Department of Veterans Affairs Veterans Health Administration Washington, DC 20420 VHA HANDBOOK 1601SH.01 Transmittal Sheet August 25, 2011

STATE VETERANS HOME (SVH) PER DIEM PAYMENT PROGRAM

- **1. REASON FOR ISSUE.** This Veterans Health Administration (VHA) Handbook describes program standards and operational procedures for the Department of Veterans Affairs (VA) State Veterans Home (SVH) Per Diem Payment Program.
- 2. SUMMARY OF CONTENTS. This is a new VHA Handbook that defines and standardizes procedures associated with the authorization and per diem payment processing actions associated with the SVH Program. It addresses roles and responsibilities, eligibility requirements for the different levels of care (i.e., nursing home, domiciliary, and adult day health care), and the processing of SVH admissions applications and per diem payment processing, to include the computation of rates and monthly invoicing processes. The applicable requirements of Title 38 Code of Federal Regulations (CFR) Part 43 are referenced. These include the requirements for accounting for grant funds in section 43.20, provisions for withholding grant payments in section 43.21, limitations on use of funds in section 43.22, program income in section 43.25, nonfederal audits in section 43.26, procurement in section 43.46, requirement for annual reports in section 43.40, financial reporting in section 43.41, and retention of records in section 43.42. This Handbook also provides guidance regarding 38 CFR 51.41, which requires VA to make higher nursing home per diem payments for certain Veterans with service-connected disabilities.
- **3. RELATED ISSUES.** VHA Directive 1601 (to be published).
- **4. RESPONSIBLE OFFICE.** The Chief Business Office, through its State Veterans Home Per Diem Program Office (10NB), is responsible for the contents of this Handbook. Questions may be referred to (303) 398-5908.
- **5. RECISSIONS.** None.
- **6. RECERTIFICATION.** This VHA Handbook is scheduled for re-certification on or before the last working day of August 2016.

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STATE VETERANS HOME (SVH) PER DIEM PAYMENT PROGRAM

1. PURPOSE

This Veterans Health Administration (VHA) Handbook provides information and procedures relating to the administration of the Department of Veterans Affairs (VA) State Veterans (SVH) Home Per Diem Program.

2. AUTHORITY

This Handbook contains information and procedures for determining eligibility, reporting, vouchering, and auditing of per diem payment claims for SVHs pursuant to title 38 of the United States Code (U.S.C.), sections 1710, 1720(f), 1741-1745, and title 38 of the Code of Federal Regulations (CFR) Parts 51 and 52.

3. BACKGROUND

- a. The State Veterans Home Program is a grant program that provides Federal assistance to States by participating in a percentage of the cost of construction and paying per diem for providing care to eligible Veterans in the facility when VA recognizes the home as a SVH.
- b. The SVHs are owned and operated by the States and VA does not have legal authority over the management or control of a SVH.
- c. VA provides Federal assistance to States by participating in a percentage of the cost of construction of SVHs and per diem costs for caring for eligible Veterans. VA also ensures that SVHs meet VA standards through surveys, audits, and reconciliation of records.
 - d. VA's management of the program is comprised of four major components:
 - (1) The SVH construction grant program;
 - (2) The SVH per diem program;
 - (3) The SVH nurse recruitment and retention program; and
- (4) The SVH clinical and survey oversight program, to ensure standards of care are maintained.
- e. Under the SVH Program, states may provide care for eligible Veterans in need of care in three different types of programs: nursing home, domiciliary, and adult day health care (ADHC).
- f. A facility is considered to be a SVH when a home established by a State for the care of disabled, elderly, or ailing Veterans has been awarded formal recognition status by the Under Secretary for Health as set forth in 38 CFR §51.30 for nursing home care and 38 CFR § 52.30 for

adult day health care. *NOTE*: The Secretary of Veterans Affairs is the approving official for recognition of SVH domiciliary programs.

- g. Admission to SVHs is not open to the general public. Admission is restricted to eligible Veterans and certain categories of Veteran-related family members. A SVH cannot admit or provide care to other applicants.
- h. VA per diem payments to States are only paid for the care of eligible Veterans. VA pays per diem to SVHs for the care of Veterans irrespective of whether the Veteran has wartime or peacetime service. The Secretary of Veterans Affairs may adjust the per diem rates each year. non-Veteran residents are not entitled to payment of VA aid.
- i. The percent of the facility residents eligible for VA nursing home care must be at least 75 percent Veterans except that the Veteran percentage need only be more than 50 percent if the facility was constructed or renovated solely with non-VA funds. *NOTE:* The mix of the resident census varies from SVH to SVH. Some States exercise their rights under law to accept up to 25 percent non-Veterans in their SVHs, while others only accept Veterans and some may only accept war Veterans.
- j. Responsibilities for managing the SVH per Diem Program are shared by VHA's Chief Business Office (CBO) and VA medical centers of jurisdiction.
- (1) The SVH Per Diem Program is a benefit administration and payment processing program that is managed by the CBO.
- (2) At the local level, the SVH Program is administered by the VA medical center of jurisdiction.
- k. As a condition of receiving per diem payments from VA, the SVH is required to meet VA standards outlined in 38 CFR, part 51 for nursing home and part 52 for ADHC. SVH domiciliaries must meet the standards in VHA Manual M-5, Part VIII. VA monitors compliance with VA standards by SVHs through surveys, audits, and reconciliations of records. These are conducted by VA and VA contractors under the supervision of the Director of the VA medical center of jurisdiction.

4. SCOPE

This Handbook defines and standardizes definitions, policies and procedures associated with the authorization and per diem payment processing actions associated with the SVH Program. It addresses:

- a. Roles and responsibilities of VHA program management offices, Veterans Integrated Service Networks (VISNs) and local VA medical centers that are designated facilities of jurisdiction for managing SVH Programs.
- b. Veteran eligibility requirements for payment of per diem for different levels of SVH Programs: nursing home, domiciliary, and ADHC.

- c. The processing of applications for new Veterans admitted to a SVH.
- d. The processing of payments to States for care provided to eligible Veterans in a SVH, to include the monthly invoicing process, the use of per diem rates, and the computation of per diem payable based on eligibility and the rates prescribed.
 - e. The maintenance of health records for all Veterans in a SVH Program.

