



Little Hoover Commission Hearing
Written Testimony
Submitted June 5, 2017
Vito Imbasciani, MD, Secretary

Chairman Nava and Members of the Little Hoover Commission:

I would like to thank the Little Hoover Commission for the opportunity to provide written testimony for this public hearing on the Veterans Home of California – Yountville. The commission has invited me to engage further in an ongoing discussion we have had over several months regarding the future of this historic Veterans Home. I am pleased to continue exploring the opportunities that may exist for Yountville.

In the following testimony, I will discuss the Yountville campus specifically, as well as some examples of a changing approach I and the leadership of the Veterans Homes Division have taken during my tenure at CalVet. This new direction has centered around turning our attention to the path the Veterans Homes are on and asking ourselves – what is next?

Yountville

CalVet is committed to serving veterans in Yountville for decades to come and is taking steps to ensure continued success in the Home. The campus offers a number of opportunities for sensible and fiscally responsible growth and development. As detailed below, CalVet is taking concrete steps towards this goal and seeks the input and assistance of all federal, state, and regional stakeholders to ensure success.

As the oldest and the largest facility of its kind in the country, the Yountville Veterans Home has always been the flagship of the CalVet system. It has provided care and services in an iconic setting for more than 130 years. As the Commission is well aware, the Yountville Veterans Home has a number of physical challenges – the buildings are old, the infrastructure is inefficient, and the design reflects the needs and preferences of veterans from generations past. Since 2005, more than \$80 million dollars have been spent on maintenance and repairs to patch antiquated facilities and keep the Home operating in its current status. Some equipment is so archaic that replacement parts have to be custom-manufactured at great expense, rendering the equipment unusable for extended periods. California’s investments have been focused on building and opening five new facilities in the last decade, and now that same focus needs to shift toward reinvigorating the Yountville Home. The Home is critical to CalVet’s long-term

vision to serve veterans, and it is vital that all parties are willing to commit to its revitalization.

One of my top priorities is revitalizing the Yountville campus to provide the best services possible while decreasing CalVet's General Fund footprint. As Secretary and as a physician, I recognize that a state-of-the-art skilled nursing facility can be truly beneficial both for decreasing ongoing costs and improving care delivery, which is why the construction of a state-of-the-art skilled nursing facility is at the top of CalVet's five-year capital outlay plan. The demand for nursing is great and will continue to rise for the foreseeable future. A new skilled nursing facility would truly be an investment to better serve California's veterans and to address the rising tide of maintenance and repair costs. However, this is not the only ongoing effort to improve the Home. CalVet is also pursuing public-private partnerships and other possible uses for the campus, including alternative programming options, multi-family housing projects, and other opportunities that would allow CalVet to better serve veterans while limiting our impact on the General Fund. Given the size, location, and community support, the Yountville campus shows strong potential for these types of partnerships. My staff and I are currently reaching out to a number of outside entities and stakeholders – some of whom will also be testifying before the Little Hoover Commission – to identify options that will benefit the community, the taxpayers, and California's veterans.

There has been some recent discussion, including by this Commission, about the future of our domiciliary level of care. We are proud that we have been able to provide housing for our residents who are able to live fully independent of any round-the-clock medical services. In Yountville, the domiciliary program comprises more than half of the budgeted beds. As you mentioned in your March 2017 report, though, in the future we may see a need to focus our efforts on the higher levels of care. Already, we do not see nearly the demand for domiciliary beds that we see for some of our other programs, especially skilled nursing and memory care. Thus, someday we may find ourselves drawing down our domiciliary program if the demand does drop as we believe it will. To be clear, I do not foresee this affecting the housing for any veterans currently living in our domiciliary and would not support a plan to discharge them. However, we do intend to have further conversations about the future of the domiciliary and whether it is appropriate to begin shifting resources and priorities elsewhere.

In summary, CalVet has a strong vision for a vibrant Yountville campus, but these improvements will not occur overnight. However, our long-term goal is to revitalize the campus with programmatic partnerships, improved systems, and a new skilled nursing facility. Throughout this process, we will continue to prioritize any and all infrastructure repairs that impact our Yountville residents.

The Horizon

I read with interest your March 2017 report on the Veterans Homes. I greatly appreciate the time and perspective you have dedicated to the service of California veterans. I welcome the input of those whose aim, like my own, is to ensure our veterans are honored for their service and afforded the highest quality in the services to which they

are entitled. I share your desire to make sure our facilities and programs feature the best designs available to us. I studied your March 2017 recommendations, and I am very pleased to inform you that we have begun work toward many of those very notions.

Like the commission, I know that reaching the full operation of all eight of our Veterans Homes has brought a new opportunity to look toward the future of CalVet. The wants and needs of our resident population will change in the coming years. We see this every day as applications come into our Veterans Homes and as our current population evolves. Last year, CalVet employed two Retired Annuitants who specialized in demographics and the development of mental and behavioral health programs. We asked these experts to help us understand more about what we can expect as new generations of veterans reach points in their lives where they wish to take advantage of our programs.

They conducted valuable research for us, and the effort they began remains ongoing. What we have learned thus far reinforces what we have suspected from recent trends:

- California's veterans will continue to need skilled nursing care;
- Memory care demand will continue to increase, as cases of Alzheimer's Disease and other forms of dementia increase nationally and our generations of veterans age;
- Fewer people in the aging community seek fully independent housing through organizations like ours; people tend to wait until they need more intensive services before leaving their homes or the care of family members;
- The need for mental and behavioral health services will increase; and
- We will see changes in our residents' lifestyles, interests, and preferences for how they spend their time.

We plan to continue learning how the landscape will change and what we need to do in order to stay relevant and provide the right complement of services in an evolving population. Based on the commission's earlier recommendations, I know this sort of examination of our programs is of importance to this body. I share this value and plan to keep it at the forefront of our planning at CalVet.

With similar interest in taking a close look at our programs and the way forward, CalVet has developed a budget trailer bill and both the Senate and the Assembly have approved the language. Through this bill, the Governor has proposed giving CalVet the authority to prioritize for admission to the Homes those veterans who have a service-connected disability rating of 70% or higher or who are in greater financial need.

The trailer bill also proposes a number of revisions to the Military and Veterans Code that would provide opportunities for us to reduce our impact on the state General Fund. These include more clearly defining the monthly fees we charge residents and the services and amenities they can expect to receive for those payments. The proposals also include requiring all residents to retain health insurance after admission. While we are limited by law in our ability to recover costs for the services we provide, these reforms would enable us to take a new approach to our cost model to make sure we

continue to be the responsible stewards of our funding that all Californians would expect.

Conclusion

CalVet is at a turning point in its history. Five Veterans Homes have been opened and are finishing their ramp-up processes. We are providing excellent healthcare throughout the Homes, as evidenced by our superb survey performance across the board. We are pursuing new and innovative projects, such as telemedicine, an automated pharmaceutical system, and an updated electronic health record. We are exploring the future needs of our current residents and incoming generations of veterans to determine how to better serve them. Now is the time to pursue big ideas and renew our commitment to California's veterans for decades to come.

Thank you again for the opportunity to address the Commission and for your March report on the Veterans Homes. I firmly believe that we have the talent, commitment, and community support to improve processes throughout the system and to rechristen the Yountville Home as a shining example for the nation to follow.

If you have any further questions, please contact June Iljana, Deputy Secretary for Communications, at (916) 651-2156 or june.iljana@calvet.ca.gov.