



January 1, 2025

Michelle Barnes
Executive Director, Colorado Department of Human Services

The Honorable Jared Polis
Governor, State of Colorado

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.

“(7)(i)(I) 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.”

The recommendations contained within this report are a product of the Board of Commissioners of Veterans Community Living Centers of Colorado and should not be construed as recommendations or specific opinions of the Colorado Department of Human Services.

If you have any questions, please contact Angelica Granados, CDHS’ Legislative Analyst, at 303-877-0562.

Sincerely,

Christina Beisel

Christina Beisel
Deputy Executive Director, Financial Services



ANNUAL REPORT 2024

Board of Commissioners of Veterans Community Living Centers of Colorado

Submitted to:

The Honorable Jared Polis, Governor, State of Colorado, Michelle Barnes, Executive Director, Colorado Department of Human Services, Members of the Colorado Senate Committee on State, Veterans, and Military Affairs and the Committee on Health and Human Services Members of the House Committee on State, Veterans, and Military Affairs and the Committee on Health Care and Human Services and Members of the State Board of Veterans Affairs

Colorado has four state Veterans Community Living Centers: Bruce McCandless VCLC at Florence, Fitzsimons VCLC at Aurora, the VCLC at Rifle, and the VCLC at Homelake. In addition to the skilled nursing facility at the Homelake VCLC, a domiciliary provides a 50-bed housing unit for greater independent living for veterans. A locally operated fifth center in Walsenburg is part of the Spanish Peaks Regional Health Center, not one of the state operated VCLCs. The Board of Commissioners maintains a close relationship with the Spanish Peaks VCLC.

Members of the Board of Commissioners are appointed by the Governor with specific statutory qualifications. Current members of the Board are Tiara Stingley, Chair, practicing clinical experience in nursing home operations; Thomas Brown, Vice Chair, veteran; Christine Merriman, Secretary, expertise in multi-facility nursing home management; John Freeburg, veteran; Pat Hammon, veteran and designee of the state Board of Veterans Affairs; Charity Linenburger, experience in the financial operations of a nursing home; and Leah McMahon, state long-term ombudsman.

The Board of Commissioners met one time in each quarter of this year primarily using virtual technology and a fifth meeting is scheduled in December. Planned visits to each of the VCLCs had to be cancelled mostly due to some mild cases of Covid infections of the residents at the time of the planned visits. We hope to return to on-site visits next year but will continue to use caution if there are cases of illness at the homes scheduled for visits.

Actions Being Taken on a Difficult Problem

The Board of Commissioners is in agreement with actions underway by the VCLC Division in making cost reductions at the VCLCs. Difficult, but necessary, decisions are being made to achieve reductions in force of the nursing staff in order to reverse the deficit in the VCLCs finances that has been prevalent ever since the Covid pandemic caused severe declines in the resident population. Staff personnel is by far the largest expense for the VCLCs, roughly 67 percent of the budgets, with RNs, LPNs and CNAs having the greatest



number of employees.

The steady loss of revenue to fund our homes has left the cash reserve in an unprecedented situation. If changes were not made, the VCLCs would expect to have a net loss of \$6 to \$8 million at the end of the current fiscal year. That amount of money does not exist in the VCLC Central Fund, the source of funds used to pay the expenses at the homes.

A decline in the resident census beginning with the Covid pandemic is at the root of this predicament. In the five years preceding the pandemic, the census average for the four state VCLCs was 410 residents; in October this year, the census was 318. Post Covid, the census numbers have shown some slow growth but the increase has been by only a few percentage points. This modest recovery has not provided enough revenue to keep up with expenses.

Other actions have been taken to reduce expenses but the savings, while significant, have not been enough to offset the cost of operation. One area of saving money has been through the decreased use of private agency employees in the nursing staff whose expenses are significantly greater, in the range of three to four times more expensive, than that of permanent employees. At the McCandless, agency staffing has been completely eliminated and at Fitzsimons, private staffing has been reduced by 50 percent. The other homes have had little or no private agency staff. Another cost saving change was made at McCandless by the closing of one of the wings to consolidate the residents in the other wings and provide for more efficient delivery of service to the residents without diminishing their quality of care. In addition, a freeze has been imposed on new hires at the homes.

The Board of Commissioners has been assured, by CDHS, that the reduction in staff will not affect the high quality of care provided to our veterans and other residents which include spouses of veterans and Gold Star parents. The staffing levels will continue to meet the state and national mandatory requirements through adjustments made to the work schedules.

