grow in a managed fashion to fill the existing unmet need for long-term care beds for veterans in certain States, and to meet generally the annual absolute increase in the number of veterans eligible for such long-term care nationally.

Specifically, the VA has identified six States as having either a “great” or “significant” need to build new State Veterans Homes beds immediately. These six States are Florida, Texas, California, Pennsylvania, Ohio, and New York. In response to this need, Florida has five new homes in the planning stages, and Texas has five additional homes in the planning stages and a sixth new home under construction. California has three new homes approved. Pennsylvania has one new facility under construction, Ohio has two new facilities underway, and New York has one new facility pending construction.

The VA State Veterans Homes construction program is working well. According to priorities set by the VA, 37 construction projects that will add needed new beds to the State Veterans Homes system are either underway or planned in 20 States, including Florida, New York, Louisiana, Connecticut, Arkansas, Pennsylvania, California, Texas, Maine, and Ohio. In addition, numerous other renovation projects within the State Veterans Homes system are either underway or planned in several other States, including Illinois, Kansas, South Carolina, and Colorado. Attachment B to my testimony lists the projects in progress.

Most importantly, the State Veterans Homes system can construct and operate these long-term care facilities for veterans at less cost to taxpayers than can the Federal government. For example, the average daily cost of care for a veteran at a long-term care facility run directly by the VA is estimated nationally to be \$376.55 per day. The same average daily cost of care at a State Veterans long-term care facility is estimated to be far less. For example, the average daily cost for long-term nursing care at Maine Veterans’ Homes is only \$185.51. The same cost of care at a Washington State Veterans Home is \$231 per day, while Florida’s cost of care is estimated to be in the range of \$200–243 per day.

These total costs per day for long-term veterans nursing care are all significantly less than what it costs the VA to deliver a similar service. This, in part, prompted the VA Office of Inspector General to conclude in a 1999 report: “the SVH [State Veterans Home] program provides an economical alternative to Contract Nursing Home (CNH) placements, and VAMC [VA Medical Center] Nursing Home Care Unit (NHCU) care” (emphasis added). In this same report, the VA Office of Inspector General went on to say:

A growing portion of the aging and infirm veteran population requires domiciliary and nursing home care. The SVH [State Veterans Home] option has become increasingly necessary in the era of VAMC [VA Medical Center] downsizing and the increasing need to discharge long-term care patients to community based facilities. VA's contribution to SVH per diem rates, which does not exceed 50 percent of the cost to treat patients, is significantly less than the cost of care in VA and community facilities.

#### Threat to State Veterans Homes Program

Unfortunately, there now exists an immediate and severe threat to the State Veterans Homes program that we hope the Members of this committee will consider and address this year. The use of VA per diem payments by many States is threatened by interpretations of Medicaid rules by the Centers for Medicare & Medicaid Services ("CMS"). This threat is applicable to States that have elected to fund their State Veterans Homes in part through Medicaid.

The State Veterans Homes are financed in many different ways, but in recent years, a growing number of State Veterans Homes have decided to become Medicaid-certified nursing homes. This provides the opportunity for those homes to use Medicaid funds to help defray costs. There are approximately 20 States where the State Veterans Homes are Medicaid-certified.

For those States, there is some ambiguity regarding the treatment of the VA per diem. Under the interpretation of its Medicaid rules being advanced by CMS, VA per diem payments would be considered a third party payment in the Medicaid-certified States. This would require that the entire amount of the VA per diem be offset against Medicaid payments, thereby denying veterans who receive Medicaid in these States any benefit whatsoever of the VA per diem payments.

This result obviously frustrates the intent of Congress in establishing the VA per diem payment system in the first place. For more than 100 years, the Federal government has provided support for the State Veterans Homes. Since 1960, this support largely has been in form of the VA per diem payment. State Veterans Homes are required to meet very stringent and very costly VA standards for veterans care as a condition for receiving these per diem payments. The CMS interpretation, however, would deny the State Veterans Homes system and the veterans residing in it any benefit whatsoever from such VA per diem payments, thus effectively treating veterans no differently than non-veterans, conflicting directly with the intent of Congress to provide our veterans with a stricter standard of care.