5. **DEFINITIONS**

For purposes of this Handbook the following definitions apply:

- a. <u>Administrator</u>. The Administrator is the official who is in charge of the SVH. Nursing home administrators are usually licensed based on the requirements of their state. These officials may also be referred to by some states as Superintendents or Commandants.
- b. <u>Adult Day Health Care (ADHC).</u> ADHC is support for individuals who do not fully function independently but who do not need full-time nursing care. It is generally provided in a group environment, and is coordinated with health and social services designed to stabilize or improve a veteran's ability for self-care, or to prevent, postpone, or reduce the need for institutional placement.
- c. <u>Certification</u>. Certification is granted by VA when a SVH nursing home or ADHC program meets all VA standards. The Under Secretary for Health makes the initial determination regarding certification and recognition. After an annual survey, a provisional certification is issued by the VA medical center Director only upon a determination that the facility or facility management does not meet one or more of the VA standards, that the deficiencies do not jeopardize the health or safety of the residents, and that the facility management and the Director have agreed to a plan of correction to remedy the deficiencies in a specified amount of time. The VA medical center of jurisdiction Director determines the amount of time that is reasonable for correcting the specific deficiencies.
- d. <u>Domiciliary Care.</u> Domiciliary care provides shelter, food, and necessary medical care on an ambulatory self-care basis to assist eligible Veterans who are suffering from a disability, disease, or defect of such a degree that incapacitates the Veteran from earning a living. However, the Veteran, although not in need of hospitalization or nursing care services, needs to attain the physical, mental, and social well-being through special rehabilitative programs to restore the Veteran to the highest level of functioning.
- e. <u>Eligibility.</u> A Veteran is eligible for care at a SVH if VA determines that the Veteran needs care at a nursing home, domiciliary, or ADHC and also meets the requirements found in 38 CFR 51.50 (for nursing home care), 38 CFR 17.46(b) (for domiciliary care), and 38 CFR 52.50 (for ADHC).
- f. <u>VA Medical Center of Jurisdiction</u>. The VA medical center of jurisdiction is an organizational level within VA that has the responsibility for managing SVH programs in a

prescribed geographical area. It can be similar to the primary service area that is assigned to that medical facility. It can also be for a larger geographical area, such as a State. Geriatrics and Extended Care (GEC) determines which VA medical center is to be the VA medical center of jurisdiction for each SVH. Some of the factors considered in making the decision as to which facility is to be the VA medical center of jurisdiction are the clinical and administrative resources available at the proposed VA medical center of jurisdiction, and the geographic proximity between a VA medical center and a proposed SVH. *NOTE:* This determination is usually made during the recognition process.

- g. <u>VA Medical Center of Jurisdiction Per Diem Point of Contact (POC)</u>. These POCs are individuals delegated authority to provide guidance to the VA medical center of jurisdiction and SVH staff and to effectively communicate program responsibilities and outcomes with state officials, VA medical center and VISN managers, CBO, and GEC. They also are responsible for ensuring the timely processing and reconciliation of all documentation, including daily admissions, discharges, and the accuracy of payment processing actions. *NOTE:* It is preferable that the individual who is delegated authority to assume these duties is assigned to a VA Medical Center's Business Office or Health Administration Service.
- h. "No Adequate Means of Support." The phrase "no adequate means of support" refers to an applicant for domiciliary care whose annual income exceeds the annual rate of pension for a Veteran in receipt of regular aid and attendance (A&A) as defined in 38 U.S.C. 1503, but who is able to demonstrate to competent VA medical authority, on the basis of objective evidence, that deficits in health or functional status render the Veteran incapable of pursuing substantially gainful employment (as determined by the Chief of Staff) and who is without the means to provide adequately for self, or to be provided for in the community (see 38 CFR 17.47(b)(2)).
- i. <u>Nursing Home Care.</u> Nursing home care refers to the accommodations of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. It does not include domiciliary care.
- j. <u>On-Site State Representative.</u> On-Site State Representative applies to a facility that is operated by an entity contracting with the State. In this case, the State must assign a State employee to monitor the operations of the contracted facility on a full-time on-site basis.
- k. **Per Diem.** Per diem is the approved daily rate established by VA to reimburse SVHs for providing specified levels of care to eligible Veterans.
 - 1. **Recognition.** Recognition applies to the formal granting of status as a SVH by VA.
 - m. **Secretary.** The term "Secretary" refers to the Secretary of Veterans Affairs.
- n. <u>State.</u> State refers to each of the several States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

- o. <u>State Veterans Home (SVH).</u> A SVH is a home established by a state for Veterans disabled by age, disease, or otherwise who by reason of such disability are incapable of earning a living. Such term also includes such a home which furnishes nursing home care to Veterans.
- p. <u>State Officials</u>. State officials are personnel or employees of a state agency that owns and operates the SVH facility. Contract employees who are retained by a state government entity on a contractual basis are not considered to be State employees.
- q. <u>SVH Per Diem POC.</u> The SVH per diem POC usually works out of the SVH's Administration department or business office. The POC usually prepares monthly per diem claims on VA Form 10-5588, State Home Report and Statement of Federal Aid Claimed, and documents that are used to support the claim (e.g., resident leave logs, resident movement records, etc.).
- r. <u>SVH VA Medical Center Representative</u>. The SVH VA Medical Center Representative is appointed by the Director of the VA medical center of jurisdiction. The representative is responsible for managing the SVH Program, to include: coordinating communication between the SVH survey team, VA medical center Director, SVH VISN Liaison, and GEC; responding to inquiries from SVH management and referring SVH management to the appropriate VA office for assistance; and the reporting of sentinel events. The representative may also be responsible for ensuring the timely processing of all documentation, including daily admissions, discharges, and reconciling and processing invoices for SVH per diem claims.
- s. <u>VA Aid.</u> VA Aid is VA per diem payments made to a State for care of Veterans in SVHs under the provisions of 38 CFR 17.194 through 17.200.
- t. <u>VA SVH Physician</u>. A VA SVH physician is a VA physician who has been delegated authority to review and make approval or denial determinations for SVH admission applications. *NOTE:* This delegation of authority is usually restricted to one or two physicians per VA medical center of jurisdiction.
- u. <u>Veteran.</u> A Veteran is a person who served in the active military, naval, or air service of the United States, and who was discharged or released from the service under conditions other than dishonorable.
- v. <u>VISN Liaisons</u>. VISN Liaisons are the main intermediaries between the VA medical center of jurisdiction per diem POC, the CBO, and GEC.

6. GOALS

The primary goals of VA's SVH Per Diem Program are to:

- a. Provide accurate information and timely support to VA internal and external stakeholders. This includes VA and SVH staff, Veterans, and family members.
- b. Develop tools and processes that help to assure compliance and fiscal integrity in the management of resources committed to the SVH Program.

- c. Develop regulatory information, national policy, and education materials that are responsive to the needs of internal and external stakeholders.
- d. Seek to define and implement innovative solutions that meet the needs of the SVH community and enhance operational platforms for program administration.

