



# Oregon

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Department of Veterans' Affairs

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February 17, 2015

To Members of the Oregon Legislative Assembly and  
The Legislative Administrator

*Via Electronic Mail Only*

RE: Report to the Legislative Assembly  
**Nursing Care Facility Needs Assessment Report for Oregon Veterans 2015-2035**

Dear Legislators:

The 2011 Legislative Assembly enacted Chapter 296, Oregon Laws 2011 (House Bill 3208), that required the Oregon Department of Veterans' Affairs (ODVA) to enter into a contract to conduct a statewide study to determine the number of skilled nursing beds needed to meet the current and future needs of veterans for skilled nursing care and to report on the study to the Legislative Assembly. The study, entitled "*Nursing Care Facility Needs Assessment Report*" is found on ODVA's website: <http://www.oregon.gov/odva/INFO/docs/Pubs/ODVA%20Final%20Report.pdf>.

The report covers the 20-year period from 2015 to 2035. House Bill 3208 required the study to determine the following:

- The number of veterans needing skilled nursing care, including veterans needing skilled nursing care because of Alzheimer's disease or other forms of dementia;
- Regional catchment areas for provision of services to veterans and the number of veterans within each catchment area who may need skilled nursing care; and
- The number of veterans needing skilled nursing care whose care could be provided through community care.

In addition, the report made recommendations on the overall viability and sustainability of building additional Veterans' Homes. As background, the Oregon Veterans' Home (OVH) in The Dalles opened in 1997 and has 151 licensed beds. The new Lebanon Veterans' Home opened in October 2014 and has 154 licensed beds.

### **Summary of Findings of the Study**

Veterans needing skilled nursing care. The study projects that the number of veterans needing nursing care will remain relatively constant over the next 20 years. The estimate for veterans needing care provided in skilled nursing facility settings is 1,800 and those needing care in all types of care settings is 25,500. This trend is in contrast to the general, non-veteran population, which will have a dramatic increase in elderly nursing care needs due to the projected large population increase in the older age groups. Based on projections, the need for nursing care among the (non-veteran) elderly will likely double in the next 20 years.

Catchment areas. The study identified six regional, service delivery catchments areas for veterans who may need nursing care in the next 20 years. The six catchment areas and the projected number of veterans likely requiring care in skilled nursing facilities within each catchment areas are:

1. The Dalles and surrounding area: 60 skilled care beds
2. Lebanon and surrounding area: 260 skilled care beds
3. Roseburg (included due to a statutory reference for a third home) and surrounding area: 80 skilled care beds
4. West Metro (Washington and Clackamas County): 650 skilled care beds
5. Medford (Jackson and Josephine County): 200 skilled care beds
6. Bend and surrounding area: 110 skilled care beds

Veterans whose care could be provided through community care. The study projects that of all veterans needing nursing care over the next 20 years, over 90% (approximately 23,000 veterans) could potentially receive this care in home and community based care settings, rather than in skilled nursing facilities. The study noted that “Oregon has a utilization rate of nursing facilities 40% less than the national average,” but that it mimics the nation-wide market trends for shorter and shorter nursing stays. The most notable difference between Oregon and other states is the “emphasis the state places on home and community based services.”

#### **Summary of the Recommendations on the Viability and Siting of a Third Veterans Home Contained in the Study**

The “*Nursing Care Facility Needs Assessment Report*” contained the following four recommendations on the viability of a third ODVA Veterans’ Home:

1. If a third Veterans’ Home is built in Oregon, careful consideration should be given to siting the home in Roseburg. Based on the veterans’ populations, workforce capacity and other services available to veterans, Roseburg may not be the best location. Based on the estimated number of veterans needing care within a 50-mile catchment area, Jackson County (Medford) appears to present a more viable option.
2. Occupancy at The Dalles Veterans’ Home in the two to three years after the opening of the Lebanon Veterans’ Home will be an important indicator of the overall financial viability of future homes. A second review of both The Dalles Home and the Lebanon Home should be conducted prior to beginning construction on a third home.
3. ODVA should continue to monitor the population-level health of veterans in Oregon through public health survey data available from the Oregon Health Authority, such as the Behavioral Risk Factor Surveillance System.
4. ODVA and the Oregon Department of Human Services should continue to work together to share resource and information about the needs of aging veterans. Current efforts to identify and track Oregon veterans and share information should aid increased utilization of United States Department of Veterans Affairs (USDVA) benefits.