In my own State of Maine, this interpretation is also contrary to State law, which provides that "the Maine Veterans' Homes retain as direct income revenue any stipend funds they may receive from the Federal Veterans' Administration for the homes' entire

eligible resident population.” Other States have also determined to treat the per diem stipend in this same manner, while still other States have chosen to offset the payments against their Medicaid funding.

The result of the CMS interpretation would be to force the State Veterans Homes that do not currently offset the VA per diem payments against Medicaid funding to look for alternative funding sources, reduce their standard of care, and possibly to close certain State Veterans Homes. At the Maine Veterans’ Homes, the VA per diem payments are the difference between our Veterans’ Homes system operating in the black or operating in the red. We simply could not provide the level of service we currently provide to our veterans if Medicaid funding were to be offset against the VA per diem amount.

Many costs of care are not covered by Medicaid or other Federal programs and must nonetheless be paid for by the State Veterans Homes. Our fear is that an insistence by CMS on the current CMS interpretation would jeopardize the funding balance for many Medicaid-certified State Veterans Homes across the country, particularly during a period when States face severe fiscal crises. In other States, the per diem offset issue is a looming financial threat that will severely limit funding choices for State Veterans Homes in those States until the problem is solved.

#### Proposed Legislative Solution

A clarification to the law to solve this problem would make clear that VA per diem payments would not be required to be treated as a third party payment under Medicaid. Federal law already includes exceptions for similar payments, including those made under the Indian Health, Community Health, and Migrant Health programs. Clarifying that the VA per diem similarly should not be treated automatically as a third party payment would eliminate the threat to States that are Medicaid-certified. For the majority of States, which are not Medicaid-certified, there would be no effect. And because such proposed legislation would clarify the law as it is currently being implemented and applied, there would be no new costs to the Federal government.

Legislation to clarify this issue was considered previously by Congress, in 1986. The legislation was approved in the Senate but not enacted. In the intervening years, the number of affected States has increased and the confusion surrounding the treatment of per diem payments within the Medicaid system has grown. It is essential and urgent that Congress clarify the matter now and ensure that the long-term care promises that we have made to our veterans are kept. If this issue is not dealt with promptly, many States will face serious financial crises in the funding for State Veterans Homes. Mr. Chairman, we look forward to working with you and Members of the Committee on this important matter, and I thank you for the opportunity to testify today.

Attachments

VISN	State Home Program (Authorized Bed Capacity) as of January 2004						
				DOM	NHC	HOSP	ADHC
	State Homes (117/48)*	City		(49/33)	(111/46)	(5/4)	(1/1)
	Total State Homes	117	TOTAL STATE BEDS	6066	21000	454	40
7	1. Alabama	Alexander City		0	150	0	
7		Bay Minette		0	150	0	
7		Huntsville		0	150	0	
			Total Beds	0	450	0	
18	2. Arizona	Phoenix		0	200	0	40
16	3. Arkansas	Little Rock	Total Beds	55	61	0	
22	4. California	Barstow		220	58	0	
22		Chula Vista		220	180	0	
21		Yountville		817	570	46	
			Total Beds	1257	808	46	
19	5. Colorado	Florence		0	120	0	
19		Homelake		50	60	0	
19		Rifle		0	100	0	
19		Walsenburg		0	120	0	
19		Fitzsimons			180		
			Total Beds	50	580	0	
1	6. Connecticut	Rocky Hill	Total Beds	650	0	350	
8	7. Florida	Daytona Beach		0	120	0	
8		Lake City		150	0	0	
8		Land O'Lakes		0	120	0	
8		Pembroke Pines		0	120	0	
			Total Beds	150	360	0	
7	8. Georgia	Augusta		0	192	0	
7		Milledgeville		175	375	0	
			Total Beds	175	567	0	
20	9. Idaho	Boise		46	136	0	
20		Lewiston		0	66	0	
19		Pocatello		0	66	0	
			Total Beds	46	268	0	
15	10. Illinois	Anna		12	50	0	
12		LaSalle		0	120	0	
12		Manteno		12	340	0	
23		Quincy		150	629	0	
			Total Beds	174	1139	0	
11	11. Indiana	Lafayette		115	465	0	
23	12. Iowa	Marshalltown		113	691	26	
15	13. Kansas	Fort Dodge		165	86	0	
15		Winfield		80	104	0	
			Total Beds	245	190	0	

