



COMMONWEALTH of VIRGINIA

Department of Veterans Services

Charles A. Zingler
Commissioner

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August 28, 2025

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 2 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 2 (October - December 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", written over a horizontal line.

Charles A. Zingler

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Department of Veterans Services (DVS)
Report detailing revenues and expenditures of the veterans care centers
FY 2025, Q2 (October – December, 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 a 6-bed assisted living unit, but this level of care is being phased out due to low demand and availability of home-based care.

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 our 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 our veterans; and
3. Serves the greatest possible number of veterans by maintaining the highest practical facility census.

Nursing homes are heavily regulated. 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 late 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 – Name, Location, Year Opened, Beds

Name	Location	Year Opened	Number of Beds	Type of Rooms	Type of Baths
Davis & McDaniel	Roanoke	1992	210	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

1. Honorably discharged veteran of the United States Armed Forces;
2. Resident of Virginia at time of admission or entered service from Virginia;
3. 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); and
4. Means/method of payment.

Revenue Sources

DVS Veterans Care Center revenue come from these sources:

1. The U.S. Department of Veterans Affairs (VA) in the form of a special “all inclusive” payment for residents rated 70-100% service-connected disabled (SCD);
2. A VA per diem payment for all other residents. 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;
3. Medicaid and Medicare through the federal Centers for Medicare & Medicaid Services (CMS) and the Virginia Department of Medical Assistance Services;

4. Private Pay/Insurance – paid by the resident, his/her family or responsible party, or through the resident’s long-term care insurance plan. Most DVS care center residents in the private pay/insurance category are doing what might be called a “spend down” until they can qualify for Medicaid or VA payment; and
5. State General Fund – for the Jones & Cabacoy Veterans Care Center and the Puller Veterans Care Center during pre-opening and start-up operations until “break even” census and revenue levels are reached, after which the two care centers will be expected to operate on facility-generated revenues.

The centers are set up as non-general fund sub-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 1-3 months.

Patient Days

Occupancy Rates and Revenues are tracked on a “patient day” basis, equating to 1 resident in 1 bed for 1 day.

Reimbursements

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 1-3 months.

Revenues, Expenses, Patient Days, Census, Number of Operational Beds, and Occupancy Rate FY2025 Q2 (October - December, 2024)

A summary, by Veterans Care Center, is included on the following pages. For each VCC, this information is listed on a monthly basis:

- **Starting and Ending Cash Balances:** represents the “cash in the bank.”
 - For DMVCC and SBVCC, this comes from facility-generated NGF revenue (reimbursement from all payor sources).
 - For JCVCC, starting cash balances reflect start-up GF appropriated in 2024 Acts of Assembly Special Session I, Item 455 and facility-generated NGF revenue (reimbursement from all payor sources).
 - For PVCC, the cash balances reflect the GF appropriated in 2024 Acts of Assembly Special Session I, Item 455.
 - DVS has set a “cash policy” to have at least 60 days of “cash on hand” at the end of each month to 1) meet payroll, pay other bills, and meet state prompt pay guidelines.
- **Revenue:** reflects actual cash received from all payor sources in the current month. Revenue (in the form of reimbursement payments) is received an average of 1-3 months after care is delivered.
- **Expenses:** reflect actual payments made in the current month.

- Patient Days: represent the number of days of care delivered in the current month, where 1 patient day = 1 resident in 1 bed for 1 day.
- Average Daily Census: is the average number of residents in the center. It is calculated by dividing the number of patient days by the number of days in the month.
- Number of Operational Beds: is the number in service that month and for which there are sufficient staff to care for residents.
 - DMVCC has 210 beds. All beds were in service for the reporting period.
 - JCVCC has 128 beds, divided into eight 16-bed households. During the start-up process, JCVCC is bringing the new households online one at a time.
 - SBVCC has 200 beds, but 40 beds were offline for most of FY25 due to renovations, leaving 160 operational beds for most of the year. 10 beds were reopened in May (for 170 operational) and the remaining 30 will be brought back online in phases in FY26.
- Occupancy Rate: is the average daily census divided by the number of operational beds. The DVS goal is to have a 95% or better occupancy rate, which is generally considered to be the “break even” point for a fully operational and staffed facility.

For each VCC, this information is summarized on a quarterly basis:

- Patient Days by Payor Source: presents an overview of the “payor mix” for each care center.

Davis & McDaniel Veterans Care Center (Roanoke) - FY25 Revenues and Expenditures, through Q2

MONTHLY SUMMARY	July	August	September	October	November	December
Starting Cash Balance	\$1,100,943	(\$365,721)	(\$800,057)	(\$730,635)	(\$202,060)	(\$2,690,455)
Revenue	\$1,440,176	\$3,695,363	\$2,474,080	\$2,874,093	\$1,398,668	\$4,193,409
Expenditures	\$2,906,839	\$4,129,699	\$2,404,658	\$2,345,519	\$3,887,063	\$2,994,999
Ending Cash Balance	(\$365,721)	(\$800,057)	(\$730,635)	(\$202,060)	(\$2,690,455)	(\$1,492,045)
Patient Days	5,460	5,685	5,599	5,845	5,796	5,829
Average Daily Census (number of residents)	176	183	187	189	193	188
Number of Operational Beds	210	210	210	210	210	210
Occupancy Rate	84%	87%	89%	90%	92%	90%

NOTE: Negative cash balances reflect payroll processing in the Cardinal HCM system, which allows negative balances only for payroll. To prevent negative cash balances going forward, DVS will submit a budget request for FY27/28 for a line of credit.

