



# COLORADO

Department of Human Services

January 1, 2021

The Honorable Jared Polis  
Governor, State of Colorado

The Honorable Dafna Michaelson Jenet  
Chair, Colorado House of Representatives Public and Behavioral Health and Human Services  
Committee

The Honorable Rhonda Fields  
Chair, Colorado Senate Health and Human Services Committee

The Honorable Chris Kennedy  
Chair, Colorado House of Representatives State, Civic and Military Affairs Committee

The Honorable Julie Gonzales  
Chair, Colorado Senate State, Veterans, and Military Affairs Committee

Governor Polis, Representative Michaelson Jenet, Senator Fields, Representative Kennedy, and Senator  
Gonzales:

The Colorado Department of Human Services, in response to reporting requirements set forth in Section  
26-12-402 C.R.S., respectfully submits the attached Commissioners of Veterans Community Living  
Centers Report.

*“On or before January 1, 2008, and on or before each January 1 thereafter, make an annual report of  
issues and recommendations developed by the board of commissioners to the executive director of the  
state department and the governor; and (II) Transmit electronic versions of each annual report to: (A)  
The members of the general assembly who sit on the health and human services committee of the  
senate, the public health care and human services committee of the house of representatives, and the  
state, veterans, and military affairs committees of the senate and the house of representatives, or  
any successor committees; and (B) The members of the state board of veterans affairs.”*

If you have any questions, please contact Kevin Neimond, CDHS’ Director of Policy and Legislative  
Affairs, at 303-620-6450.

Sincerely,

Yolanda Webb  
Director, Office of Adult, Aging, and Disability Services



# **Board of Commissioners of Veterans Community Living Centers Legislative Annual Report - January 1, 2021**

The Board of Commissioners of Veterans Community Living Centers (Board) was established to provide continuity, predictability and stability in the operations of the Colorado Veterans Community Living Centers (VCLCs). The commissioners are charged with providing guidance and advice to the VCLC administrators. This Legislative Annual Report is provided to the Colorado General Assembly pursuant to Section 26-12-402(7)(i)(I). C.R.S., which states:

*On or before January 1, 2008, and on or before each January 1 thereafter, make an annual report of issues and recommendations developed by the board of commissioners to the executive director of the state department and the governor; and (II) Transmit electronic versions of each annual report to: (A) The members of the general assembly who sit on the health and human services committee of the senate, the public health care and human services committee of the house of representatives, and the state, veterans, and military affairs committees of the senate and the house of representatives, or any successor committees; and (B) The members of the state board of veterans affairs.*

## ***Dedication***

*The Board dedicates this report to the outstanding work of all of the health care workers, administrators and the other employees serving the VCLCs. The overwhelming concern of the Board of Commissioners this year has been the impact of the COVID-19 pandemic at each of the VCLCs. The Board believes the heroic efforts by the entire VCLC team, at the local and state levels, including the nursing staff, every employee, administrators and the VCLC division leadership has been remarkable. Mr. Robinson, Board Chair, said of the efforts: "You have to wonder how the staff, top to bottom, can do this work day after day because it is such a tough job trying to contain and control the situation and counsel the residents who are in isolation. Hats off to everyone in every center and at the state level! What you have done is tremendous!"*

## **Executive Summary**

### **Coronavirus and COVID-19**

Beginning in March 2020, the state of Colorado faced the introduction of the worldwide COVID-19 pandemic. Immediately, the statewide Veterans Community Living Centers (VCLCs), as well as all healthcare organizations and nursing homes, were greatly impacted. During this unprecedented year, VCLC leaders, staff and residents quickly jumped in to learn entire new protocols and procedures in order to keep residents safe who are cared for at the statewide veterans homes. Financially, the entire VCLCs division was impacted by both increased supply costs and decreased revenue. Nearly overnight, infection control and resident

and staff safety became the immediate and most important goals of the Colorado veterans homes operations.

