



DEPARTMENT OF VETERANS AFFAIRS

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TO: Interim Joint Committee on Veterans, Military Affairs, and Public Protection

FROM: Commissioner Keith Jackson

DATE: July 29, 2020

SUBJECT: Report on the impact of Coronavirus Disease (COVID-19) on Kentucky Department of Veterans Affairs Operations

1. Veterans Centers Update:

a. The Kentucky Department of Veterans Affairs (KDVA) is proud to announce that as of today, we do not have any positive COVID-19 cases in our veteran population at any of our four state veteran's homes. As of July 9, 2020 all four state veterans' homes have completed global testing for all staff and residents. Each veteran's center continues daily screening for our veterans and staff and test in accordance with established guidelines.

b. Since the declaration of the state of emergency in March, KDVA has had only seven staff members test positive, two of which, after immediate re-testing were found to be negative. Out of those employees five have returned to work, one remains in quarantine until medically cleared, and one staff member resigned prior to returning to work. (See Table 1 below).

Resident Tests	Positive	Negative	Pending		Staff Tests	Positive	Negative	Pending
455	0	453	2		1,051	7	1,026	18

Table 1 – COVID-19 Testing Results as of 28 July 2020

c. The Cabinet for Health and Family Services (CHFS) sent out updated guidelines recommending that our nursing facilities begin testing staff, agency staff and contracted health professionals on a bi-weekly basis, with a tentative start date of August 3, 2020. Testing recommendations for residents and veterans remain the same. Each facility should consider community-wide prevalence and trends in managing testing frequency. KDVA facilities continue to work closely with both the local health department and Kentucky Department for Public Health's Healthcare-Associated Infections (HAI) staff to plan, execute and coordinate response.



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d. Reimbursement - providers should execute a contract with CHFS in order to submit monthly invoices directly to CHFS for COVID-19 testing services rendered, reimbursable up to the current Medicaid-approved rate of **\$85.00** per test. Further details about the billing procedure are forthcoming.

e. One of the unfortunate by-products of our strenuous screening and protective measures has been a restriction on visitation. However, each facility has found creative ways to help families keep in touch with their loved ones, understanding that this is such a critical part of their lives. The veteran centers is currently using iPads, phones, and Plexiglas visitation stations constructed by our staff. KDVA is preparing for modified visitation based on each facility's community infection rate and stabilization.

f. Key Points:

1. No veteran resident has tested positive.
2. Only 7 staff members have tested positive out of the 1,051 tests conducted (0.66%).
3. Shift-by-shift health screening started immediately for all employees back in March.
4. Visitation was restricted very early on and is still in effect because of the 28-day wait period recommended by the Cabinet for Health and Family Services following the latest staff positive. These targeted dates change with any new positive employee test. As of today, the earliest date for each facility to accommodate visitation is:
 - Thomson-Hood Veterans Center, Wilmore target date is ~ 26 August 2020
 - Radcliff Veterans Center, Radcliff target date is 14 August 2020
 - Eastern Kentucky Veterans Center, Hazard visitation opened 21 July 2020
 - Western Kentucky Veterans Center – Hanson visitation opened 22 July 2020.
5. Staffing has remained relatively stable. Most lost days are due to our aggressive testing and return to work policy for employees.
6. Personal Protective Equipment and supplies have been sufficient, but very difficult and expensive to secure.
7. The Kentucky Health Department, the Cabinet for Health and Family Services, the Office of Inspector General, local health departments and our VA partners have been a tremendous resource and support during this pandemic.
8. Norton Health Care's testing program conducted our global surveillance testing and proved to be an amazing team, professional, efficient and supportive.

9. Daycare service was provided for children of our nursing home staff at no cost to our employees during the mandated shutdown of daycare facilities to ensure a more stable work force serving our veterans.

10. Each facility received a special Infection Control Survey by the Office of Inspector General as well as audits by the Centers for Disease Control, which resulted in no deficiencies or citations.