	State	State Home	DOM	NHC	HOSP	ADHC
9	14. Kentucky	Wilmore	0	300	0	
9		Hazard	0	120	0	
15		Hanson	0	120	0	
		Total Beds	0	540	0	
16	15. Louisiana	Jackson	0	161	0	
16		Monroe	0	156	0	
		Total Beds	0	317	0	
1	16. Maine	Augusta	0	120	0	
1		Bangor	0	120	0	
1		Caribou	0	40	0	
1		Scarborough	0	120	0	
1		South Paris	28	62	0	
		Total Beds	28	462	0	
5	17. Maryland	Charlotte Hall	100	278	0	
1	18. Massachusetts	Chelsea	305	189	20	
1		Holyoke	30	274	12	
		Total Beds	335	463	32	
11	19. Michigan	Grand Rapids	140	618	0	
12		Marquette	59	184	0	
		Total Beds	199	802	0	
23	20. Minnesota	Fergus Falls	0	85	0	
23		Hastings	200	0	0	
23		Luverne	0	85	0	
23		Minneapolis	61	346	0	
23		Silver Bay	0	87	0	
		Total Beds	261	603	0	
16	21. Mississippi	Collins	0	150	0	
16		Jackson	0	150	0	
16		Kosciusko	0	150	0	
9		Oxford	0	150	0	
		Total Beds	0	600	0	
15	22. Missouri	Cameron	0	200	0	
15		Cape Girardeau	0	150	0	
15		Mexico	0	150	0	
15		Mount Vernon	0	99	0	
15		Saint James	0	150	0	
15		Saint Louis	0	200	0	
15		Warrensburg	0	200	0	
		Total Beds	0	1149	0	
19	23. Montana	Columbia Falls	60	90	0	
19		Glendive	0	80	0	
		Total Beds	60	170	0	

	State	State Home		DOM	NHC	HOSP	ADHC
23	24. Nebraska	Grand Island		2	414	0	
23		Norfolk		0	149	0	
23		Omaha		9	179	0	
19		Scottsbluff		90	50	0	
		Total Beds		101	792	0	
22	25. Nevada	Boulder City	Total Beds	0	180	0	
1	26. New Hampshire	Tilton	Total Beds	0	150	0	
3	27. New Jersey	Menlo Park		0	332	0	
3		Paramus		0	336	0	
4		Vineland		0	300	0	
		Total Beds		0	968	0	
18	28. New Mexico	Fort Bayard		0	47	0	
18		Truth or Conseq.		20	164	0	
		Total Beds		20	211	0	
2	29. New York	Batavia		0	126	0	
2		Oxford		0	242	0	
3		Saint Albans		0	250	0	
3		Stony Brook		0	350	0	
3		Montrose		0	252	0	
		Total Beds		0	1220	0	
6	30. North Carolina	Fayetteville	Total Beds	0	150	0	
23	31. North Dakota	Lisbon	Total Beds	112	38	0	
10	32. Ohio	Sandusky	Total Beds	300	427	0	
16	33. Oklahoma	Ardmore		10	175	0	
16		Claremore		0	302	0	
16		Clinton		0	145	0	
16		Norman		0	301	0	
16		Sulphur		30	132	0	
16		Talihina		0	184	0	
		Total Beds		40	1239	0	
20	34. Oregon	The Dalles	Total Beds	0	151	0	
4	35. Pennsylvania	Erie		100	75	0	
4		Hollidaysburg		167	348	0	
4		Pittsburgh		32	204	0	
4		Scranton		16	184	0	
4		Spring City		150	192	0	
4		Delaware Valley			171		
		Total Beds		465	1174	0	
8	36. Puerto Rico	Juana Diaz		180	60	0	