QUARTERLY SUMMARY	Q1	Q2
Cash on hand at beginning of quarter	\$1,100,943	(\$730,635)
Cash on hand at end of quarter	(\$730,635)	(\$1,492,045)

PAYOR SOURCE - BY # OF PATIENT DAYS	Q1	Q2
Private Pay/Insurance	4,995	5,917
Medicaid	4,351	4,356
Medicare	868	399
VA Primary (70-100% SCD)	6,530	6,798
TOTAL	16,744	17,470

Sitter & Barfoot Veterans Care Center (Richmond) - FY25 Revenues and Expenditures, through Q2

MONTHLY SUMMARY	July	August	September	October	November	December
Starting Cash Balance	\$3,725,024	\$3,804,532	\$1,930,108	\$2,555,825	\$2,768,344	\$2,362,041
Revenue	\$3,380,145	\$2,170,897	\$3,391,514	\$1,943,977	\$3,767,311	\$2,627,954
Expenditures	\$3,300,637	\$4,045,320	\$2,765,797	\$1,731,459	\$4,173,614	\$2,960,938
Ending Cash Balance	\$3,804,532	\$1,930,108	\$2,555,825	\$2,768,344	\$2,362,041	\$2,029,057
Patient Days	4,795	4,842	4,695	4,936	4,703	4,904
Average Daily Census (number of residents)	155	156	157	159	157	158
Number of Operational Beds	160	160	160	160	160	160
Occupancy Rate	97%	98%	98%	100%	98%	99%

QUARTERLY SUMMARY	Q1	Q2
Cash on hand at beginning of quarter	\$3,725,024	\$2,555,825
Cash on hand at end of quarter	\$2,555,825	\$2,029,057

PAYOR SOURCE - BY # OF PATIENT DAYS	Q1	Q2
Private Pay/Insurance	1,486	1,762
Medicaid	5,101	4,839
Medicare	716	618
VA Primary (70-100% SCD)	7,029	7,324
TOTAL	14,332	14,543

Jones & Cabacoy Veterans Care Center (Virginia Beach) - FY25 Revenues and Expenditures, through Q2

MONTHLY SUMMARY	July	August	September	October	November	December
Starting Cash Balance	\$3,168,057	\$2,288,216	\$996,321	\$7,163,699	\$6,623,894	\$5,284,343
Revenue	\$205,385	\$86,049	\$130,978	\$131,569	\$155,711	\$195,005
GF Startup Allocation	\$0	\$0	\$7,100,000	\$0	\$0	\$0
Expenditures	\$1,085,227	\$1,377,944	\$1,063,600	\$671,373	\$1,495,263	\$1,309,280
Ending Cash Balance	\$2,288,216	\$996,321	\$7,163,699	\$6,623,894	\$5,284,343	\$4,170,068
Patient Days	937	1,026	1,182	1,346	1,530	1,873
Average Daily Census (number of residents)	30	33	39	43	51	60
Number of Operational Beds	48	48	48	48	64	64
Occupancy Rate	63%	69%	82%	90%	80%	94%

QUARTERLY SUMMARY	Q1	Q2
Cash on hand at beginning of quarter	\$3,168,057	\$10,163,700
Cash on hand at end of quarter	\$10,163,700	\$7,170,069

PAYOR SOURCE - BY # OF PATIENT DAYS	Q1	Q2
Private Pay/Insurance	464	1,065
Medicaid	1,702	2,057
Medicare	434	217
VA Primary (70-100% SCD)	545	1,360
TOTAL	3,145	4,699

Puller Veterans Care Center (Warrenton) - FY25 Revenues and Expenditures, through Q2

MONTHLY SUMMARY	July	August	September	October	November	December
Starting Cash Balance	\$903,007	\$711,408	\$465,464	\$6,274,896	\$6,162,838	\$5,921,575
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
GF Allocation	\$0	\$0	\$6,000,000	\$0	\$0	\$0
Expenditures	\$191,598	\$245,944	\$190,569	\$112,058	\$241,264	\$226,837
GF Reversion	\$0	\$0	\$0	\$0	\$0	\$0
Ending Cash Balance	\$711,408	\$465,464	\$6,274,896	\$6,162,838	\$5,921,575	\$5,694,738
Patient Days	0	0	0	0	0	0
Average Daily Census (number of residents)	0	0	0	0	0	0
Number of Operational Beds	0	0	0	0	0	0
Occupancy Rate	0%	0%	0%	0%	0%	0%

QUARTERLY SUMMARY	Q1	Q2
Cash on hand at beginning of quarter	\$3,903,007	\$3,274,896
Cash on hand at end of quarter	\$3,274,896	\$2,694,738

PAYOR SOURCE - BY # OF PATIENT DAYS	Q1	Q2
Private Pay/Insurance	0	0
Medicaid	0	0
Medicare	0	0
VA Primary (70-100% SCD)	0	0
TOTAL	0	0