Sincerely,



Cameron Smith, Director

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## EXECUTIVE SUMMARY

The Oregon Department of Veterans' Affairs in accordance with Chapter 296, Oregon Laws 2011, Section 2, commissioned this study to understand the needs of Oregon's aging veterans and to help make informed decisions about the need for any additional Oregon Veterans' Homes. Consistent with current and historical use of state veterans homes, analyses conducted by the consultant team are focused on veterans 65 and older. This report does not address nursing care needs of younger disabled veterans, their spouses or Gold Star Families.

This report explores the following questions:

1. What is the projected number of veterans who may need nursing care in the next 20 years (including veterans with Alzheimer's disease or other forms of dementia)?
2. What are the regional catchment areas for service delivery to veterans who may need nursing care in the next 20 years and what is the projected number of veterans within each catchment area?
3. What is the overall viability of any additional ODVA Veteran Homes including:
  - Impact of new facilities on existing homes
  - Workforce availability
  - Availability of alternative care options
  - Assessment of continued funding, timelines and care trends of the United States Department of Veterans Affairs (USDVA)
  - Financial viability and sustainability of projected operations
4. What are the projected number of veterans who may need nursing care in the next 20 years that may best be served through community care.

### Projected Number of Veterans Who Need Nursing Care

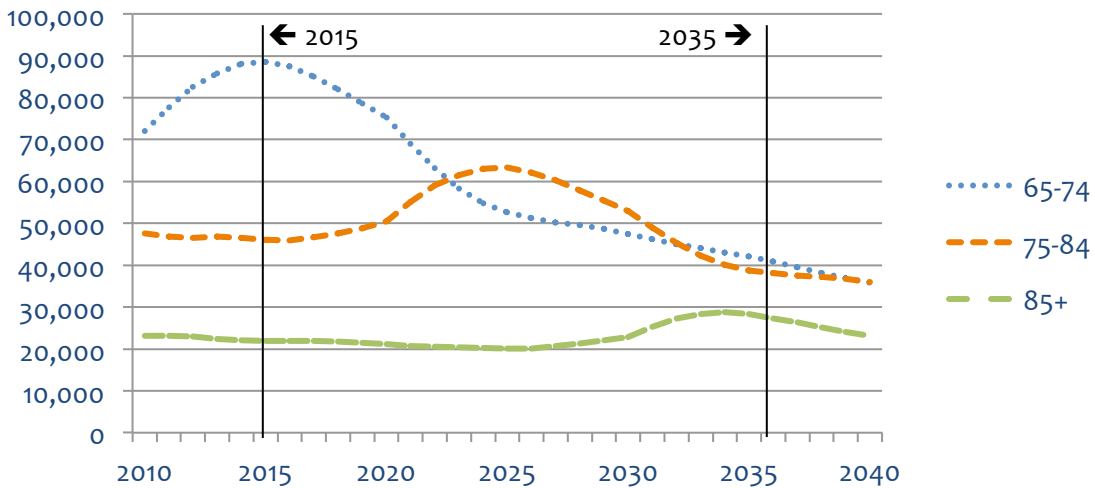
Using a projection model and data obtained from the USDVA's Vet Pop forecasting model, the consultant team estimates the number of veterans in Oregon that will need nursing care to be as shown below:

Table 1. 2015 Projections for Oregon

Veteran population			Estimated veterans needing nursing care	Estimated veterans in nursing facilities
65-84	85+	Total 65+		
134,717	21,897	156,615	25,500	1,800