11. Each facility has maintained its 5-star rating throughout the pandemic with one facility actually raising its quality measures within the past few weeks.

12. Regarding access to our state veterans homes:

a. Overall KDVA's veteran's centers experienced a 7% decrease in census since March, dropping from 77% to 70%.

b. Eastern Kentucky Veterans Center in Hazard – which has the highest census of all facilities – experienced the biggest drop of 14% from 115 residents to 98.

c. Central Kentucky Veterans Center in Radcliff, dropped 9% from a census of 73 to their current census of 64 residents.

d. Western Kentucky Veterans Center in Hanson, dropped 3% from 86 residents to 80.

e. Thomson-Hood Veterans Center in Wilmore experienced a 3% drop from 156 to 145 residents.

f. Regrettably, admissions are still on hold at all State Veteran's Centers. Due to an abundance of caution, we are planning to start admissions in late August or early September timeframe if local infection rates and circumstances are favorable.

13. Personal Services Contract update – With the passage and implementation of Senate Bill 149 this past session, KDVA is now able to hire Nurse Aids on Personal Service Contracts and is in the process of advertising and recruiting additional staff. We will keep the Committee updated.

g. The Kentucky Department of Veterans Affairs is in the process of securing telehealth services from the VA Medical Centers of jurisdiction for each of our four state veteran's homes in Wilmore, Hazard, Hanson and Radcliff.

h. As part of the VA's response to the COVID-19 pandemic, the VA expanded telehealth opportunities and created easier pathways to obtain the required agreements for those services. For the veteran population that we serve, that means 1) No need to travel, which can be very difficult for many veterans, 2) Increased safety and welfare during the pandemic,

3) Decreased cost, and 4) Reduced staffing demands for drivers and nursing staff to accompany veterans to their appointments.

i. Status of telehealth agreements and services for KDVA's veterans centers:

1. **Eastern Kentucky Veterans Center** – an agreement has been signed and submitted to the VA Medical Center in Lexington. Working with the telehealth coordinator to identify available services.
2. **Western Kentucky Veterans Center** – we are working with the VA Medical Center in Marion, IL on establishing an agreement.
3. **Radcliff Veterans Center** – an agreement is in place with the VA Medical Center in Louisville, using available services.
4. **Thomson-Hood Veterans Center** – an agreement was signed and submitted to the VA Medical Center in Lexington. We are currently working with the telehealth coordinator to identify available services.

j. KDVA has applied for a construction grant for four storage buildings to house Personal Protective Equipment and supplies to prevent and mitigate COVID-19 as well as other outbreaks and disasters. The total project cost is estimated to be **\$1,837,620** for the four storage buildings. This grant will leverage a 65% federal match (\$1,194,453) and a state share of 35% (\$643,167). The result would be the addition of much needed emergency preparedness storage with no net new cost to the Commonwealth.

2. Benefits Branch Update:

a. COVID-19's most immediate impact was the elimination of face to face contact with veterans and family members since March. This necessitated a significant change in the way we communicate and gather evidence and prepare benefits claims. Since all our Benefits Representatives have the ability to operate remotely, it was an easy task to shift to operating from home, however this presented many challenges. The shift to having records and forms exchanged exclusively via email and fax-to-mail was simple for our younger and more tech-savvy veterans, but proved difficult for older veterans. Some have family members checking on them periodically that were able to lend a hand, some were able to use cell phones to photograph and text documents, and for the rest we had to revert to old fashioned snail mail via the U.S. Postal Service. This hurdle led to a reduction in the number of claims that we were able to submit per month.

b. In addition, the transfer of 13 Field Representatives and two Regional Administrators to the office of Unemployment Insurance had a profound impact on our ability to serve our veterans and generate claims.