7. RESPONSIBILITIES OF THE CHIEF BUSINESS OFFICE (CBO)

The CBO, through its National Fee Program Office, is responsible for management of the SVH Per Diem Program, which includes:

- a. Health care benefit administration, including regulatory and national policy development.
- b. Management and oversight of eligibility, authorizations, and per diem payment program.
- c. Provision of operational oversight and training, related to preceding subparagraphs 7a. and 7b. of this Handbook for VA and non-VA stakeholders.
- d. Promoting collaborative relationships with VA and non-VA stakeholders and maintaining communication and networking with program leaders through interactive forums, such as meetings, mail groups, and national conference calls.
- e. Managing SVH budgeting processes, the provision of fiscal year per diem funds to the VA medical centers of jurisdiction based on projected needs, and the provision of supplemental per diem funds, when required.
- f. Compiling data analytics products and reports that depict SVH workload and expenditure trends.

8. RESPONSIBILITIES OF THE OFFICE OF GERIATRICS AND EXTENDED CARE (GEC)

Responsibilities for GEC program office can be found in VHA Handbook 1145.01

9. RESPONSIBILITIES OF THE VETERANS INTEGRATED SERVICE NETWORK (VISN) DIRECTOR

The VISN Director has overall responsibility for administering the SVH Per diem Program within their respective VISNs in accordance with statutory and regulatory requirements and VHA policies and procedures.

10. RESPONSIBILITIES OF THE VISN LIAISONS

VISN Liaisons are the main intermediary between the VA medical center of jurisdiction per diem POC, the CBO, and GEC. They also serve as educational resources for VA medical center of jurisdiction staff regarding SVH Program requirements.

11. RESPONSIBILITIES OF DIRECTORS OF A VA MEDICAL CENTER OF JURISDICTION

Directors of VA medical centers of jurisdiction are the VHA field level officials responsible for the oversight of the SVH Per diem Program. They are responsible for:

- a. Appointing a VA medical center of jurisdiction per diem POC to perform the duties listed in paragraph 12.
- b. Meeting with the VA medical center of jurisdiction per diem POC periodically to be kept abreast of per diem-related issues that affect SVHs under their jurisdiction.

12 RESPONSIBILITIES OF THE VA MEDICAL CENTER OF JURISDICTION PER DIEM POC

The VA medical center of jurisdiction per diem POC is responsible for:

- a. Providing guidance to the VA medical center staff and SVH staff.
- b. Communicating effectively program responsibilities and outcomes with state officials, VA medical center and VISN managers, the CBO, and GEC staff.
- c. Promoting collaborative relationships with VA and non-VA stakeholders and maintaining communication and networking with program leaders through the participation in interactive forums, such as meetings, mail groups, and national conference calls.
- d. Ensuring the timely processing and reconciliation of all documentation, including daily admissions, discharges, and the accuracy of payment processing actions.
 - e. Formulating and executing budget and audit oversight requirements.
- f. Monitoring and evaluating their VA medical center of jurisdiction SVH Per Diem Program to assess program quality and ensure compliance with VHA per diem requirements.
 - g. Reporting potential problems, in a timely manner, to program leadership.

13. RESPONSIBILITIES OF THE VA MEDICAL CENTER OF JURISDICTION FISCAL SERVICE REPRESENTATIVE

The VA medical center of jurisdiction fiscal service representative is responsible for accounting and auditing activities for payment in compliance with separation of duty requirements.

a. The Fiscal service representative cannot certify vouchers for payment. The responsibility for processing obligations, auditing, and payments processing may not be delegated to the same person. These duties must be separated. Separation of duties requirements mandate that each of

the following duties be assigned to different individuals. None of the following designees may certify vouchers in the On-Line Certification System (OLCS).

- (1) **Fund Control Point Clerks.** Fund Control Point Clerks fund obligation and adjustment requests. Delegation of authority is required from a VA medical center representative.
- (2) **Fund Control Point Officials.** Fund Control Point Officials approve obligation and adjustment requests. Delegation of authority is required from either a supervisor or service chief.
- (3) **Fund Certifying Official.** Fund Certifying Officials approve final payment amounts in OLCS only. Delegation of authority is required from either a supervisor or service chief.
 - (4) **Accounting Staff.** Accounting staff is responsible for:
 - (a) Performing the fiscal auditing of invoices;
 - (b) Conducting funds obligation and adjustment processing; and
 - (c) Processing invoices for fiscal payment if the invoices are paid on station.
- b. A Fiscal service representative must be one of the members of the group making the annual on-site survey at each SVH under the VA medical center of jurisdiction. *NOTE:* The Fiscal Representative's survey responsibilities are outlined in VHA Handbook 1145.01.

14. ELIGIBILITY FOR VA PER DIEM FOR CARE IN A SVH

a. General Criteria for Payment

- (1) VA per diem for nursing home care and domiciliary care is paid for any Veteran who is eligible for such care in a VA facility (38 U.S.C. 1741). VA per diem for ADHC is paid for any Veteran who meets the criteria of 38 CFR 52.50.
- (2) Not all Veterans are eligible for VA domiciliary care. The regulations governing eligibility for VA domiciliary care are 38 CFR 17.46(b) and 17.47(b)(2).
- (3) A VA physician determines the medical need of the applicant for the level of care in question.
- b. The VA medical centers of jurisdiction must institute proper controls so VA per diem payments are paid only for eligible Veterans. However, the SVH can elect to continue providing care to its Veterans even if VA per diem is not provided, as long as the Veteran meets the definition of Veteran for purposes of 38 U.S.C. 101(2).
- c. <u>Nursing Home Care Eligibility.</u> A Veteran is deemed eligible for nursing home care if VA determines such care is needed by any Veteran in any of the following categories:
 - (1) Veterans with service-connected disabilities;

- (2) Veterans who are former prisoners of war (POW);
- (3) Veterans who were discharged or released from active military service for a disability incurred or aggravated in the line of duty;
 - (4) Veterans who receive disability compensation under 38 U.S.C. 1151;
- (5) Veterans whose entitlement to disability compensation is suspended because of the receipt of retired pay;
- (6) Veterans whose entitlement to disability compensation is suspended pursuant to 38 U.S.C. 1151, but only to the extent that such Veterans' continuing eligibility for nursing home care is provided for in the judgment or settlement described in 38 U.S.C. 1151;
- (7) Veterans who VA determines are unable to defray the expenses of necessary care as specified under 38 U.S.C. 1722(a);
 - (8) Veterans of the Mexican border period or World War I;
- (9) Veterans solely seeking care for a disorder associated with exposure to a toxic substance or radiation or for a disorder associated with service in the Southwest Asia theater of operations during the Persian Gulf War, as provided in 38 U.S.C. 1710(e);
- (10) Veterans who agree to pay to the United States the applicable co-payment determined under 38 U.S.C. 1710(f) and 1710(g).
 - d. **Domiciliary Care Eligibility.** Domiciliary care may be furnished when needed to:
- (1) Any Veteran whose annual income does not exceed the maximum annual rate of pension payable to a Veteran in need of regular A&A, or
- (2) Any Veteran who the Secretary of Veterans Affairs determines had no adequate means of support (see subpar. 5h).
- e. <u>ADHC Eligibility.</u> ADHC may be furnished to any Veteran if VA determines that the Veteran is not barred from receiving VA care under 38 USC 5303-5303A, needs ADHC, and is within one of the following categories:
 - (1) Veterans with service-connected disabilities;
 - (2) Veterans who are former POWs;
- (3) Veterans who were discharged or released from active military service for a disability incurred or aggravated in the line of duty;
 - (4) Veterans who receive disability compensation under 38 U.S.C. 1151;