Throughout the navigation of this pandemic, it has been the unbelievable drive, dedication, leadership and expertise in the VCLCs, the Office of Adult, Aging and Disability Services (OAADS), the Colorado Department of Human Services (CDHS), and the Colorado Department of Public Health and Environment (CDPHE) leadership teams which have bravely led the veteran's homes through the first eight months of this pandemic. The expertise of county, state and federal agencies has assisted VCLCs leadership to make informed decisions and roll out numerous preventive actions recommended in accordance with established guidelines.

The Board of Commissioners recognizes and thanks the nursing staff, the administrators and all employees at each of the veterans homes for their outstanding contributions in helping to control and contain the pandemic. In addition, in the early days of the pandemic, VCLC teams identified many successful ways to address the problems of resident isolation which became a serious situation for the mental and physical wellbeing of the residents. Because there were restrictions regarding nonessential visits, including those by family members, staff stepped in to guarantee residents were engaged, entertained and had meaningful activity.

In mid-April, Veterans Community Living Center at Fitzsimons (VCLC at Fitzsimons) experienced a COVID-19 outbreak impacting staff and residents. Heartbreakingly, families, staff and other residents experienced the devastating loss of 25 residents due to the pandemic. Since that time, extensive testing and isolating procedures have continued throughout all of the statewide veterans homes. In the fall of 2020, a second wave of COVID-19 impacted residents and staff at all of the veterans homes, including Walsenburg and Rifle. A table in this report outlines the impacts of COVID-19 at each of the veterans homes effective 11/30/20.

As expected, the resident census at each of the homes dropped significantly, especially at Fitzsimons, where COVID-19 impacted both staff and residents.

### **Proposed Funds Transfer and Refinance of Direct Care Pay Increases**

One of the results of the COVID-19 pandemic has been the severe financial impact throughout the state of Colorado. This negative financial impact resulted in the need for CDHS to refinance the \$2,219,973 general fund appropriation for direct care staff salary increases with cash funds from the VCLC enterprise veterans central fund during FY 2020-21.

For FY 2021-22, the Department budget proposal repeats the refinance of \$2.7 million general fund for salary increases. Additionally, it includes a transfer of \$5 million from the VCLC enterprise veterans central fund into the general fund while still operating VCLC services as usual.

The Board's concern with the budget proposal is that the VCLCs are already losing \$725,884 per month (average monthly loss July to October 2020) before non-cash expenses. The Board

believes this leaves the projected central fund 2021 year-end balance dangerously low—perhaps even too low to enable these proposals. Regardless, the Board’s position is that if the funds are taken, they need to be restored as quickly as possible for the use stated in the statute. The Board remains concerned that the proposal appears to help balance the state budget on the backs of our most fragile veterans.

### **Needs Assessment**

In early 2021, the Board looks forward to receiving the results of a 6 month needs assessment study of the current and future health care needs of veterans in Colorado. After a request for proposal was created and sent to bid, Colorado Health Institute (CHI) consulting group was selected as the vendor to complete the needs assessment. CHI will provide the results of a detailed analysis, including data reviews and key informant interviews, regarding the current and future needs - five, ten and twenty years from now - for services not presently offered to veterans in Colorado. In its research, the CHI will identify current and future veteran needs in areas including long-term care (skilled and assisted living), transitional housing, home-based services, behavioral health needs and homelessness. Completion of the study is set for early 2021.

## **Introduction**

An Annual Report of the Board of Commissioners of the Veterans Community Living Centers is required by the Colorado Revised Statutes that created the Board. The Board is composed of seven members, appointed by the Governor, subject to confirmation by the Senate. The appointees offer their expertise and different perspectives relating to the operation of the VCLCs, with the objective of serving the best interests of veterans in Colorado.

The statute states that the Board is composed of three members who are veterans, three who represent different areas of expertise in the operation of nursing homes, and one who is a nursing home ombudsman. One of the veterans serves as the designee of the state Board of Veterans Affairs and is the liaison of that Board to the Board of Commissioners.