	State	State Home		DOM	NHC	HOSP	ADHC
1	37. Rhode Island	Bristol		79	260	0	
7	38. South Carolina	Anderson		0	220	0	
7		Columbia		0	115	0	
		Total Beds		0	335	0	
23	39. South Dakota	Hot Springs		128	52	0	
9	40. Tennessee	Humboldt		0	120	0	
9		Murfreesboro		0	120	0	
		Total Beds		0	240	0	
18	41. Texas	Big Springs		0	160	0	
17		Bonham		0	160	0	
17		Floresville		0	160	0	
17		Temple		0	160	0	
		Total Beds		0	640	0	
19	42. Utah	Salt Lake City		0	80	0	
1	43. Vermont	Bennington		31	185	0	
6	44. Virginia	Roanoke		60	180	0	
20	45. Washington	Orting		41	161	0	
20		Retsil		8	259	0	
20		Spokane		0	100	0	
		Total Beds		49	520	0	
9	46. West Virginia	Barboursville	Total Beds	195	0	0	
12	47. Wisconsin	King		84	665	0	
12		Union Grove		86	0	0	
		Total Beds		170	665	0	
19	48. Wyoming	Buffalo	Total Beds	123	0	0	
	Total State Homes	117	TOTAL STATE BEDS	6,066	21,000	454	40

**Priority List of Pending State Home  
Construction Grant Applications for FY 2004**

FY 2000 List Rank	FY 2004 List Rank	FAI No. State (Locality)	Description	Priority Group (PG) Ranking	Est. VA Grant Cost (000)
<b>FY 2000 Transition Applications Subject to Previous Regulations (38 CFR 17.190 - 17.222)</b>					
24	1	55-020 WI (King)	Renovate Food Service Facility - NHC	PG-1	2,470
51	2	54-005 WV (Barboursville) *	General Renovations - Dom	PG-1	1,474
56	3	45-003 SC (Walterboro) **	220-Bed NHC; 60-Bed Dom	PG-1	18,572
<b>Subtotal All Transition Phase Applications:</b>					<b>22,516</b>