- (5) Veterans whose entitlement to disability compensation is suspended because of the receipt of retired pay;
- (6) Veterans whose entitlement to disability compensation is suspended pursuant to 38 U.S.C. 1151, but only to the extent that such Veterans' continuing eligibility for ADHC is provided for in the judgment or settlement described in 38 U.S.C. 1151;
- (7) Veterans who VA determines are unable to defray the expenses of necessary care as specified under 38 U.S.C. 1722(a);
 - (8) Veterans of the Mexican Border period or World War I;
- (9) Veterans solely seeking care for a disorder associated with exposure to a toxic substance or radiation or for a disorder associated with service in the Southwest Asia theater of operations during the Gulf War, as provided in 38 U.S.C. 1710(e); and
- (10) Veterans who agree to pay to the United States the applicable co-payment determined under 38 U.S.C. 1710(f) and 1710(g), if they seek hospital, nursing home, or outpatient care.

15. PROCESSING SVH APPLICATIONS FOR ADMISSION

- a. For an eligible Veteran to be considered for per diem payments for nursing home and ADHC, two forms are required to be submitted to the VA medical center of jurisdiction per diem POC for each Veteran, at the time of the Veteran's admission to a SVH (see VA Form 10-10EZ, Application for Health Benefits, and VA Form 10-10SH, State Home Program Application for Veteran Care Medical Certification). *NOTE:* SVHs are also recommended to use these forms for per diem payments for domiciliaries.
- (1) **VA Form 10-10EZ.** The Administrator of the SVH must submit a completed VA Form 10-10EZ, or VA Form 10-10EZR, Health Benefits Renewal Form, if a completed VA Form 10-10EZ is already on file at VA.
- (2) **VA Form 10-10SH.** The Administrator must submit a completed VA Form 10-10SH, which contain sufficient medical information to justify the level of care that is to be provided to the Veteran.
- b. For Veterans receiving domiciliary care, the VA medical center of jurisdiction must additionally obtain, maintain, and utilize income data to ensure eligibility for VA per diem.
- c. The application forms must be date stamped on the date they are received by the VA medical center of jurisdiction's per diem POC. This is important because the effective date for payment of VA per diem for nursing home care and ADHC is determined based on the date the Veteran was admitted to a SVH and the date that the Veteran's application forms (VA Forms 10-10EZ and 10-10SH) were received by VA. These forms must be received by VA within 10 days following admission of a Veteran to the SVH, if VA is to approve payment of per diem from the first day of admission. If the forms are received more than 10 days after a Veteran's admission

to a SVH, per diem payments will be approved based on the date that complete and correct copies of VA Forms 10-10EZ and 10-10SH were received by VA. For example:

- (1) If a Veteran was admitted on May 1st and the Veteran's applications forms were received by VA on May 10th, VA would approve per diem payments from May 1st.
- (2) If a Veteran was admitted to a SVH on May 1st and the Veteran's application forms were received by VA on May 17th, VA would not pay from the first day of admission (May 1st). In this case, VA would approve per diem payments from May 17th.
- d. When both application forms are received by the VA medical center of jurisdiction's per diem POC, two reviews must be conducted:
- (1) An administrative eligibility review must be conducted first to ensure the eligibility requirements noted in paragraph 14 are met. At this time, VA must also determine and specify whether the Veteran is eligible for the higher per diem rate for service-connected Veterans, or the basic per diem rate. This determination forms the future basis for calculating VA per diem for the Veteran. After the administrative eligibility review on the VA Form 10-10SH is conducted and verified (by signature of the VA's administrative reviewing official), the VA Form 10-10SH must be forwarded to the designated official found in subparagraph 15d(2), for a VA clinical review.
- (2) The medical need for the level of care applied for must be verified in writing on the VA Form 10-10SH by the signature of a VA physician or a qualified licensed physician assistant or nurse practitioner currently employed in a VA long-term care setting. If the forms lack sufficient information to make a level of care determination, VA asks the SVH to provide additional information (for example, a recent discharge summary or a history and physical narrative).
- e. VA administrative and clinical reviews must be conducted within 10 business days after the application forms are received by the VA medical center of jurisdiction. Since the review can have an effect on the accurate and timely submission of monthly SVH per diem claims, the VA medical center of jurisdiction per diem POC must notify the SVH if an approval is going to be delayed, and the reason(s) why.
 - f. After the reviews have been conducted:
- (1) The SVH must be notified promptly of the application decisions, which include the reason(s) for approvals and disapprovals. In instances where an admissions application is approved, the VA medical center of jurisdiction advises the SVH of the type of per diem for which the Veteran has been approved (i.e., the service-connected higher per diem rate, or the basic per diem rate).
- (2) The VA medical center of jurisdiction per diem POC must ensure a Veteran's profile in the VA medical center's Veterans Health Information Systems and Technology Architecture (VistA) is created or updated. Information related to the Veteran's admission may also be entered into the VistA Fee SVH Program. Coordination is required with VA medical center staff to ensure that records and eligibility information is properly input. This is important because not

all Veterans on whose behalf VA pays per diem to SVHs are eligible for enrollment in VHA health care.

g. <u>Changes of Status.</u> The transfer of a Veteran to another level of care (e.g., from ADHC to domiciliary to nursing home) is to be considered when a change in health or physical condition occurs, and the new level of care would be more suitable to the Veteran's needs. The SVH must complete a new application (e.g., VA Forms 10-10EZ and 10-10SH) when a change in the level of care is sought.

16. PER DIEM RATES TO USE FOR PROCESSING SVH PAYMENTS

- a. Daily per diem rates for SVH care are established, and vary based on the type of SVH Program (e.g., nursing home, domiciliary, or ADHC). For nursing home care, the rates also vary depending on the Veteran's eligibility.
- b. SVH per diem rates are determined annually, on a fiscal year basis by CBO and GEC. The rates are then provided to VA medical center of jurisdiction per diem POCs and SVH officials.