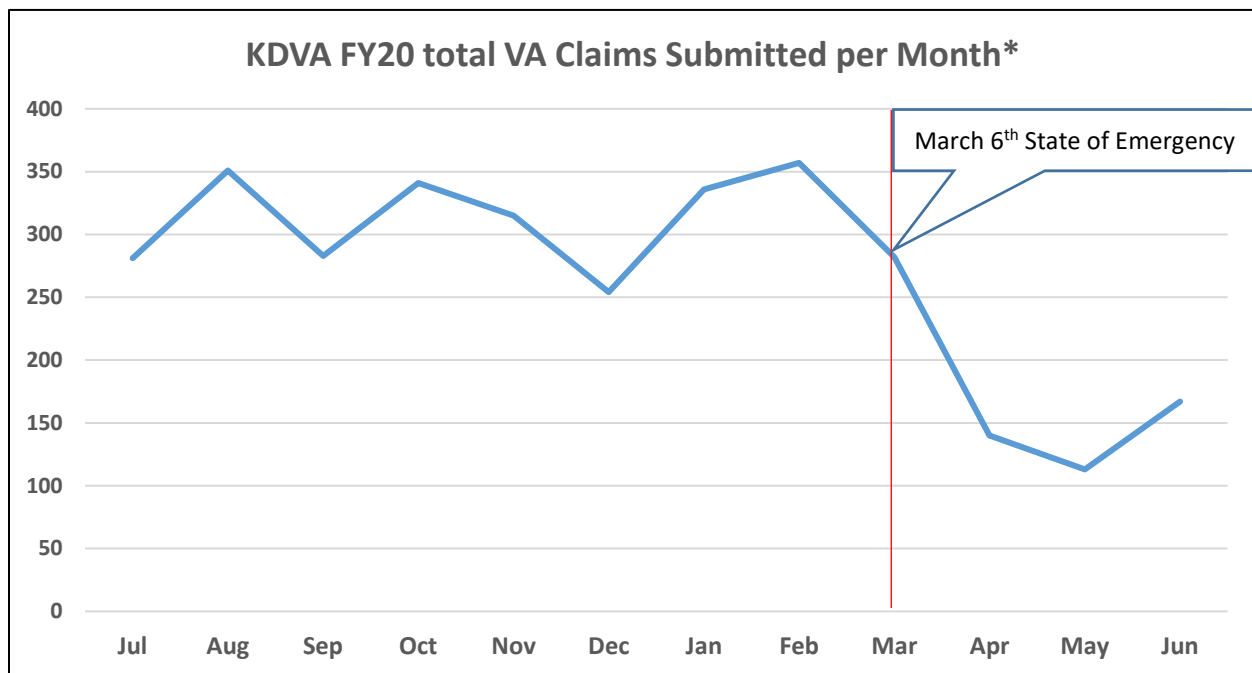


Table 2 - Total VA Claims Submitted per Month

c. Of the number of VA claims submitted each month we dropped by two-thirds our normal claims output (Refer to Table 2 above). This was due to the requirement to work remotely for the first two months of the pandemic, the reduced number of representatives available to prepare claims, the technical challenges in exchanging documents and the sheer volume of telephone calls that the remaining staff of 7 including the Branch Manager were called upon to return. All of the telephones for the 13 UI detailed field representatives were forwarded to teammates that stayed with KDVA.

d. In terms of financial impact on the Commonwealth, KDVA saw a dramatic drop in the rate of increase in the running awards to the veterans we represent. Money from the VA comes via 4 income streams, Service Connected Compensation, Non-service Connected Pension, Dependency and Indemnity Compensation and the Improved Death Pension. Of the \$33.3 million in monthly income from the VA for the veterans KDVA represents, \$28.5 million comes from service connected compensation. For example, for the month of June we only saw a \$20,000 drop in the total monthly awards. However, more significant is the lost opportunity for continued growth we normally see each month. We would have reasonably expected the total amount of compensation to continue to grow if we had been able to maintain our normal volume of claims submissions. Based upon the normal monthly increase we saw prior to COVID, we would have expected the monthly running award for June to have been at least \$500,000 higher. This is federal money that did not reach veterans that we were unable to assist due to the reduced capacity to process these compensation claims.