There are four state VCLCs, all part of the Colorado Department of Human Services (CDHS), with direct responsibility under the VCLC Division. In addition, there is one veterans home located in Walsenburg, which is part of the Spanish Peaks Regional Health Center, governed by a local district board of directors.

The official names of the centers are as follows, although their commonly used names are used in this report:

- Bruce McCandless Veterans Community Living Center at Florence (VCLC at Florence)
- Veterans Community Living Center at Fitzsimons (VCLC at Fitzsimons)
- Veterans Community Living Center at Rifle (VCLC at Rifle)
- Veterans Community Living Center at Homelake (VCLC at Homelake)
- Spanish Peaks Veterans Community Living Center at Walsenburg

Statute (Section 26-12-402 (2), C.R.S.) identifies the following duties for the Board:

- Advise the Division of Veterans Community Living Centers and each of the individual centers
- Provide continuity, predictably, and stability in the operation of the veterans centers
- Provide guidance in future administrators at the veterans centers based on the collective institutional memory of the board of Commissioners

The statute also directs the Board to “Endeavor to ensure that the highest quality of care is being provided at the veterans centers and that the financial status of the veterans centers is maintained at a sound level.”

The Board met seven times this year. The first meeting was held in person in February just prior to COVID-19 arriving in Colorado at VCLC at Fitzsimons. The other six meetings were held as virtual meeting conference calls because meetings in person were not allowed due to concerns related to the spread of COVID-19. Under ordinary circumstances, Board meetings would have been bi-monthly at each of the centers throughout the state. Even though the meetings were held virtually, the agendas were similar to the in person meetings which included reports from each of the centers and specific reports regarding pandemic management and status updates.

Among other topics covered at the meetings were updates regarding resident census, financial status of the VCLCs, marketing efforts coordinated by division staff at both a statewide level and local level with each home. Since March, the surveys of CDPHE were focused on infection control. The regular survey activities were reintroduced in September. VA surveys were also put on hold due to COVID-19 and have not yet resumed. After receiving survey feedback, each VCLC completed a Plan of Correction (POC) which was accepted by the surveying agencies.

## **Coronavirus and COVID-19**

The VCLCs, as well as Colorado, the United States and the world, could not escape the negative impacts of COVID-19. The effects of the pandemic are far reaching, specifically in all areas of the veterans homes and will take some time for a return to normal. In brief, the Board has found that the VCLCs carried out their handling of the pandemic with vigilance and foresight while dealing with the inevitable problems of this crisis.

The VCLCs have followed the guidance of the Centers for Disease Control and Prevention (CDC), the Centers of Medicare and Medicaid Services (CMS) and CDPHE. The Tri-County Health Department consulted with the administration and staff at VCLC at Fitzsimons in the prevention and control of the spread of the virus at that center. The guidelines and expertise these governing organizations provided have been expertly followed by VCLC leadership on all levels.

The number of positive COVID-19 staff and resident cases varies among the VCLCs. Related to the high positivity rates in Adams County, the county where VCLC at Fitzsimons is located, the positive cases at VCLC at Fitzsimons exceeded those of the other centers throughout the state. As of November 30, 2020, to our sorrow, there were 25 deaths due to the pandemic at Fitzsimons.

The following table shows the total staff and resident cases of COVID-19 from the beginning of the pandemic through November 30, 2020.

<b>Veterans Community Living Centers Staff and Resident COVID-19 Cases</b>			
<b>VCLC</b>	<b>Total Resident Positive Cases</b>	<b>Total Resident Deaths Due to COVID-19</b>	<b>Total Staff Positive Cases (no staff deaths)</b>
<b>VCLC at Fitzsimons</b>	68	25	48
<b>VCLC at Homelake</b>	2	0	6
<b>VCLC at Florence</b>	2	0	6
<b>VCLC at Rifle</b>	17	1	21
<b>VCLC at Walsenburg</b>	21	3	21
<b>Total</b>	<b>110</b>	<b>29</b>	<b>102</b>

\*Employees who test positive are sent home to quarantine and residents are placed in quarantine per state and federal guidelines.