17. TYPES OF STATE NURSING HOME PER DIEM PAYABLE

- a. VA processes two different types of state nursing home per diem payments. Each is determined by a Veteran's eligibility. One is a higher rate for certain Veterans who have service-connected disabilities. The other is a basic rate that is paid to Veterans who are not eligible for the higher rate.
- b. Both of these state nursing home rates are calculated based on a daily rate and the number of days that a Veteran has been a resident in a SVH. *NOTE:* The criteria for determining which days may or may not be paid for is further outlined in Paragraph 18.

c. Higher Per Diem Rates

- (1) The statutory provisions at 38 U.S.C. 1745 and implemented in 38 CFR §51.41 require that the new higher per diem rate be the <u>lesser</u> of the following:
- (a) The applicable or prevailing rate payable in the geographic area in which the SVH is located, as determined by the Secretary, for nursing home care furnished in a non-Department nursing home (i.e., a public or private institution not under the direct jurisdiction of VA which furnishes nursing home care); or
 - (b) A rate not to exceed the daily cost of care in the SVH facility.
- (2) VA will pay a facility recognized as a SVH for nursing home care at the per diem rate determined under 38 CFR §51.41 for nursing home care provided to an eligible Veteran in such facility, if the Veteran:
 - (a) Is in need of nursing home care for a VA-adjudicated service-connected disability; or

- (b) Has a singular or combined rating of 70 percent or more based on one or more service-connected disabilities or a rating of total disability based on individual unemployability and is in need of nursing home care.
- (3) Veterans who are otherwise eligible for the higher per diem do not need a rating of total disability based on individual unemployability from VA for the State to receive the higher rate of per diem on their behalf. States would not receive the higher per diem for Veterans who are unemployable based on disabilities that are not service connected, unless these Veterans also have service-connected disabilities that meet the requirements for payment of the higher per diem.
- (4) States do not have the option to claim the basic per diem rate in lieu of the higher per diem rate for Veterans who meet the criteria set forth in 38 CFR §51.41. The State must either accept the higher per diem rate for mandatory Veterans as payment in full for nursing home care, or not receive any per diem from VA. If a State decides to not accept the VA higher rate per diem for a particular Veteran, the State cannot file claims for VA per diem under the basic rate.

d. Basic Per Diem Rates

- (1) VA will pay a facility, recognized as a SVH for nursing home care, the lesser of the following for nursing home care provided to an eligible Veteran:
 - (a) One-half of the cost of the care for each day the Veteran is in the facility; or
 - (b) The basic per diem rate as established by VA pursuant to 38 U.S.C. 1741(c).
- (2) VA does not reduce these per diem payments because of collections received from the Veterans or others by the State.
- (3) VA must pay a facility recognized as a SVH for nursing home care the <u>lesser</u> of the basic per diem rate or one-half of the actual cost for nursing home care provided to an eligible Veteran in such facility.

18. PROCESSING MONTHLY CLAIMS AND DETERMINING THE AMOUNTS OF PER DIEM PAYABLE

- a. The VA medical center of jurisdiction must process requests for per diem payments to SVHs on a monthly basis.
- b. No claim for VA per diem (for nursing home care, ADHC, or domiciliary care) can be authorized for care that was furnished prior to the date specified in the Under Secretary for Health's or Secretary's recognition of the facility as a SVH.
- c. Payments for nursing home care and ADHC are made only after the state submits a correct and complete VA Form 10-5588. *NOTE:* States are also recommended to use this form for requesting payments for domiciliary care. This form is a monthly statement for Veterans

receiving basic per diem or Veterans receiving the higher per diem rates under 38 CFR §51.41 due to service-connected disabilities. VA Form 10-5588 includes gains and losses, days of care, average daily census, total per diem cost, per diem claimed, and total amounts claimed for nursing home, domiciliary, and ADHC.

- (1) States need to be encouraged to send the VA Form 10-5588 to the VA medical center of jurisdiction per diem POC by the 5th workday following the close of the month for which per diem is claimed.
- (2) A VA Form 10-5588 is considered to be complete when all required information is provided and when the form is signed by the Administrator of the SVH.
- (3) In cases where the SVH is operated under a contractual agreement, the form must be signed by the on-site State representative.
- d. The VA medical menter of jurisdiction per diem POC is responsible for verifying the number of days claimed for payment of per diem. Since VA Form 10-5588 only reports numbers of resident days and amounts of per diem claimed, it is important that the VA medical center of jurisdiction per diem POC and the SVH per diem POC work together to ensure that supporting information and documentation is available each month to support the per diem claimed. This includes developing an appropriate tracking mechanism, such as a spreadsheet or internal log that tracks the daily movements and status of all eligible Veterans who reside in the SVH by level of care (nursing home, domiciliary, or ADHC). This log must include:
- (1) The date the Veteran entered the program, the Veteran's name, social security number, type of care (nursing home, domiciliary, or ADHC), and service-connected disability classification.
- (2) Information on all gains, losses and changes in status. For State nursing homes, this includes absences of over 10 consecutive days for hospital stays and for absences in excess of the first 12 days in a calendar year during which the Veteran is absent for any reason other than hospitalization.

e. Criteria to Use for Absences That Occur in State Nursing Homes

- (1) According to 38 CFR §51.43(c), VA pays per diem for a bed only if the Veteran has resided in the facility for 30 consecutive days (including overnight stays) and the facility has an occupancy rate of 90 percent or greater.
- (2) In addition, VA pays per diem for a bed hold only for the first 10 consecutive days during which the Veteran is admitted as a patient for a stay in a VA or other hospital (a hospital stay could occur more than once in a calendar year) and only for the first 12 days in a calendar year during which the Veteran is absent for purposes other than receiving hospital care. A bed hold circumstance is one whereby a SVH holds a vacant bed for a resident who is temporarily absent from the SVH in cases where that bed would likely have been filled with another resident admission.

f. Criteria to Use for Absences That Occur in State Domiciliaries

- (1) **Present.** Residents absent from State domiciliaries for 96 hours or less are considered as present for the purpose of claiming VA aid. Absences which are not interrupted by at least 24 hours of continuous residence in the home are considered as one continuous period of absence. VA aid is not paid for any day when a resident is hospitalized in a VA hospital or a non-VA hospital at VA expense or for any portion of a continuous period of absence of more than 96 hours. When a Veteran overstays an approved absence of 96 hours, no portion of the leave may be claimed for VA payment. In such instances, the resident is dropped from the rolls retroactive to the day of departure.
- (2) **Absences of More Than 96 hours.** Each home must maintain a daily record showing the number of residents absent, and the names of those who depart on, or return from, periods of absence of more than 96 hours.
- (3) **Absences of 96 Hours or Less.** A simple log or "sign out" record must be maintained for departures to, and returns from, periods of absence 96 hours or less. It is not necessary to record absences which do not extend beyond one calendar day.
- g. VA requests that each SVH maintain a daily record showing the number of residents absent, and the names of those who depart on, or return from, periods of absence under the Changes in Residency for the Month section of VA Form 10-5588. *NOTE:* This record is frequently referred to as the resident leave log.