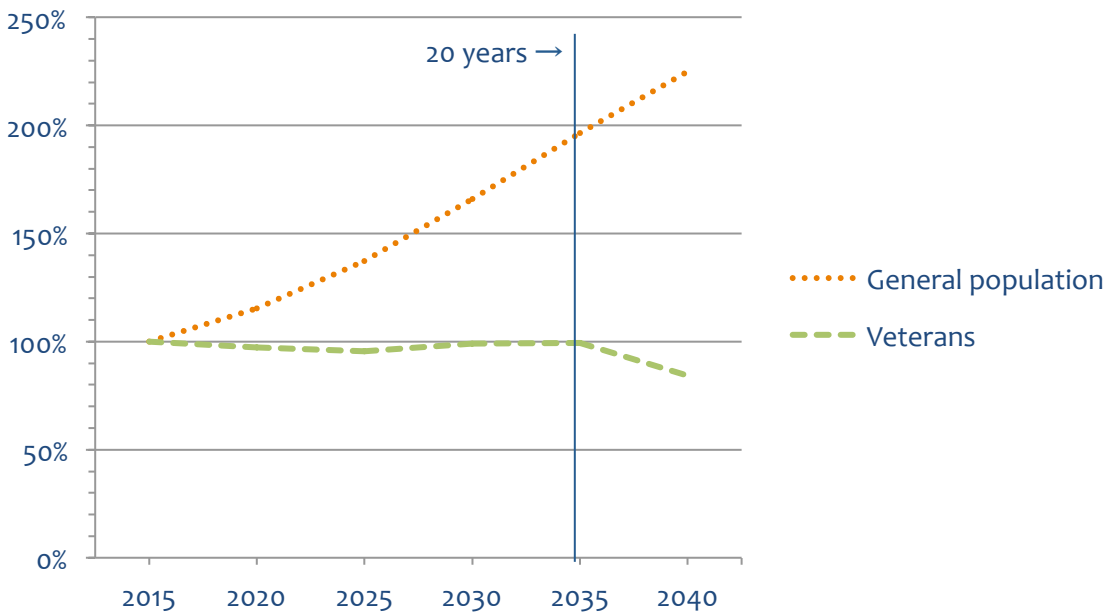
Figure 1. Number of Elderly Oregon Veterans by Age Group: 2015-2035



Due to the current number of World War II veterans needing nursing care and the upcoming number of Vietnam Veterans needing care in the near future, the estimated number of veterans needing nursing care in the next 20 years (2015 – 2035) is projected to be stable at approximately 25,000. At the same time, nursing care needs for the general population will increase significantly.

After 2035, the projected need for nursing care for Veterans will begin a steady decline.

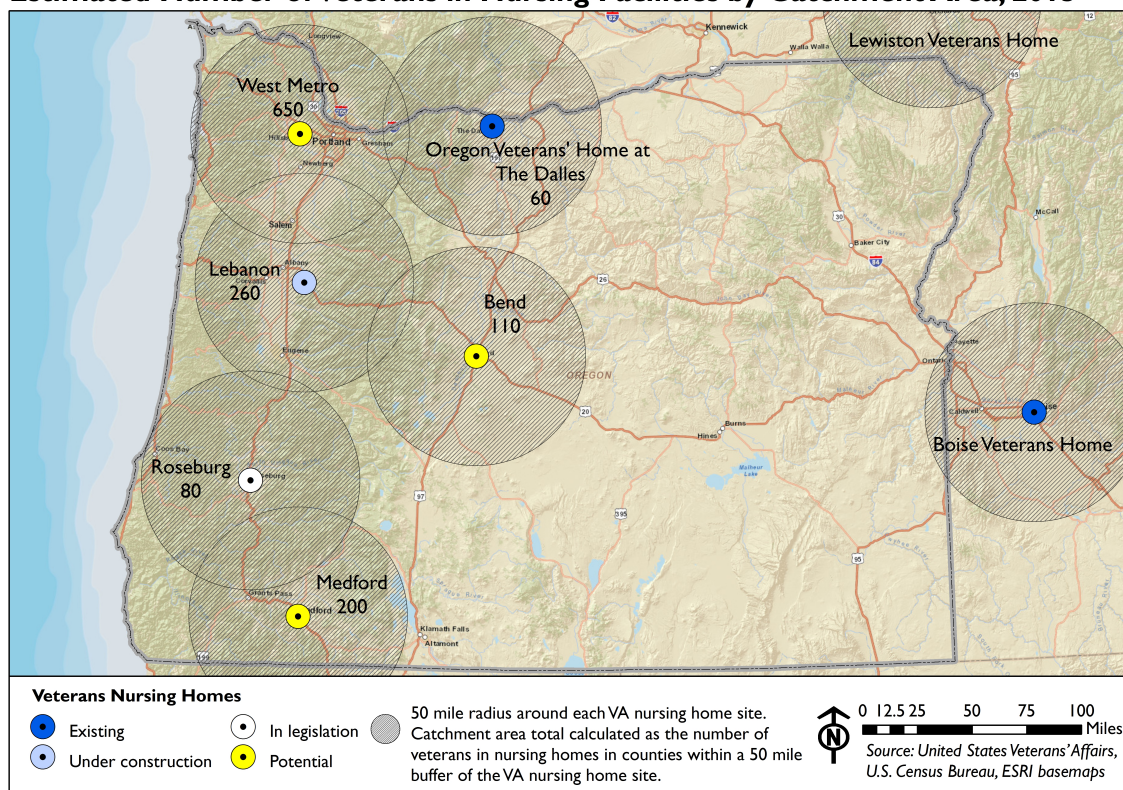
Figure 2. Change in the Need for Nursing Care in Oregon: General Population and Veterans, 2015-2040



