

Fiscal Analysis

VETERANS HOME ADMISSION ELIGIBILITY



Bill/Sponsor HOUSE BILL 4305 as introduced, Rep. David B. Robertson

House Committee Veterans Affairs and Homeland Security

Analysis

Summary

House Bill 4305 would amend Public Act 152 of 1885 to extend the eligibility for admission to a state veterans home to veterans who have been awarded a campaign medal signifying service in a hostile fire environment and veterans who have served at least 20 years in the armed forces reserves or the National Guard.

Background Information

Currently, veterans home admission is limited to honorably discharged veterans who (1) served at least 90 days in a designated war period or (2) acquired a service-connected disability. Under current Veterans Home Board of Managers policy, parents, widows, former spouses, and spouses of eligible veterans may also be admitted.

The operations of the state's two veterans homes are funded through a combination of federal revenue, contributions by home residents based on ability to pay (income and assessments), a small amount of lease revenue, and General Fund/General Purpose (GF/GP) appropriations.

Veterans Home Appropriated Revenue Sources

Fiscal Year 2002-03 Year-to-Date

Revenue Source	Appropriation	% of Total
U.S. Department of Veterans Affairs	\$16,775,400	30.4
Medicare	901,600	1.6
Medicaid	500,000	0.9
Income and Assessments	18,203,600	33.0
Lease Revenue	35,000	0.1
General Fund/General Purpose	<u>16,681,900</u>	<u>33.9</u>
TOTAL	\$55,097,500	100.0

The Grand Rapids Veterans Home has a capacity of 755 residents, and the D.J. Jacobetti Veterans Home in Marquette has a capacity of 240 residents.

Fiscal Impact

Indications are that few, if any, veterans that are not currently eligible for veterans home admission would become eligible under the campaign medal provision. The primary fiscal impact of the bill, then, would result from the eligibility of veterans of the National Guard and armed forces reserves.

Assuming that capacity at the state's two veterans homes is not expanded, the bill would not impact overall state costs since both homes are currently operating at full capacity. The bill would, however, have the following impacts:

(1) The waiting lists for veterans home admission would lengthen. Current board of managers policy states that veterans included under federal Department of Veterans Affairs (VA) policy be granted priority in the admissions process. Assuming this policy were maintained, veterans who became eligible under this bill would be placed at the bottom of the homes' waiting lists.

(2) To the extent that National Guard and armed forces reserves veterans were admitted to the home, federal revenue would be lower than the levels associated with veterans currently eligible for residency at the homes. According to the Department of Military and Veterans Affairs, veterans contribute approximately \$120 per day toward the cost of their care, whereas non-veterans contribute approximately \$40 per day. This \$80 gap is largely a result of the per diem payments the VA provides to the homes for the care of veterans. Over the course of a full year, the department reports that \$25,000 to \$30,000 in additional GF/GP funding would be required for the care of a National Guard/reserves veteran.

(3) Federal VA policy requires that at least 75 percent of residents at homes participating in its veteran home funding programs be federally recognized veterans. If the bill caused that percentage to drop below 75 percent, the homes would lose all VA funding.

In sum, the bill could potentially reduce federal revenue, requiring the state to provide additional GF/GP funding. The magnitude of such an impact is indeterminate and would depend on (1) the number of veterans who would become eligible under the bill and subsequently choose to apply for veterans home admission, (2) whether trends in the number of veterans currently eligible for admission allowed for significant numbers of National Guard and armed forces reserves veterans to be admitted, and (3) future Veterans Home Board of Managers policies and admissions decisions.

Analyst(s)

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