Thankfully, at the statewide VCLCs, the numbers of positive COVID-19 cases appear to be remarkably lower compared to reports of nursing home cases in other parts of the country. According to state and federal guidelines, there have been several preventive actions coordinated at the VCLCs this year. These practices include social distancing, wearing of appropriate personal protective equipment including masks and eye protection. Residents are encouraged to wear face coverings when in contact with others or when out of their rooms, quarantine isolation for residents when necessary, daily screening and surveillance testing of employees, universal hand washing hygiene practices, elimination of communal dining and group activities, and limited outdoor visits and a focus on compassionate care when needed.

The VCLCs conduct a minimum of weekly surveillance testing of all employees and with any existence of positive cases, surveillance testing increases based on CDC and CDPHE guidance. This testing is intended to detect pre-symptomatic or asymptomatic employees to prevent the spread of COVID-19.

While it may sound like the pandemic has brought an only negative outcome that is not the case. VCLC leadership, Recreational Therapy directors and the entire staff have aggressively sought out solutions to resident isolation with a variety of initiatives, including outdoor visitation,

window visits, and virtual visits using technology. Some centers have devised other ways of providing for individual and small group activities by offering hallway bingo, remote contests, exercise routines, concerts, and outside church services, each with maximum precautions for the safety of all.

COVID-19 has decreased the resident census and, therefore, the primary revenue stream for the veterans homes. Specifically, the division census total dropped from 498 residents in mid-March to 405 residents at the end of October, primarily due to a severe lag in new admissions and loss of life. The occupancy number at VCLC at Fitzsimons, the largest of the centers, was impacted by the greatest loss. In March 2020, Fitzsimons cared for 159 residents and by the end of FY 2019-20, they were caring for 118 residents. This is a total census decrease of 41 residents. The occupancy at the other VCLCs, at the end of the fiscal year, was 66.3 % at VCLC at Rifle, 71.7 % at VCLC at Homelake SNF, 86.0% at Homelake DOM and 81.9% at VCLC at Florence.

Even under the best of circumstances, it will take many months for the centers to restore the census losses they experienced this year. The marketing and admission teams, along with clinical leadership, have been successful in stabilizing the census levels since July 2020, but a return to the pre-pandemic numbers, with the corresponding increase in revenue, will be difficult to achieve. Unknown variables such as the required 14-day quarantine and second and third waves of COVID-19 could impact the census.

The division shows a net loss of \$302,600 before the Government Accounting Standard Board (GASB 68) primarily as the result of decreased census in Fiscal Year 2019-20 and increased operating costs. These costs include the purchase of personal protective equipment (PPE) and incentive pay. For the first four months of the current fiscal year, FY 2020-21, the division shows a net loss of \$3,480,953 including non-cash expenditure of \$608,848 (Depreciation Expenditure). Even though there are significant financial losses, because of the savings in the central fund of the Division, the homes are not in jeopardy. It does, however, reinforce the need for carrying a substantial reserve in the central fund to meet future unforeseen events.

### **Proposed Transfer of Funds and Refinance of Direct Care Pay Increase**

One of CDHS's proposed actions to help balance the state budget is to transfer \$5 million from the veterans central cash fund to the general fund and the refinance of \$2.7 million general fund for the direct care staff pay increases from the cash fund. These actions would be taken with the FY 2021-22 budget. The Board is aware that the transfer of funds and refinancing for the direct care pay increases were taken to help meet the budget crisis the state is facing.