h. Use of Health Records

- (1) Health records may be required by VA during the admissions application process, but they are not required to be attached as a part of monthly per diem claims submissions.
- (2) Policies and procedures for the content, filing, and retention of health records are managed by the SVHs in accordance with the State law.
- (3) All information in these health records is confidential and is disclosed to <u>authorized</u> <u>persons only</u> in accordance with the provisions of the Privacy Act and the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

19. COMPUTATION OF PER DIEM COST

- a. States are required to submit their per diem costs on VA Form 10-5588. Instructions for each line entry are provided on VA Form 10-5588.
- (1) VA Form 10-5588, under Column G, Daily Cost of Care for the Month, Lines 14, 15, 16, and 17 provide places to enter the total per diem costs for various levels of care for the month. Per diem costs are computed in accordance with relevant cost principles set forth in the Office of Management and Budget (OMB) Circular number A-87, dated May 4,1995, "Cost Principles for State, Local, and Indian Tribal Governments."

- (2) The total per diem cost will include the direct and indirect costs appropriate for each level of care. *NOTE:* See subparagraph 19e for an explanation of direct costs and indirect costs.
- (3) VA Form 10-5588, column H, Per Diem Claimed, lines 14, 15, 16, and 17 provide space for entering the authorized (VA-approved per diem rate for the Fiscal Year) per diem rate or one-half the amount shown in column L carried to two decimal places whichever is the lesser, for the appropriate level of care. VA will pay monthly up to one-half of the cost of each eligible Veteran's care (domiciliary, nursing home, hospital, or ADHC) for each day the Veteran is in a facility recognized as a SVH, not to exceed the approved per diem rate for that level of care.
- (4) VA Form 10-5588, the total amount claimed in Column I, line 18 must not exceed one-half the sum of products of entries in columns E and I, lines 14, 15, 16, and 17.
- b. SVHs may be required to submit appropriate documentation that supports the cost of care they report when they request payment of per diem.
- c. States need to follow the requirements for computing allowable costs in OMB Circular A-87 (see 2 CFR Part 225). VA auditors must be given access to records in accordance with 38 CFR 43.42(e).
- d. Separate per diem costs are computed for nursing home care, domiciliary care, and ADHC. This may require the development of a basic per diem cost figure for the indirect costs of all resident care, and a separate per diem rate for direct costs of nursing home care, domiciliary care, and ADHC. **NOTE:** See paragraph 19.e. of this Handbook for an explanation of direct costs and indirect costs.
- e. The per diem cost for direct care of nursing home residents must be computed from the sum of those costs which vary directly with the resident load and which can be directly attributable to providing nursing home care. This includes such items as: salaries of employees providing direct care to this group, extra expenses incurred in nourishment and feeding, medications and supplies for nursing home residents, and such other items as are reasonably incurred as a result of providing nursing home care. The sum of such direct costs divided by the number of days of such care furnished during the period is the per diem cost for direct care of nursing home residents. The rate thus computed added to the basic rate for indirect costs is the per diem cost used in determining VA aid payments for nursing home care.
- f. Verification is needed to ensure that VA Payments do not Exceed Allowable Amounts, for additional information on verifying that the amount paid for per diem to a SVH does not exceeds one-half of the aggregate cost of maintaining Veterans in a home (see App. A).

20. PROCESSING AND INVOICING OF PAYMENTS

a. VA medical centers of jurisdiction must process per diem payments to SVHs on a monthly basis.

- b. All SVH per diem payments are to be processed with earmarked funds that are provided <u>only</u> for this purpose. Station funds are not to be used. The allocation of these earmarked funds is managed by CBO, in coordination with GEC.
- c. Payments for nursing home care, domiciliary care, and ADHC is made only after the State submits a completed VA Form 10-5588. In instances where a SVH is submitting a retroactive billing for a higher per diem rate for 70 percent or more service-connected Veterans for fiscal years 2007, 2008, and 2009, the VA medical center per diem POC must ensure that any previous basic rate per diem payments that were made for the same monthly reporting period are deducted. This was announced in the final rule for Per Diem for Nursing Home Care of Veterans in State Homes, as noted in 74 Federal Register 19426, April 29, 2009.
- d. Prior to submitting to VA's Financial Service Center (FSC) in Austin, TX, the VA Medical Center of jurisdiction per diem POC is responsible for verifying that the invoice is correct and complete. *NOTE:* This is based on the guidance and information provided in paragraphs 11, 12, and 13.
 - e. Review and Processing of Claims and invoicing at each VA medical center of jurisdiction:
- (1) The Fund Control Point (FCP) clerk establishes an estimated obligation at the beginning of each month for the estimated cost of care for the month using VA-Form 1358, Estimated Miscellaneous Obligation or Change in Obligation. This sets aside funding to pay the approved monthly invoice claimed on VA Form 10-5588.
- (2) At the close of each month, the SVH submits a monthly gains and losses report to the VA medical center of jurisdiction per diem POC detailing the total bed days of care claimed for the month.
- (3) The VA medical center of jurisdiction per diem POC reconciles the monthly gains and losses report to the occupancy tracking spreadsheet. For any discrepancies, the VA medical center of jurisdiction per diem POC contacts the SVH POC for clarification and reconciliation.
- (4) Once all discrepancies are resolved, the VA medical center of jurisdiction per diem POC notifies the SVH POC to submit an invoice for the previous month. SVHs need to be encouraged to submit the invoice the 5th workday to the VA medical center of jurisdiction per diem POC on VA Form 10-5588. The VA medical center of jurisdiction per diem POC reviews each monthly report for accuracy and resolves any discrepancies with the SVH. A report is not to be accepted by a VA medical center of jurisdiction POC if the report is incomplete (i.e., all appropriate blanks must be complete and the report must be signed by the SVH Administrator and State employee when the home is under a management contract arrangement). The VA Form 10-5588 is not to be processed if data is missing (e.g., such as gains and losses, days of care, average daily census, total per diem cost, and per diem claimed, and total amount claimed for nursing home, domiciliary, and ADHC).
- (5) The VA medical center of jurisdiction per diem POC reconciles the Bed Days of Care reported on the VA Form 10-5588 to the reconciled monthly gains and losses report and the occupancy tracking spreadsheet.

