



# COMMONWEALTH of VIRGINIA

## *Department of Veterans Services*

Charles A. Zingler  
Commissioner

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November 19, 2024

The Honorable Glenn Youngkin  
Governor, Commonwealth of Virginia

The Honorable Craig Crenshaw  
Secretary of Veterans and Defense Affairs

The Honorable Luke Torian  
Chair, House Appropriations Committee

The Honorable L. Louise Lucas  
Chair, Senate Finance and Appropriations  
Committee

***Delivered via electronic mail***

Re: FY2025 Quarter 1 report on revenues and expenditures at the veterans care centers

Dear Governor Youngkin, Secretary Crenshaw, Delegate Torian, and Senator Lucas:

The attached report details the FY2025 Quarter 1 (July – September 2024) revenues and expenditure for the veterans care centers operated by the Virginia Department of Veterans Services.

This report is submitted pursuant to 2024 Acts of Assembly Special Session I, Item 455 C.

Please let me know if we may provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "C. A. Zingler".

Charles A. Zingler

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**Department of Veterans Services (DVS)**  
**Report detailing revenues and expenditures of the veterans care centers**  
**FY 2025, Q1 (July – September, 2024)**

**Overview/Background**

The Virginia Department of Veterans Services (DVS) operates three veterans care centers, with a fourth under construction. The centers provide high-quality and affordable long-term skilled care, dementia/memory care, and short-term rehabilitative care for Virginia’s veterans. The Roanoke center also has an 8-bed assisted living unit.

The centers are first-class facilities designed to enhance quality of life in a clean, caring, and dignified setting befitting men and women who served out country with honor. DVS operates the centers to provide our residents with exceptional care in a home-like environment that enhances their overall well-being. To do this, DVS

1. Takes a “whole person” approach that focuses not just on physical health care to residents, but also provides recreational, therapeutic, spiritual, and social opportunities that contribute to physical and mental wellness;
2. Operates the care centers as symbols of the Commonwealth’s commitment to her veterans; and
3. Serves the greatest possible number of veterans by maintaining the highest practical facility census.

Nursing homes are the 2<sup>nd</sup> most regulated industry in nation. Virginia’s veterans care centers are licensed by:

- The Federal Centers for Medicare & Medicaid Services (CMS), as implemented by the Virginia Department of Health, Office of Licensure & Certification (VDH/OLC);
- The U.S. Department of Veterans Affairs (VA); and
- The Virginia Department of Social Services (Roanoke only – assisted living beds).

**The Centers**

The Davis & McDaniel Veterans Care Center (DMVCC) was dedicated in 1992 as the Virginia Veterans Care Center. Nestled in the Blue Ridge Mountains in the Roanoke Valley adjacent to the Salem VA Medical Center, DMVCC is named in honor of Medal of Honor recipient Colonel Paris Davis, US Army (Retired) and Navy Cross recipient Captain Eugene “Red” McDaniel, US Navy (Retired). DMVCC is a multi-story facility organized into two skilled care units, one skilled care/assisted living unit, and a secure dementia/memory care unit. Most resident rooms are shared (semi-private) with shared (“Jack and Jill”) bathrooms between two rooms.

The Sitter & Barfoot Veterans Care Center (SBVCC) in Richmond opened in 2008. It is adjacent to the Richmond VA Medical Center and is named in honor of Medal of Honor recipients Colonel Carl Sitter, US Marine Corps (Retired) and Colonel Van Barfoot, US Army (Retired). SBVCC is a single-level facility with four units – three skilled nursing and one secure dementia/memory. All rooms are private, with private bathrooms.

The Jones & Cabacoy Veterans (JCVCC) in Virginia Beach opened in 2023. It is located on a 26-acre site off Nimmo Parkway donated by the City of Virginia Beach. JCVCC is named in honor of Medal of Honor recipient Colonel William Jones III, US Air Force and Staff Sergeant Christopher Cabacoy, US Army, who was killed in action in Afghanistan. JCVCC is a single-level facility organized around eight 16-bed households. All households can be configured as either a skilled care or a dementia/memory care unit. All rooms are private, with private bathrooms.