FY 2004 List Rank	FAI No. State (Locality)	Description	PG, Subpriority, Further Priority, Ranking	Est. VA Grant Cost (000)
<b>FY 2004 Applications Subject to Revised Regulations (38 CFR 59) - Priority Group 1</b>				
4	31-014 NE (Omaha)	120-Bed NHO/DOM (Repl.)	PG - 1,1,2	9,540
5	25-053 MA (Chelsooa) **	Life Safety- Fire Alarm Sys	PG - 1,1,5	8,068
6	38 019 OH (Sandusky)	Fire Alarm, Emergency Generator and Security	PG 1,1,5	2,269
7	55-005 WY (Buffalo) *	Life/Safety Systems Renovations	PG - 1,1,5	616
8	33-005 NH (Tilton)	Upgrade Fire/Safety & General Renovations	PG - 1,1,5	1,671
9	25-050 MA (Holyoke)	Life Safety - Air Conditioning	PG - 1,1,7	6,055
10	21-005 KY (Wilmore) *	Renovate Special Care Unit	PG - 1,1,7	1,853
11	06-018 CA (Yountville) **	Renovate Water Storage/Transmission Lines	PG - 1,1,7	1,370
12	21-008 KY (Hanson)	Life/Safety/HVAC Renovation	PG - 1,1,7	309
13	54-006 WV (Clarksburg) **	120-Bed NHC (New)	PG - 1,2	18,857
14	15-001 HI (Hilo)	95-Bed NHC (New)	PG - 1,2	18,229
15	08-044 CA (Greater LA County)	620-bed NHC/Dom (New)	PG - 1,3	54,804
16	55-025 WI (Union Grove) **	Adult Day Healthcare (Renov)	PG - 1,4,1	588
17	06-048 CA (Yountville) **	Annex 1 Renovations	PG - 1,4,2	10,063
18	25-058 MA (Holyoke)	Care Center Compliance Renov.	PG - 1,4,2	895
19	38-007 NY (Stony Brook) *	ADA Compliance**	PG - 1,4,3	301
20	36-008 NY (Stony Brook)	ADA Compliance - Phase II	PG - 1,4,3	421
21	08-012 CO (Homelake) *	Upgrade Heating Plant, Mechanical/Electrical Systems	PG - 1,4,4	473
22	25-055 MA (Chelsea) **	Roof Replacement	PG - 1,4,4	589
23	55-028 WI (King)	Upgrade Nurse Call System	PG - 1,4,4	520
24	55-027 WI (King) *	Upgrade Boiler Control System	PG - 1,4,4	391
25	08-013 CO (Rifle)	Upgrade Fire/Safety Renovations	PG - 1,4,4	1,652
26	08-050 CA (Yountville) **	Electrical System Renovation	PG - 1,4,4	2,217
27	08-051 CA (Yountville)	Steam Dist. System Renov.	PG - 1,4,4	1,729
28	20-003 KS (Fort Dodge) **	HVAC Upgrade	PG - 1,4,4	1,141
29	31-013 NE (Grand Island)	Generator/Water System	PG - 1,4,4	1,378
30	55 029 WI (Union Grove)	Chilled Water Plant Renov	PG - 1,4,4	1,002
31	55-030 WI (King)	Install Freight Elevator - MacArthur Hall	PG - 1,4,4	272
32	55-031 WI (King)	Water Supply Well System	PG 1,4,4	1,389
33	29-013 MO (St. Louis)	Roof Replacement	PG - 1,4,4	966
34	29-014 MO (Cape Girardeau)	HVAC Upgrade, Gen. Renov., & Construct	PG - 1,4,4	3,489
35	37-003 NC (Salisbury)	Dietary Project	PG - 1,4,5	595
36	06 015 CA (Yountville)	Laundry Building Renovation	PG - 1,4,5	1,202
37	08-047 CA (Yountville)	Chapel Renovation	PG - 1,4,5	1,013
38	06-049 CA (Yountville)	Recreation Building Renovation	PG 1,4,5	4,685
39	25-057 MA (Holyoke)	Auditorium Modification	PG - 1,4,5	591
40	55-028 WI (Union Grove)	Dietary Renovation	PG - 1,4,5	2,145

