

oppaga Progress Report



June 2004

Report No. 04-43

Veterans Program Still Lacks Good Performance Data; More Cost Savings Possible by Extending Outsourcing

at a glance

Although the Department of Veterans' Affairs has taken steps to improve its accountability system as we previously recommended, further actions are needed to provide the Legislature with better information for assessing the department's performance. The department has partially implemented our recommendation to outsource certain nursing home functions. It has outsourced functions at three nursing homes, and estimates a cost avoidance of \$982,745 as a result of this initiative. The department plans to extend outsourcing to its two remaining nursing homes by Fiscal Year 2005-06.

Scope

In accordance with state law, this follow-up report informs the Legislature of actions taken by the Department of Veterans' Affairs in response to a 2001 OPPAGA report.^{1,2} This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our report.

¹ Section 11.45(7)(f), *F.S.*

² *State Veterans Program Meets Most Goals; Savings Seen in Outsourcing Certain Functions*, OPPAGA Report No. 01-63, December 2001.

Background

The U.S. Department of Veterans Affairs (VA) assists all former and present members of the U.S. armed forces and their dependents and survivors in securing benefits and services. These federally-funded benefits include veterans' compensation and pensions, home loan guarantees, education assistance, and insurance. In addition, the VA operates health care facilities in Florida, including six medical centers and 11 outpatient clinics. The VA spends more than \$3 billion annually in veterans' benefits and services in Florida.

The Florida Department of Veterans' Affairs provides assistance to state veterans in accessing the federal benefits to which they are or may become entitled under any federal or state law or regulation by reason of their service in the Armed Forces of the United States. The Services to Veterans Program has four components:

- Veterans' field services;
- Veterans' claims services;
- Veterans' homes; and
- Veterans' training approval.

Veterans' field services. The program provides benefits counseling services to all clients in the 17 VA medical facilities in Florida. The program helps veterans initiate, develop, submit, and prosecute claims and appeals for state and federal entitlements.

Veterans' claims services. The program provides a quality control function by reviewing claims submitted by field services employees to ensure the claims' completeness and accuracy. Claims employees also supplement the work of the bureau to help veterans initiate, develop, submit, and prosecute claims and appeals for state and federal entitlements. Claims personnel work directly with federal personnel to expedite claims and to advocate on behalf of the client to achieve the most positive outcome.

Veterans' homes. The program operates a domiciliary and five nursing homes.³ The domiciliary provides shelter, meals, and incidental medical care to veterans who are able to care for themselves. The nursing homes provide full-service long-term residential care to eligible Florida veterans. Registered and licensed nurses supervise nursing home residents 24 hours daily.

Veterans' training approval. Veterans can receive VA educational benefits for pursuit of training at approved schools. Under contract with the U.S. Department of Veterans Affairs, the Bureau of State Approving for Veterans' Training inspects schools and education programs that provide training to veterans to determine their qualifications for furnishing VA-approved courses and programs. The program also facilitates the payment of education benefits to veterans and eligible persons, and monitors educational institutions to ensure that they continue to meet all federal and state regulatory requirements governing the administration of the GI Bill.

For Fiscal Year 2004-05, the Legislature appropriated the department \$53.8 million, of which \$42 million (78%) is from federal funds and \$11.8 million (22%) is state general revenue. The Legislature authorized 638.5 FTE

positions, most of which (540.5 or 84%) provide veterans' homes services.

Prior Findings

Our prior report concluded that the program had been generally effective in meeting its goals of providing quality health care services and improving the economic status of Florida's veterans. However, to provide the Legislature and other policymakers with better information for assessing program performance, we recommended that the department establish better controls and processes for verifying data accuracy, collect and report on the number of clients served, and develop a new measure to better assess the impact of the domiciliary.

We also concluded that veterans' nursing homes provided substantial benefits to veterans and the state. For example, federal dollars are given to the state to construct veterans' nursing homes, and service-connected veterans in state-run nursing homes are not required to spend down their financial assets to become Medicaid eligible.

