

The California State Auditor released the following report today:

California Department of Veterans Affairs

It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed

BACKGROUND

The California Department of Veterans Affairs (CalVet) provides the State's aged and disabled California veterans who reside in veterans homes with rehabilitative, residential, and medical care and services in a homelike environment. CalVet operates six active veterans homes—in Yountville, Barstow, Chula Vista, Ventura, Lancaster, and West Los Angeles—and in October 2013 will begin admitting veterans at two more veterans homes in Fresno and Redding. The veterans homes provide varying levels of the following types of care: domiciliary, residential for the elderly, intermediate nursing, and skilled nursing. Only the Yountville veterans home provides all four levels of care. The California Veterans Board determines the policies for all CalVet's operations while the Department of Public Health licenses CalVet's skilled nursing and intermediate care facilities and the Department of Social Services licenses its residential care facilities. Further, the U.S. Department of Veterans Affairs (VA) provides on-site inspections of the veterans homes.

KEY FINDINGS

During our review of CalVet's management of the California veterans homes, we noted the following:

- CalVet did not ensure that the veterans homes received the maximum amount of revenue for all services provided to veterans. In fact, in fiscal years 2009-10 through 2011-12, CalVet only generated enough revenues to cover about half of the cost to operate these homes.
- State laws or CalVet's policies limit the amount of money that it can recover for the care it provides to veterans.
 - ✓ It can only use a member's annual income—not his or her assets—in determining the member's fee that it may charge and the fee is limited to a certain percentage based on the level of care he or she receives.
 - ✓ CalVet's policy caps the amount it can collect in members' fees.
 - ✓ None of the money collected from members' estates after they pass away can be used to offset the cost of their care—it can only be used for the morale, welfare, or recreation of the veterans living at the homes.
- Statutory licensing requirements and state budget allocations limit the number of beds available for veterans which results in unused space at the homes. Legal restrictions also may limit CalVet's ability to lease to or to partner with other entities to utilize this unused space.
 - ✓ It has not monitored its only public-private partnership agreement—the non-profit agency uses space and utilities at the Yountville veterans home at no charge in exchange for providing mental health care services for veterans—and thus, does not know how successful the collaboration is in serving more veterans.
 - ✓ Although it has agreements with other entities to analyze long-term planning at the Yountville veterans home, CalVet does not have a formalized process to identify opportunities to utilize unused space at its other homes.
- Many veterans may continue to be unaware of benefits and services available to them due to limited outreach resources thus, CalVet uses technology-based strategies, like social media or a mobile application, to reach veterans. Further, it has not monitored its outreach efforts with partnered entities and thus cannot determine their success.
- None of the six active veterans homes consistently follow all state purchasing requirements. In fact, of the 30 purchases we reviewed, 40 percent did not comply with state purchasing requirements.

KEY RECOMMENDATIONS

We made numerous specific recommendations to CalVet including those geared towards ensuring it maximizes its ability to generate revenue at all the veterans homes and better cover the costs or providing care to its members, and those aimed at better utilizing unused space at the homes. We also made recommendations to better ensure that the veterans homes are providing quality care as cost-efficiently as possible and ensure that it is providing the highest quality of services to veterans. Another recommendation was intended to improve CalVet's efforts in reaching a larger number of veterans to make them aware of benefits and services to which they may be entitled.