**Priority List of Pending State Home  
Construction Grant Applications for FY 2004**

FY 2004 List Rank	FAI No.	State (Locality)	Description	PG, Subpriority, Further Priority, Ranking	Est. VA Grant Cost (000)
<b>FY 2004 Applications Subject to Revised Regulations (38 CFR 59) - Priority Group 1</b>					
41	25-059	MA (Holyoke)	Kitchen Renovation	PG - 1,4,5	975
42	53-032	WA (Spokane)	Kitchen Addition	PG - 1,4,5	937
43	08-011	CO (Florence) *	General Renovation	PG - 1,4,6	4,056
44	25-054	MA (Chelsea)	General Renovations	PG - 1,4,6	3,250
45	46-011	SD (Hot Spring)	General Renovations	PG - 1,4,6	1,233
46	20-002	KS (Winfield) **	General Renovations	PG - 1,4,8	2,829
47	17-026	IL (LaSalle)	New Storage Building	PG - 1,4,6	500
48	17-027	IL (Quincy)	Bus & Ambulance Garage	PG - 1,4,6	585
49	12-012	FL (Lake City)	General Renovations	PG - 1,4,6	925
50	28-005	MS (Jackson)	General Renovations	PG - 1,4,6	1,800
51	51-004	VA (Roanoke)	General Renovations	PG - 1,4,6	404
52	48-007	TX (Amarillo)	160-Bed NHC (New)	PG - 1,5	8,681
53	42-019	PA (Erie)	50-Bed Alzheimer's/NHC (Add.)	PG - 1,5	4,275
54	47-005	TN (Knox County)	120-bed NHC (New)	PG - 1,6	10,660
55	22-004	LA (Reserve)	156-Bed HNC/Dom (New)	PG - 1,6	11,248
56	51-002	VA (Richmond)	220-Bed NHC; 60-Bed Dom (New)	PG - 1,6	14,750
57	55-023	WI (Union Grove)	120-Bed NHC (New) & Comms Bldg	PG - 1,6	12,025
58	23-010	ME (Machias)	30-Bed Domiciliary (New)	PG - 1,6	4,306
59	05-003	AR (Fayetteville)	108-Bed NHC (New)	PG - 1,6	4,456
60	17-025	IL (Quincy)	106-Bed NHC (New)	PG - 1,6	3,213
61	47-006	TN (Murfreesboro)	20-Bed Alzheimer's Unit Addition & General	PG - 1,6	2,275
62	47-007	TN (Humbolt)	20-Bed Alzheimer's Unit Addition & General	PG - 1,6	1,996
63	22-006	LA (Bossier City)	156-Bed NHC (New)	PG - 1,6	11,248
64	06-052	CA (Redding) **2	150-Bed NHC/DOM (New)	PG - 1,3	17,572
65	06-053	CA (Fresno) **2	300-Bed NHC/DOM (New)	PG - 1,3	25,864
66	48-008	TX (Pending) **3	160-Bed NHC (New)	PG - 1,5	8,681
67	48-009	TX (Pending) **3	160-Bed NHC (New)	PG - 1,5	8,681
68	48-010	TX (Pending) **3	160-Bed NHC (New)	PG - 1,5	8,681
69	48-011	TX (Pending) **3	160-Bed NHC (New)	PG - 1,5	8,681
70	55-032	WI (Union Grove) **4	24-Bed DOM Addition (New)	PG - 1,6	1,625
<b>Subtotal All Transition &amp; New Priority Group 1 (Has State Matching Funds) Applications:</b>					<b>367,009</b>

FY 2004 List Rank	FAI No.	State (Locality)	FY 2004 Applications Subject to Revised Regulations (38 CFR 59) - Priority Groups 2-7	PG, Subpriority, Further Priority, Ranking	Est. VA Grant Cost (000)
71	09-012	CT (Rocky Hill)	Life Safety General Renovations - DOM	PG - 2,7	7,800
72	02-001	AK (Palmer)	General Renovations to Establish SVH (79-Beds)	PG - 3	1,785
73	09-011	CT (Rocky Hill)	250-Bed NHC (New)	PG - 3	20,040
74	12-007	FL (Pending)	120-Bed NHC (New)	PG - 4	9,207
75	12-008	FL (Pending)	120-Bed NHC (New)	PG - 4	9,418
76	12-009	FL (Pending)	240-Bed NHC (New)	PG - 4	16,980
77	12-010	FL (Pending)	120-Bed NHC (New)	PG - 4	9,857
78	12-011	FL (Pending)	240-Bed NHC (New)	PG - 4	17,780
79	27-018	MN (Minneapolis)	Adult Day Health Care Renovation - 35 Participants	PG - 5,1	1,836
80	36-003	NY (Oxford)	New Wing & Renovations - No Beds	PG - 5,2	1,217
81	19-028	IA (Marshalltown)	General Renovations NHC	PG - 5,2	2,731
82	27-019	MN (Luverne)	Dementia Unit	PG - 5,2	498