Preliminary cost data for an outsourcing pilot project at the Broward County facility showed likely cost savings. Based on pilot results, we recommended that the department accelerate its schedule to outsource these functions to other nursing homes from Fiscal Year 2005-06 to Fiscal Year 2002-03.

Current Status

Since our prior report, the department has taken steps to implement most of our recommendations. However, as of June 2004, the department had not completed its assessment of the validity and reliability of program performance data. Although the department did not complete the outsourcing of selected nursing home functions by Fiscal Year 2002-03, it reported a cost avoidance of \$928,745 from outsourcing selected functions at three of five nursing homes.

³ The domiciliary is the Robert H. Jenkins, Jr. Veterans' Domiciliary Home in Columbia County. The nursing homes are the Douglas T. Jacobson State Veterans' Nursing Home (Charlotte County), Clifford Chester Sims State Veterans' Nursing Home (Bay County), Emory L. Bennett Veterans' Nursing Home (Volusia County), Baldomero Lopez State Veterans' Nursing Home (Pasco County), and Alexander "Sandy" Nining State Veterans' Nursing Home (Broward County).

Performance information. To address our recommendations to improve the program's accountability system, the department implemented a new, uniform database, the Veterans Benefits On-Line Tracking System (V-BOLTS). This system tracks the activities conducted by department personnel and contains information related to services provided to veterans, and replaced three separate databases the department maintained at the time of our prior report. Department officials believe that consolidating information in one system should significantly reduce data errors. However, although implementation of the new system was completed in December 2002, the department had not completed verification of data validity and reliability as of June 2004. Department officials noted there have been some unforeseen delays in finishing the data assessment and do not know when it will be completed.

Department officials believe that the new system will help facilitate the collection of more reliable information on the number of veterans served by the program. The previous databases tracked specific services provided to veterans by various department units, and the department could not readily merge data from the three databases to arrive at an unduplicated count of the number of veterans served overall and by program component. Department officials expect that the new system will enable them to collect and accurately report to the Legislature the number of veterans served. Although the department

has not assessed the validity and reliability of the data, it reports serving 69,876 veterans as of June 2004.

Since our prior report, the department also has worked to develop a new outcome measure that monitors length of stay for clients residing at the domiciliary. The department submitted a request for approval of this measure in its 2004-2009 Long Range Program Plan and is waiting for final approval. Department officials stated that the best single measure of the operating efficiency of the domiciliary is occupancy rate, which they intend to continue to track and report to the Legislature annually.

Outsourcing. To address our recommendation to accelerate outsourcing of certain nursing home functions, the department made a slight modification in its plan and completed outsourcing of food service, housekeeping/laundry, and certified nursing assistant activities at three nursing homes by the end of Fiscal Year 2003-04. The department reported a cost avoidance of \$982,745 from these outsourcing efforts at the three nursing homes.⁴ The department plans to outsource these functions at the two remaining nursing homes by Fiscal Year 2005-06 (see Exhibit 1), which should result in additional cost avoidance.

⁴ The total cost avoidance of \$982,745 includes cost avoidance at the Alexander "Sandy" Nininger Nursing Home for Fiscal Year 2000-01 through Fiscal Year 2002-03 for a total of \$554,695 and cost avoidance at the Clifford Chester Sims and Douglas T. Jacobson Nursing Homes for Fiscal Year 2003-04 for a total of \$428,050.

Exhibit 1

The Department Has Outsourced Selected Functions at Three Nursing Homes; Plans Further Outsourcing at Remaining Homes

Function	Implementation Dates for Outsourcing			
	Clifford Chester Sims	Douglas T. Jacobson	Alexander "Sandy" Nininger	All Others
Food Service	September 2003	January 2004	January 2002	Fiscal Year 2003-04
Housekeeping and Laundry	September 2003	January 2004	June 2001	Fiscal Year 2004-05
Certified Nursing Assistants	September 2003	January 2004	June 2001	Fiscal Year 2005-06

Source: Department of Veterans' Affairs.

The Florida Legislature

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