



Department of Veterans Service
Floyd Veterans Memorial Building
Atlanta, Georgia
30334

PETER WHEELER
COMMISSIONER
(404) 656-2300
FAX (404) 656-7006

January 10, 2011

Honorable Nathan Deal
Governor of Georgia
State Capitol
Atlanta, Georgia 30334

Honorable Casey Cagle
Lt. Governor of Georgia
State Capitol
Atlanta, Georgia 30334

Honorable Jack Hill
Chairman, Senate Appropriations Committee
State Capitol
Atlanta, Georgia 30334

Members of the Georgia Senate

Honorable David Ralston
Speaker of the House of Representatives
State Capitol
Atlanta, Georgia 30334

Honorable Ben Harbin
Chairman, House Appropriations Committee
State Capitol
Atlanta, Georgia 30334

Members of the Georgia House of
Representatives

In sections 48.3 and 48.4 of the Conference Committee Report for the FY 2011 State Budget for the Department of Veterans Service (the Department) the General Assembly placed the following requirement:

The Department [of Veterans Service] shall examine the impact of certifying the nursing homes for Medicaid and Medicare.

This requirement in the FY 2011 Budget caused the Department to undertake a study to examine the impact of using the Medicaid and Medicare programs as funding sources for paying a portion of the operating costs for Georgia's two State Veterans Homes located in Augusta and Milledgeville.

A study group of 11 members was formed to examine the issue and develop recommendations for the Governor and the General Assembly in response to that requirement. The study group met several times to receive briefings on the Medicaid and Medicare programs, their operations and debate and discuss how those programs would fit into the fiscal structure for the funding of Georgia's State Veterans Homes. The study group issued the enclosed report, which I am pleased to forward to you for your information, consideration and as the basis for action to address the funding issues surrounding the operation of our two state veterans' homes.

The report recommends the State of Georgia maintain state appropriations and federal per diem payments as the two primary funding sources for the operation of these homes. It further

recommends the General Assembly authorize the Department in the event the two primary funding sources are not sufficient to fund optimal operations of the homes to establish, collect and use the proceeds of a fee or co-payment to be charged to the veteran patients in the state veterans' homes.

The majority of these veteran patients are eligible for and receive compensation or pension benefits from the U. S. Department of Veterans Affairs (VA), to include the VA's *aid and attendance benefit designed to support medical services provided to veterans* by various healthcare providers. This State fee or co-payment would for many veteran patients be funded by the VA and the Department would be authorized to collect the moneys currently available to the veteran patients of these homes. Using a State fee or co-payment system would take advantage of funds already available from the VA to the veteran patients of the homes and not put the homes into the structure and system of episodic payments associated with the Medicaid and Medicare programs.

Our primary point of contact related to this study is Mr. Dan Holtz, Assistant Commissioner for Administration, Health and Memorials, who served as the team leader for this study. He can be reached at 404-656-2307, email: dholtz@vs.state.ga.us, or by fax: 404-656-7006.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Wheeler", with a horizontal line extending to the right.

PETE WHEELER
Commissioner

Enclosure:
As Stated

Cc: Ms Debbie Dlugolenski, OPB
Mr. David Tanner, OPB
Veterans Service Board Members
Study Group Members