- (6) The FCP Clerk verifies that there are sufficient funds remaining in the obligation to pay the current bill. If there are surplus funds, the Clerk requests a reduction in the obligation. If there is a need for funds, the Clerk checks the FCP balance and requests an increase in funds if funds are available. The FCP Official reviews and approves all requests for increases or decreases to requested obligations.
- (7) In the event that there are not funds available in the FCP to process the increase, the VA medical center of jurisdiction per diem POC must submit a request by email for more funds to the CBO's SVH per diem program office. The FCP Official and FCP Clerk must monitor funding levels compared to expenditures to ensure that sufficient funds are available to support projected obligations.
- (8) Once the bill is verified by the POC, it is sent to Finance for final audit and submission to Austin, TX, for payment through the On-Line Certification System (OLCS).
- (9) An Accounting Technician at the Austin FSC scans the invoice into OLCS and submits it to the Certifier for final approval.
- (10) The Funds Certifier receives an automated email that there is an invoice that requires approval. The Funds Certifier verifies in OLCS that the amount is correct and approves the invoice for payment. This releases the funds into the SVH's bank account through Direct Deposit.
- (11) Once the FSC has processed the invoice, the VA medical center of jurisdiction per diem POC is responsible for entering the data from VA Form 10-5588 in CITRIX, the On-Line Certification System. This action must be completed by the 15th workday after the end of the month claimed.

21. USE OF DIRECT DEPOSIT ELECTRONIC FUND TRANSFER FOR SVH PAYMENTS

- a. New requirements emerged in 1996 that require the SVH per diem program to use Direct Deposit (DD) Electronic Funds Transfer (EFT) for payments.
- b. The Cash Management Improvement Act of 1990 and Cash Management Improvement Amendments of 1992 require that executive agencies use effective, efficient disbursement mechanisms, principally EFT, in the delivery of payments (see Public Law (Pub. L.) 101-453 and Pub L. 102-589). The Debt Collection Improvement Act of 1996 now mandates that executive agencies make all Federal payments, except payments under the Internal Revenue Code of 1986, to the new recipients by EFT (see section 31001(x)(1) of Pub. L. 104-134). This requirement applies to all new Federal payment recipients who become eligible to receive that type of payment on or after July 26, 1996, unless the recipients certify that they do not have an account with a financial institution or an authorized payment agent.

- c. The Department of Treasury has the authority to waive application of the mandate to pay by EFT for certain types of payments (see 31 U.S.C. §3332(f)(2)). Waivers, when approved, are provided in writing.
- d. The local VA medical center Fiscal Service representative is responsible for assisting the SVH in coming into compliance with this requirement.
- e. Payments must be processed through EFT directly to the states. In cases where the state has a contract-operated SVH, the state is responsible for processing a separate payment to the contractor.
- f. The VA medical center of jurisdiction per diem POC and Fiscal Service representative need to give special attention to the vendor or the provider identification number used to process the EFT. That number determines the specific office in State government to which the payment is electronically transferred.

22. SVH WORKLOAD AND EXPENDITURE REPORTING

- a. Workload and expenditure reporting for SVH Programs is a two step process.
- (1) SVHs submit per diem claims for their individual facilities on a monthly basis on VA Form 10-5588s.
- (2) The VA medical center of jurisdiction per diem POCs, in turn, are responsible for submitting the information for the SVHs under their jurisdiction to the CBO so that national workloads and expenditures can be aggregated. These submissions are processed through an automated electronic system called CITRIX by the 15th workday after the end of the month claimed.
 - b. Basic instructions for the proper use of CITRIX:
- (1) VA Medical Center SVH Program staff must contact the CBO SVH per diem program office to obtain CITRIX access.
- (2) The entries that are made in CITRIX are similar to those reported by the states on the VA Form 10-5588.
 - (3) Enter all reporting data correctly and completely in CITRIX.
- (4) The [Add New Records] button is used to enter data in CITRIX for the first time. There are four drop down buttons that the user needs to pay specific attention to: enter the correct VA facility, name of the SVH, VISN, and Fiscal Year Quarter by clicking on the correct selection in the drop down list.
 - (5) When finished entering the data---click [Return to Main Menu] then click [EXIT].

- (6) Do not input VA Form 10-5588 in CITRIX more than once per month for the same facility and reporting period. If this occurs, an overpayment is created in the system.
- (7) To change or add information to a current or existing VA Form 10-5588 in CITRIX, use the [Update Existing Records] button. Do not use the [Add New Records] button for this purpose. The [Add New Records] button is only used to enter data in CITRIX for the first time. When the user clicks [Update Exist records] button, the user is prompted to enter the name of the SVH, and is prompted to enter Month Ending Date (e.g., 03/2002). It will then display the form and date entered for that home. Click [Return to Main Menu] when finished. Then click [EXIT].
- (8) The user is not able to delete the duplicate form once entered. If the user has mistakenly entered data twice or is experiencing any other technical difficulty, the user needs to contact the SVHs per diem CITRIX representative or the CBO SVH per diem program office.

23. REFERENCES

- a. Title 38 U.S.C. 1710.
- b. Title 38 U.S.C. 1741.
- c. Title 38 U.S.C. 1742.
- d. Title 38 CFR 17.46.
- e. Title 38 CFR 17.47.
- f. Title 38 CFR 17.190.
- g. Title 38 CFR 17.194.
- h. Title 38 CFR Part 43.
- i. Title 38 CFR Part 51.
- j. Title 38 CFR Part 52.

VERIFICATION THAT DEPARTMENT OF VETERANS AFFAIRS (VA) PAYMENTS FOR THE BASIC STATE V ETERANS HOME PER DIEM PAYMENT DO NOT EXCEED ALLOWABLE AMOUNT

The Department of Veterans Affairs (VA) must verify that the amount paid for basic rate per diem claims to a State Veterans Home (SVH) does not exceed one-half of the total cost of each eligible Veteran's care in a SVH. The VA medical center of jurisdiction can determine the amount payable by completing the following format.

(1)	TOTAL ALLOWABLE COST:	XXXX
(2)	ONE-HALF TOTAL ALLOWABLE COST (1/2 OF Preceding (1)):	XXXX
(3)	TOTAL BASIC RATE SH PER DIEM CLAIM BY THE HOME:	XXXX
(4)	TOTAL VA PAYMENTS (CANNOT EXCEED Preceding item (2)):	XXXX

SUMMARY OF STATE VETERANS HOME (SVH) APPLICATION AND BILLING PROCESS

This summary notes the sequential flow of admission and per diem payment processing actions that the Department of Veterans Affairs (VA) Medical Center of jurisdiction per diem points of contact (POCs) and Fiscal Representatives need to use to help manage their State Veterans Home (SVH)per diem programs.