The Puller Veterans Care Center (PVCC) in Warrenton will open in 2025. It is named in honor of Lieutenant General Lewis Puller, US Marine Corps (Retired), Lieutenant Lewis Puller, Jr., US Marine Corps, and former State Senator Linda “Toddy” Puller. PVCC is of the same design as JCVCC. PVCC is situated on the former Vint Hill Farms Station in Fauquier County on land donated by the Vint Hill Economic Development Authority and Fauquier County.

Each center has a physical/occupational therapy room, walking trail, barber/beauty shop, chapel, and activity room.

**Summary table**

| <b>Name</b>      | <b>Location</b> | <b>Year Opened</b> | <b>Number of Beds</b> | <b>Type of Rooms</b> | <b>Type of Baths</b> |
|------------------|-----------------|--------------------|-----------------------|----------------------|----------------------|
| Davis & McDaniel | Roanoke         | 1992               | 204                   | Semi-Private         | Shared               |
| Sitter & Barfoot | Richmond        | 2007               | 200                   | Private              | Private              |
| Jones & Cabacoy  | Virginia Beach  | 2023               | 128                   | Private              | Private              |
| Puller           | Warrenton       | 2025               | 128                   | Private              | Private              |

**Admission criteria**

- Honorably discharged veteran of the United States Armed Forces;
- Resident of Virginia at time of admission or entered service from Virginia;
- Medical need for care (the prospective resident must need the care the centers provide, and the centers must be able to provide the care the prospective resident needs);
- Means/method of payment.

**Operating Revenues - Overview**

The centers are set up as non-general fund agencies (special and federal funds). Revenue is tracked on a “patient day” basis, equating to one resident in one bed for one day. Revenue is received on a reimbursement basis, meaning that reimbursement is received after expenses have been obligated and bills have been paid. Reimbursement usually lags expenses by 2-3 months.

Federal fund revenues come from the U.S. Department of Veterans Affairs (VA) in the form of a special payment for residents rated 70-100% service-connected disabled (SCD) and a VA per diem payment for all other residents. The VA rates are adjusted yearly and vary by location. The 70-100% rate is considered “all inclusive” and residents are not responsible for any out-of-pocket expenses. Residents who receive the VA per diem are responsible for a portion of the daily rate which can be paid by Medicaid, Medicare, private insurance, or private funds.

Special fund revenue comes from Medicaid, Medicare, private insurance, and private funds. Medicaid and Medicare rates are set by the federal Center for Medicare & Medicaid Services (CMS) and are determined by the annual filing of a Medicare/Medicare Cost Report. At state owned nursing facilities, the daily rate is based on the lower of cost (daily cost of care) or charge (daily rate charged for room and board). The daily rate for each center for private pay residents is based on rates charged by other nursing home facilities serving the same market.

**Patient Days – FY2024 (July 1, 2023 – June 30, 2024)**

For fiscal year 2024, the payor mix for residents at the three open facilities was as follows (shown in patient days):

|                              | <b>VETERANS CARE CENTER</b> |               |              |
|------------------------------|-----------------------------|---------------|--------------|
| <b>PAYOR SOURCE</b>          | <b>DMVCC</b>                | <b>SBVCC</b>  | <b>JCVCC</b> |
| <b>Medicare</b>              | 2,808                       | 2,776         | 321          |
| <b>Medicaid</b>              | 17,953                      | 21,637        |              |
| <b>Private Pay/Insurance</b> | 18,993                      | 8,140         | 2,377        |
| <b>VA</b>                    | 22,375                      | 23,863        |              |
| <b>TOTAL</b>                 | <b>62,129</b>               | <b>56,416</b> | <b>2,698</b> |