## Regional Catchment Areas

Analysis of historical data from The Dalles Veterans' Home indicates that most veterans who receive nursing care at The Dalles home generally come from an area within 50 miles of The Dalles. Using 50 miles as a standard for a veterans' home catchment area and combining that information with information about the projected number of veterans in nursing facilities in each county illuminates areas where veterans' nursing care needs are most dense. Based strictly on population needs, if any future homes are built, siting them in the West Metro area near Portland or in the Medford area would be most optimal; with a third choice potentially being in the Bend area. Of the sites examined for any potential new Veterans' Home to be built, Roseburg does not appear to be the optimal choice due to its smaller population base and veteran catchment area numbers, its relative proximity to the Lebanon Veterans' Home; and the presence of existing Veterans' Community Living Center nursing care beds already available in Roseburg.

**Estimated Number of Veterans in Nursing Facilities by Catchment Area, 2015**



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## Overall Viability of Additional Veterans' Homes

Several factors must be considered to predict the overall viability of building any additional Veterans' Homes.

1. Statewide Trends and Veterans Homes in the context of all nursing care in Oregon
  - There are strong statewide and national trends away from providing nursing care in traditional “nursing home” facilities. In some cases, helping veteran’s stay in their homes and using community-based care and supports for as long as possible is optimal. Also, usage rates for non-veteran home facilities in Oregon is quite low (at 60% average occupancy) meaning that there are likely ample nursing care beds available to provide nursing care to veterans without building new homes.
  - While there are likely ample non-veteran nursing home beds available to provide nursing care to Oregon’s veterans, the current funding and benefit structure offered by the USDVA results in state Veteran’s Homes being less costly to the individual veterans. These same incentives do not uniformly exist for in-home care options.
2. Workforce capacity
  - Population-to-practitioner ratios are stronger in less-rural counties.
  - Rural areas have a greater challenge hiring and retaining licensed and non-licensed staffing
3. Impact of new sites on current homes
  - There is some risk that individual veterans, who would otherwise choose The Dalles Veterans’ Home, may now choose to admit to the Lebanon Veterans’ Home. Approximately 10% of veterans who have received care in The Dalles home actually live closer to Lebanon. Twelve percent of The Dalles Veteran Home residents have come from the Portland Metro area which is equidistant to Lebanon. Additionally, the Lebanon Home will have private rooms. Some veterans have indicated a preference for that option.
  - Alternately, the Lebanon Veterans’ Home will draw from a larger population base within the 50 mile catchment area than The Dalles Veterans’ Home.
  - The cost to individual veterans for each home will also play a role; the Lebanon Veterans’ Home will cost more than The Dalles Veterans’ Home.
4. Continued funding from the US Department of Veteran’s Affairs
  - Currently, there are no solid indications that the USDVA will discontinue funding for State Veteran’s homes.
  - The Dalles home is a well-managed, fiscally solvent operation, however veterans’ home expansion will have an impact
  - However successful a venture the first veterans’ home has been, which can serve as a model of care, it is still important to consider the potential impact additional Oregon Veterans’ Homes will have on the Dalles home itself

## Meeting the Nursing Care Needs of Veterans

Veterans most likely make decisions about nursing care based on geographic proximity to care, quality of care, and cost. The last two factors have contributed to the financial viability of The Dalles Veteran's Home. While there are ample non-veterans nursing care facilities in Oregon (including some facilities that have contracted with the USDVA so that a veteran's benefit may be used), the lower veteran private pay cost at a State Veteran's Home, coupled with the overall high quality of care provided and the Home's veteran centric focus and overall reputation also play a key role in admissions decisions.