SECTION I: THE ADMISSIONS APPLICATION REVIEW PROCESS. These procedures are essential to ensure that all SVH admissions are administratively and clinically eligible to receive care in the home at VA expense.

Step 1: Review Admissions Application from SVHs

- a. Per Diem is not authorized without an approved application. A complete application includes a VA Form 10-10EZ, Application for Health Benefits (or VA Form 10-10EZR, Health Benefits Renewal Form, if a completed VA Form 10-10EZ is already on file at VA); VA Form 10-10SH, State Home Program Application for Veteran Care Medical Certification; and eligibility documentation (e.g., Department of Defense (DD) Form 214, Certificate of Release or Discharge from Active Duty, or supporting Discharge Certificate). If all documents are not received, return or call the SVH to resolve the issue.
- b. Date stamp the admission application on the date that it was received. It must be received within 10 calendar days from the date of admission in order for per diem to be paid from the date of admission. If the application is not received within 10 days, per diem does not begin until the date the admission application was received by VA.

Step 2: Verify the Veteran's Eligibility

- a. Verify the Veteran's eligibility as noted in Veterans Benefits Administration (VBA) rating sheets or other VA eligibility databases (e.g., Veteran's Information Solution (VIS) or Hospital Inquiry (HINQ).
- b. Identify service-connected (SC) disabilities by type and percent of disability and provide this information to the VA physician so that a determination about the type of per diem program (basic rate or higher SC rate) can be made.
- c. If the Veteran does not meet SVH eligibility criteria, the state is not eligible to receive per diem payments from VA.

Step 3: Coordinate Physician Review

a. Send application package to designated VA physician or a qualified licensed physician assistant or nurse practitioner for review. This clinician, in turn, reviews the application;

determines the level of care and whether or not the admission is for a SC disability; and signs a VA Form 10-10SH.

b. Receive the completed VA Form 10-10SH from Physician and check the determined level of care.

Step 4: Communicate Admissions Approval or Denial Decision to the SVH

- a. If the admissions application is denied, advise the SVH of the reason(s) why.
- b. If the admissions application is approved, advise the SVH of the category of per diem that has been approved for the Veteran (i.e., for the basic per diem rate or the higher SC per diem rate.

SECTION II: COMMUNICATION AND ONGOING MAINTENANCE

- Step 1: Facilities need to have regular communications with their SVHs on the movement activity of residents at the SVHs.
- Step 2: Recommended communications from SVHs and recommended maintenance include, but are not limited to, the following:
 - a. Daily Activity Report (Gains and Losses).
- b. Monthly Summary of Admissions, Discharges, Deaths, Leave Summary (Excluded Days). Enter Discharges and Deaths into Internal Log Tracking System.
 - c. Basic Billing Process:
- (1) At the beginning of each month, establish obligations for each of the bed levels in the Integrated Funds Control Point Activity, Accounting and Procurement (IFCAP) database.
- (2) VA SVH Coordinator receives VA Form 10-5588, State Home Report and Statement of Federal Aid Claimed, and supporting documents.
- (3) VA SVH Coordinator reviews VA Form 10-5588, lines 1-13(a) and 14-21 for Days of Care for accuracy of information and completes Bed Capacity Approved by VA and Total Amount Approved for VA payment and signs and forwards to Finance for review (see details in Section III).
- (4) Finance reviews VA Form 10-5588, lines 14-21 for accuracy with Supporting Documents and completes Accounting Certification Audit Block section, signs and forwards to Certifying Official and enter information into Citrix (see details in Section III).

(5) Certifying Official completes payment in the On-Line Certification System (OLCS) after receiving completed VA Form 10-5588. Return completed VA Form 10-5588 to VA SVH Coordinator for filing.

<u>SECTION III: REVIEW OF VA FORM 10-5588 BY THE VA MEDICAL CENTER OF JURISDICTION PER DIEM POC</u>

- Step 1: Receive VA Form 10-5588 and supporting documentation from SVH for previous month by the 5th day of the following month.
- **Step 2: Review of VA Form 10-5588.** This form must be reviewed for accuracy and completeness. The following items are to be validated:
- a. <u>Changes in Residency for the Month.</u> Validate Gains and Losses section per Internal Log Tracking System.
- b. <u>Status at End of Month.</u> Validate the total number of Veterans claiming higher per diem per local tracking or SVH list.
- c. <u>Total Days of Care for the Month.</u> Validate according to the Internal Log Tracking System. If the Veterans Health Information and Technology Architecture (VistA) Fee Package is being used, note that the days will not match, but the numbers should be in a close range; however, the number of days reported on VA Form 10-5588 are never be higher than the VistA Report, as this is not correct. VistA Fee SVH functionality does not calculate resident days or use a movement menu.
- d. <u>Claims for Basic Per Diem Payments for Eligible Veterans.</u> Validate that line 13 (a)-(d) totals match totals of lines 14-17 (e).
- e. <u>Claims for Per Diem Payments for Certain SC Veterans in State Nursing Homes</u>. Validate that line 13(a) matches line 21 (j).
- Step 3: Complete the VA Form 10-5588 (e.g., Bed Capacity, Total Amount Payable), sign the form, and forward it to Finance or Fiscal Service.

SECTION IV: REVIEW OF VA FORM 10-5588 BY FISCAL

- Step 1: Receive VA Form 10-5588 and supporting documentation from the VA medical center of jurisdiction per diem POC each month.
 - **Step 2: Validate the supporting documentation.**
- a. Ensure methodology is in place for reporting direct expenses for all levels of care as well as indirect expenses that is consistent with Office of management and Budget (OMB) Circular A-87.

b. Ensure VA payments do not exceed 50 percent of aggregate cost of care. If payments exceed 50 percent of aggregate costs, you must cap payments. If payments are less than percent of aggregate costs, you may proceed in validating bill.

Step 3: Validate VA Form 10-5588. Ensure the State is claiming per diem appropriately.

- a. Higher Per Diem (lines 19-20): Establish whether their actual costs or the prevailing rate is lower. Ensure payment at the "lower" of the actual and prevailing rate.
- b. Basic Per Diem (lines 14-17): Divide the Actual Cost care by 2. Compare 50 percent of the Actual Cost of Care to the Basic Per Diem Rate. Pay Basic Per Diem Rate or 50 percent of actual cost of care if "lower" than basic per diem rate.

Step 4: Resolve any discrepancies with the SVH.

Step 5: Complete and sign the Accounting Certification section and forward to Certifying Official.