**Priority List of Pending State Home  
Construction Grant Applications for FY 2004**

FY 2004 List Rank	FAI No.	State (Locality)	FY 2004 Applications Subject to Revised Regulations (38 CFR 59) - Priority Groups 2-7	PG, Subpriority, Further Priority, Ranking	Est. VA Grant Cost (000)
83	44-009	RI (Bristol)	Nursing Unit Renovations	PG - 5,2	2,218
84	13-006	GA (Milledgeville/Augusta)	Elevator Renovations (5 Buildings)	PG - 5,4	656
85	13-007	GA (Milledgeville)	HVAC Renov. - Wheeler Bldg.	PG - 5,4	480
86	27-020	MN (Minneapolis)	Kitchen/Dining Room Renov.	PG - 5,5	2,844
87	27-021	MN (Silver Bay)	Nursing Care Space	PG - 5,5	499
88	13-005	GA (Milledgeville)	Dietary Facility	PG - 5,5	715
89	34-025	NJ (Paramus)	Multipurpose Room	PG - 5,6	1,415
90	36-010	NY (St. Albans)	General Renovations	PG - 5,6	3,247
91	08-014	CO (Homelake)	Upgrade Resident Support and Activity Areas	PG - 5,6	644
92	39-017	OH (Pending)	168-bed NHC (New)	PG - 6	7,800
93	39-018	OH (Pending)	168-bed NHC (New)	PG - 6	7,800
94	36-009	NY (Oxford)	252-Bed NHC ( 242 Repl. + 10 Addit.)	PG - 6	39,215
95	37-004	NC (Eastern)	120-Bed NHC (New)	PG - 6	5,358
96	55-021	WI (King)	45-Bed Dom (New)	PG - 7	2,294
97	24-005	MD (Western)	120-Bed NHC (New)	PG - 7	7,684
98	53-030	WA (Orting)	120-Bed NHC (97 Repl, 23 new)	PG - 7	8,316
99	27-022	MN (Fergus Falls)	Dementia - Special Care Unit	PG - 7	4,799
100	37-005	NC (Western)	120-Bed NHC (New)	PG - 7	5,358
<b>Subtotal All Priority Groups 2 - 7 Applications ( No State Matching Funds):</b>					<b>192,691</b>

**Total All Pending Applications: 559,700**

\* These projects were awarded after August 15, 2003.

\*\* These projects were conditionally approved after August 15, 2003. This is a 180 day time extension authorized in 38 UCS 8135.

\*\*2 The State of California has requested that funding for the construction of one of its bed-producing project (06-044) be considered for funding on this priority list. Projects 06-052 and 06-053 have PG-1 certification of 35% State matching

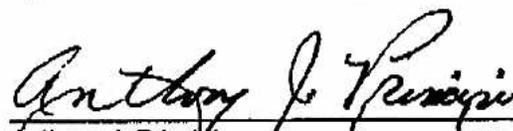
\*\*3 The State of Texas has requested funding for the construction of one of its bed-producing projects (48-007) be consid for funding on this priority list. Projects 48-009 through 48-011 have PG-1 certification of 35% State matching funds.

\*\*4 The State of Wisconsin has requested that funding for the construction of one of its bed-producing project (55-023) be considered for funding on this priority list. Project 55-032 has PG-1 certification of 35% State matching funds.

This Priority List is established in accordance with 38 USC 8135 and 38 CFR 59

These applications will be funded in FY 2004 in the order which they appear on this list, subject to the availability of Federal funds and compliance with all Federal requirements.

Approved.

  
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 Anthony J. Principi  
 Secretary, Department of Veterans Affairs

1/13/04  
 \_\_\_\_\_  
 Date