Most veterans needing nursing care are receiving that care in non-USDVA supported sites and significant shifts in these proportions are not likely to change. Table 2 below displays the projected number of Oregon veterans in nursing facilities and the number receiving care from USDVA supported nursing facilities, including the Oregon Veteran's Home, Community Living Centers, and Community Nursing Homes. Among veterans in nursing facilities, the majority (79%) are not receiving nursing care benefits through the USDVA.

Table 2. Oregon Veterans in Nursing Facilities

	Number	Percent of veterans in nursing facilities
<b>Veterans in USDVA-assisted nursing facilities</b>	<b>385</b>	<b>21%</b>
Veterans in Oregon Veterans' Home <sup>a</sup>	112	6%
Veterans in USDVA Community Living Centers <sup>b</sup>	109	6%
Veterans in USDVA Community Nursing Homes <sup>b</sup>	164	9%
<b>Veterans in nursing facilities</b>	<b>1,415</b>	<b>79%</b>
<b>Estimated veterans in nursing facilities<sup>c</sup></b>	<b>1,800</b>	<b>100%</b>

<sup>a</sup>Number of veterans in the Oregon Veterans' Home on 6/1/2014 (does not include spouses)

<sup>b</sup>FY 2012 average daily census from Lewin Group report

<sup>c</sup>Data for 2015 from forecast of nursing care needs among Oregon veterans

Table 3 below shows the projected number of Oregon veterans receiving nursing care in any setting, including nursing facilities and home and community based care. Among veterans receiving any form of nursing care, 93% are receiving this care without USDVA financial assistance.

Table 3. Oregon Veterans Needing Nursing Care

	Number	Percent of veterans needing nursing care
<b>Veterans in USDVA-assisted nursing facilities or Home &amp; Community Based Care Services</b>	<b>1,701</b>	<b>7%</b>
Veterans in USDVA-assisted nursing facilities	385	2%
Veterans receiving USDVA Home & Community Based Care Services <sup>a</sup>	1,316	5%
<b>Veterans receiving nursing care without USDVA assistance</b>	<b>23,799</b>	<b>93%</b>
<b>Estimated veterans needing nursing care<sup>b</sup></b>	<b>25,500</b>	<b>100%</b>

<sup>a</sup>FY 2012 average daily census from Lewin Group report

<sup>b</sup>Data for 2015 from forecast of nursing care needs among Oregon veterans



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The continuum of care for Veterans is only slightly altered from that of the general population and is influenced by funding from the USDVA. While Oregon is strongly committed to redirecting resources away from nursing care facilities and toward home and community-based care, in best meeting the needs of Oregon's veterans, Veterans' Homes do meet the need for quality, affordable care for a number of Veterans in Oregon. Oregon has existing capacity to provide nursing care for veterans outside of Veterans Homes, but it is more cost-effective for certain veterans to receive care in Veterans Homes.

## Recommendations

1. If a third Oregon Veterans' Home is built careful reconsideration should be given to siting the home in Roseburg. Based on the veterans' population, workforce capacity, and other services available to Veterans, Roseburg may not be the best location. Based on the estimated number of veterans needing care within a 50-mile catchment area, Jackson County (Medford) presents as a more viable option.
2. Occupancy at The Dalles home in the two to three years after the opening of the Lebanon home will be an important indicator of the overall financial viability of future homes. A second review of both The Dalles home and the Lebanon home should be conducted prior to beginning construction on a third home.
3. ODVA should continue to monitor the population-level health of Veterans in Oregon through public health survey data available from the Oregon Health Authority, such as the Behavioral Risk Factor Surveillance System.
4. ODVA and the Oregon Department of Human Services should continue to work together to share resources and information about the needs of aging veterans. Current efforts to identify and track Oregon veterans and share information should aid increased utilization of USDVA benefits.