**Forecast Revenue – FY2024 (July 1, 2023 – June 30, 2024)**

|                              | <b>VETERANS CARE CENTER</b> |                        |                     |
|------------------------------|-----------------------------|------------------------|---------------------|
| <b>PAYOR SOURCE</b>          | <b>DMVCC</b>                | <b>SBVCC</b>           | <b>JCVCC</b>        |
| <b>Private Pay/Insurance</b> | \$5,456,958.63              | \$3,447,746.50         | \$750,273.10        |
| <b>Medicaid</b>              | \$9,462,191.99              | \$7,433,039.60         |                     |
| <b>Medicare</b>              | \$978,984.91                | \$1,773,313.62         | \$184,063.96        |
| <b>VA</b>                    | \$14,784,186.21             | \$16,248,329.09        |                     |
| <b>TOTAL</b>                 | <b>\$30,682,321.74</b>      | <b>\$28,902,428.81</b> | <b>\$934,337.06</b> |

**Actual Revenue – FY2024 (July 1, 2023 – June 30, 2024)**

The Commonwealth of Virginia operates on a cash basis accounting system, meaning that revenue is recorded and considered “earned” when the payment is received. This method, along with insurance adjustments and uncollectable accounts, resulted in actual FY24 cash receipts as follows:

- DMVCC: \$29,296,686.88
- SBVCC: \$32,778,383.06
- JCVCC: \$337,166.15

It should be noted that the Jones & Cabacoy Veterans Care Center was not set up to bill the VA or Medicaid in FY24 pending VA and CMS licensure inspections and certifications. Once approval is received in FY25, JCVCC will receive payment for patient days retroactively to the date of the certification/licensure inspections.

**Billings, collections, and expenses – FY25, Q1 (July – September, 2024)**

|   | <b>July 2024</b> |                |                |
|---|------------------|----------------|----------------|
|   | <b>DMVCC</b>     | <b>SBVCC</b>   | <b>JCVCC</b>   |
| <b>Billings</b>                                   | \$2,101,941.41   | \$2,229,469.08 | \$362,668.32   |
| <b>Collections</b>                                | \$1,044,175.73   | \$3,380,145.20 | \$205,385.37   |
| <b>Expenses</b>                                   | \$2,906,839.37   | \$3,300,637.37 | \$1,085,226.66 |
| <b>Patient Days</b>                               | 5,460            | 4,795          | 937            |
| <b>Average Daily Census (number of residents)</b> | 176              | 155            | 30             |

|   | <b>August 2024</b> |                |                |
|---|--------------------|----------------|----------------|
|   | <b>DMVCC</b>       | <b>SBVCC</b>   | <b>JCVCC</b>   |
| <b>Billings</b>                                   | \$2,203,581.02     | \$2,253,175.52 | \$397,176.24   |
| <b>Collections</b>                                | \$3,695,362.69     | \$2,170,897.20 | \$86,049.18    |
| <b>Expenses</b>                                   | \$4,129,699.00     | \$4,045,320.47 | \$1,377,996.38 |
| <b>Patient Days</b>                               | 5,687              | 4,842          | 1,026          |
| <b>Average Daily Census (number of residents)</b> | 183                | 156            | 33             |

|   | <b>September 2024</b> |                |              |
|---|-----------------------|----------------|--------------|
|   | <b>DMVCC</b>          | <b>SBVCC</b>   | <b>JCVCC</b> |
| <b>Billings</b>                                   | \$2,154,532.65        | \$2,186,137.21 | \$440,966.02 |
| <b>Collections</b>                                | \$2,474,080.18        | \$3,391,513.74 | \$130,878.07 |
| <b>Expenses</b>                                   | \$2,404,657.71        | \$2,765,797.22 | \$1,063,600  |
| <b>Patient Days</b>                               | 5,599                 | 4,695          | 1,182        |
| <b>Average Daily Census (number of residents)</b> | 187                   | 157            | 39           |

It is important to keep in mind when reviewing these figures that the Commonwealth of Virginia operates on a cost basis accounting method. At the beginning of each fiscal year

insurance payments are due as well as many computer software contracts. This creates an elevated amount of expenses in the first fiscal quarter.

As stated previously, JCVCC has not been able to bill the VA or Medicaid yet. It is expected that they can begin billing during the second quarter of fiscal year 2025 and will be able to bill past charges.