One of the concerns of the Board is the veterans central fund balance. At the beginning of FY 2020-21, the veterans central balance was approximately \$27 million. The VCLCs are running at a loss of about \$.7 million per month (before non cash expenses) which will reduce the fund by another estimated \$8.7 million in FY 2020-21. The approved capital construction expenditures of \$2.2 million and the \$2 million for payment for the ongoing needs assessment further reduce the cash fund. The anticipated balance at the end of FY 2020-21 is \$14,639,300. The proposed FY

2021-22 reductions of \$6.9 million would impact the fund balance further.

It should be understood that the balance in the veterans central cash fund is generated from entitlements earned by or paid by the resident veterans themselves (VA disability, VA per diem, Medicare, Medicaid and in some cases direct pay). These residents earned those benefits by signing and serving out an unlimited personal injury liability contract in military service to our country. These benefit payments and the successful and efficient operation of the VCLCs have resulted in the \$27 million balance.

As a Board, we know the veterans central cash fund will be reduced. We do not believe so much of the budget should be balanced on the backs of our most vulnerable veterans.

The Board's position is that if the funds are swept away, they need to be restored, with interest, as quickly as possible for the use stated in statute. The statute reads: *The money in the central fund is continuously appropriated to the state department for the direct costs of the operation and administration of the veterans centers and for capital construction in connection with the veterans centers;*" The VCLCs need funding for projects that impact the wellbeing of the veterans served at the homes. There are projects at the VCLCs which have been delayed and, in the light of the COVID-19 experience, the funds could be especially advantageous to enhance quarantine and other infection control measures at the centers.

## **Needs Assessment**

The Board is fully invested in the Needs Assessment project which will consider the current and future health care needs of veterans in Colorado. One of the many goals of this study is for the VCLC division to receive objective information about the future health care needs of the veteran population. Additionally, information will be shared regarding the types of veteran care and services that will be needed in five, ten and twenty years from now.

The VCLC division entered into a contract for a comprehensive study designed to evaluate the needs of veterans in all areas of the state, with specific attention given to areas that have high concentrations of veterans including the Denver metropolitan area and El Paso, Larimer and Weld counties. The project contractor, Colorado Health Institute (CHI) began its work in August with the completion set for early 2021.

The study requires that the contractor provide an informed determination of future health care needs of veterans with the potential for services not presently offered by the VCLCs. The possible new services to be explored could include additional long-term care services such as skilled nursing, transitional housing, assisted living, adult day care services, behavioral health, substance abuse, homelessness and home-based services.

The Board, VCLC division and each veterans home look forward to receiving the analysis and recommendations of the needs assessment study which will guide the planning and initiatives to meet the health care needs of our veterans.



CHI continues to meet with the division, office and CDHS leadership to provide updates and to confirm the project is moving along in a timely manner. Information will be finalized and available in January 2021.

## **North and South Parcels of Land at Fitzsimons**

An important project on the campus of VCLC at Fitzsimons achieved a critical milestone which will allow the project to move forward. Aurora Housing Authority (AHA), a division of the City of Aurora, will soon begin construction of an apartment building designated exclusively for low income veterans and their families. The building will be on the north parcel of land near the current Fitzsimons veterans home.

The current plans include building a four-story building with 49 one-bedroom and 10 two bedroom apartment units. Rent for the apartments would be on a sliding scale based on the ability of the veteran to pay. Construction will begin soon, and completion of the project is targeted for July, 2022. Part of the financing of the project was contingent on the approval of the Colorado Housing Financing Authority through the mechanism of the Low-Income Housing Income Tax Credit program. The OAADS Director, Yolanda Webb provided a letter of support to AHA and the tax credits were awarded and approved in November.

In addition to the north end of the VCLC at Fitzsimons campus, the south end of the campus is finalizing completion. The Veterans Renaissance Apartments at Fitzsimons is a project coordinated by the Colorado Coalition for the Homeless (CCH) and is expected to be completed by the end of this year. The project is a facility with 60 one-bedroom and two-bedroom apartments designated for the exclusive use of veterans experiencing homelessness. The CCH entered into a 50-year lease agreement for the property and will operate the facility independently from VCLC at Fitzsimons.