The layoffs are to take effect on January 1, 2025. There are 50 open positions in the four VCLCs that can be frozen and not filled plus as many as 49 existing positions that may be eliminated. Impacted staff will receive information and support for pursuing other opportunities in the Department of Human Services and in other departments of the state.

Agency Staffing: In previous years, the VCLCs have relied on agency staff to fill nursing positions. Staffing with agency staff comes with a cost at three or four times that of hiring permanent staff. One caveat is that employment emergencies may require the temporary use of agency staff when situations require immediate help and the statewide shortage of nursing personnel makes permanent employees difficult to find.

The Board of Commissioners concurs with the steps taken to reduce the number of



private agency staff used by the VCLCs. The September report shows that Fitzsimons has reduced its number of agency staff since the beginning of the year by well over 50 percent, from over 25 to 11, largely in the ranks of Certified Nursing Assistants. Homelake and Rifle had three and five CNA agency staff in September and McCandless reported having zero such staff. CNA classes are continuing at Rifle, McCandless and Spanish Peaks but these students do not always choose to become permanent employees with the result that agency staff may be necessary on a temporary basis.

Marketing: The Board of Commissioners has offered its suggestions in the efforts taken to increase the VCLC census which includes making the homes better known throughout the state. Comprehensive marketing plans have been developed for Fitzsimons and McCandless with strategies for informing the public about the homes and developing relationships with important referral services such as individual medical providers, hospitals, and assisted care facilities among many others.

Other strategies being used by the marketing teams to increase public awareness of the homes include the updating of the websites for each facility, creating press releases and social media articles, and revamping the information packets for each facility for distribution to interested families and organizations. Billboards have been placed in high traffic areas in Denver, Aurora and Colorado Springs to let people know that the Fitzsimons VCLC is a great home for veterans and is open for business.

Pharmacy Operations: Along with the VCLCs the pharmacy has increased its operations to include all three of the Regional Centers for persons with intellectual and developmental disabilities located in Grand Junction, Pueblo and Wheat Ridge. The numbers are impressive:

Monthly average of residents being served - 485; VCLCs 320; Regional Centers 165
Monthly average of prescriptions being written - 5,300 to 5,500

This arrangement benefits both the VCLCs and the Regional Centers. The residents of the Regional Centers save money on their pharmaceuticals and avoid mistakes. The VCLCs also receive profits from the prescriptions being sent to the Regional Centers.

Mental Health Services: A part of the financial picture is the approximately \$600,000 appropriated by the 2024 General Assembly for mental health services for veterans that is not reflected in the profit/loss reports for the homes and is not part of the VCLC Central Fund. These funds cover services not previously provided to the veterans at the homes for outpatient treatment from mental health professionals. The funds are administered by the Department of Military and Veterans Affairs under an agreement with the Department of Human Services. The Board of Commissioners supports cooperation between CDHS and the DMVA in working out this rather complex situation. A report to the 2025 legislative session will provide further updates on this program and its funding status.



Surveys: The Board of Commissioners has always taken an interest in the surveys of the homes conducted by the Veterans Administration and the state Department of Public Health and Environment. This year the survey teams from the VA and the DPHE resumed their surveys after a four-year hiatus due to the Covid pandemic. Considering the long delay, the VCLCs did quite well with mostly minor deficiencies and a few major deficiencies.

Homelake received five deficiencies from the VA survey, all at the no harm level. For their state survey, Homelake received only 2 citations, both with minimal harm level. At McCandless, the VA survey cited two minor deficiencies, with one corrected before the survey team left the building, and the state survey cited seven deficiencies, which compares favorably with the state average of 12. For Rifle, during their annual survey they received 5 citations with minimal potential for harm. At the date of this report Rifle was undergoing the annual state survey that had not been finalized. Fitzsimons received 8 citations from their VA survey with minimal potential for harm and with their annual survey they received 13 citations but the harm levels were not released as the final report has not been submitted.

Covid: The pandemic may be over but the homes have had a few mild outbreaks this year, usually involving one case per home. One death was attributed to Covid but the resident had other underlying conditions as well. The homes continue to encourage Covid and influenza vaccinations for residents and staff. Other precautions continue, following guidance from local health officials in considering illness or outbreaks at the facilities.

Respectfully submitted,

Board of Commissioners of Veterans Community Living Centers

Tiara Stingley, Chair
Thomas Brown, Vice Chair
Christine Merriman, Secretary
John Freeburg
Patricia Hammon, RN
Charity Linenburger
Leah McMahon