3. Cemetery Operations Update:

a. On March 20, 2020, consistent with the Governors stay at home executive order and pending guidance from the National Cemeteries Administration, KDVA sent out a *Direct Interments Only Order* to all Kentucky State veterans Cemeteries. This directive temporarily halted committal services and the rendering of military funeral honors, whether by military personnel or volunteer organizations, until further notice and mirrored the same actions taken at VA national cemeteries. Immediate family members (limited to no more than 10 individuals) were allowed to witness the interment of their loved one from a safe distance if desired, but no services were performed. There is no service involved with witnessing an interment.

b. As the Commonwealth transitioned from 'Healthy at Home' to 'Healthy at Work', KDVA's cemeteries did the same beginning on June 1st with a phased transition plan to return to providing full interments, including memorial services, and military funeral honors. Working in coordination with funeral and memorial service providers, and Veteran Service Organizations all partners were required to follow Kentucky's *'Healthy at Work Minimum Requirements for all Entities'* guidelines and the industry specific guidance Funeral and Memorial Services. In addition, Cemetery staff are required to follow Personnel Protective Equipment guidelines. To ensure each veteran interred during the direct interment period between March 23rd and June 1st receives the military honors deserved, each of the veteran's next of kin has been contacted and offered the opportunity to have a military funeral honors ceremony for their veteran.

4. CARES Act Funds:

a. The KDVA received **\$2,910,955** from the federal government in April from two separate Medicare distributions from the Cares Act Provider Relief Fund. The first disbursement of **\$1,008,455** was based on 2% of KDVA's 2018 filed Medicare cost report. The second disbursement of **\$1,902,500**, also received in April, specifically for Skilled Nursing Facilities was based on a flat rate of **\$50,000** per facility and **\$2,500** per certified bed. These funds were provided to Healthcare Providers to ensure adequate medical care to the most at risk population in America against the Coronavirus Disease. Both sets of funds provided specific instructions regarding the use of these federal funds to which KDVA is strictly adhering.

b. These federal funds have been instrumental to support Kentucky's four Veterans Nursing Homes by providing economic assistance to healthcare providers through the Provider Relief Fund and Skilled Nursing Facilities Relief Fund, helping us to furnish needed care to affected patients. Specifically, these funds are intended to boost payments for hospital, physician, nursing home, home health, and other care. The guiding principles regarding the use of all Provider relief funds are *"The recipient certifies that the Payment will only be used **to prevent, prepare for, and respond** to coronavirus, and that the payment **shall reimburse the recipient only for health care related expenses or lost revenues** that are attributable to coronavirus."*

c. To date, KDVA has expended **\$1,480,400** of these federal funds for reimbursement of COVID expenses and loss of revenue, and has a cash balance of **\$1,430,600** remaining which is already earmarked for COVID expenses.

5. FY20 Budget Reduction Fiscal Impact:

a. In response to the Governor's FY20 Budget Reduction request in April, the Department of Veterans Affairs put in place several fiscal policies and returned General Funds in the amount of **\$262,641**. We accomplished this with the following actions:

1. Restricted personnel hiring unrelated to responding to the coronavirus public health emergency;
2. Restricted employees from working overtime unless related to coronavirus response;
3. Ceased all discretionary spending that was unrelated to responding to the coronavirus public health emergency. Specifically, the Cemeteries, Field Operations, and Commissioner's Office reduced its operating expenses by restricting employee travel resulting in reducing vehicle maintenance costs and fleet mileage overages. In addition, CFOC incurred a cost savings of nearly **\$68,000** as a result of reduced training, administrative costs, and billing obligations to existing contracts with Brain Injury Alliance of Kentucky, Epilepsy Foundation of Kentuckiana, and Veteran Service Organizations.
4. And finally, KDVA used the staff vacancy credits accumulated as a result of staff shortages at the Veterans Centers.

b. Overall, the fiscal impact of the FY20 budget reduction actions did not diminish services KDVA provides.