



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784

Phone: (303) 866-3521 • Fax: (303) 866-3855

lcs.ga@state.co.us • leg.colorado.gov/lcs

Memorandum

February 18, 2020

TO: Interested Persons

FROM: Julia Jackson, Senior Research Analyst, 303-866-4788

SUBJECT: Veterans Community Living Centers in Colorado

Summary

This memorandum provides information about veterans community living centers (VCLCs), formerly known as state veterans nursing homes, in Colorado. Specifically, it includes the history of the five current VCLC locations and the process for building new VCLCs. The memorandum also discusses how the VCLCs are funded.

History of Veterans Community Living Centers

VCLCs are Colorado's state veterans homes. They are generally owned and operated by the state government, although one – Spanish Peaks – is operated by a local hospital district. All 50 states have state veterans homes, the earliest of which were built to shelter homeless and disabled Civil War veterans. Colorado's Soldiers and Sailors Home was established outside of Monte Vista in 1889 and still operates today as the VCLC at Homelake.

The U.S. Department of Veterans Affairs (VA) must formally recognize and certify a facility as a state veterans home. The VA surveys the facilities annually to ensure they meet its standards, but it does not manage them. VCLCs serve honorably discharged veterans, spouses of veterans, and "gold star" parents, who are the parents of veterans who died while serving in the military. VA regulations require that at least 75 percent of the residents at each state home be veterans, while the remaining 25 percent can be veterans' family members.

The Division of Veterans Community Living Centers (division) in the state Department of Human Services manages the four state-operated VCLCs. After a 2005-2006 interim committee studied issues facing the VCLCs, legislation in 2007 created a Commission on Veterans Community Living Centers. The seven members of this oversight board are appointed by the Governor and confirmed by the Senate. The board advises the division on the VCLCs and reports annually to the General Assembly on its work.

Colorado today has five VCLCs, and information about their locations, resident capacities, and opening dates is provided in Table 1. Additional information about each location follows the table.

Table 1
Veterans Community Living Centers in Colorado

Facility	Location	Resident Capacity	Year Opened
Veterans Community Living Center at Fitzsimons	Aurora	180	2002
Spanish Peaks Veterans Community Living Center	Walsenburg	120	1993
Veterans Community Living Center at Rifle	Rifle	89	1987
Bruce McCandless Veterans Community Living Center	Florence	105	1976
Veterans Community Living Center at Homelake	Monte Vista	60*	1889

Source: Colorado Department of Human Services.

**Figure for Homelake does not include 48 independent living cottages.*

Veterans Community Living Center at Homelake. Colorado's original soldier's and sailor's home, the Homelake Center outside of Monte Vista dates to 1889. Today it provides skilled nursing care, short-term rehabilitation, and respite and hospice services. Unique to Homelake are its "domiciliary cottages," which offer independent living with assistance. Homelake has services like a post office and bank on site, and the center also includes a veteran's cemetery.

Bruce McCandless Veterans Community Living Center. According to the Department of Human Services, this center was built in Florence to serve and bring economic development to rural parts of the state. It offers long-term care, including a memory care unit, as well as short-term rehabilitation, respite care, and hospice services.

Veterans Community Living Center at Rifle. According to the Department of Human Services, this center was built in Rifle to serve and bring economic development to the area, as well as to make veterans centers accessible to more of the state. It offers long-term care, short-term rehabilitation, and respite and hospice services. It also has a 12-bed secure memory care unit.

Spanish Peaks Veterans Community Living Center. The Spanish Peaks center was built and is operated by the Huerfano County Hospital District. It is attached to the Spanish Peaks Regional Health Center, a critical access hospital in Walsenburg. It offers long-term care and a memory care unit. The center is state-owned to allow it to qualify for federal veteran's programs, but it is a separate entity from the other four centers for financial reporting purposes.

Veterans Community Living Center at Fitzsimons. The Fitzsimons VCLC is located on the former Fitzsimons Army Medical Center campus. When the base closed in 1999, 15 acres of the land was donated to the state for the purpose of providing care and services to veterans in the Denver metropolitan area. In addition to the VCLC, the Colorado Coalition for the Homeless and others are currently building permanent supportive housing for homeless veterans on the Fitzsimons land. The center is the largest of the state's VCLCs, and it provides skilled nursing care and a specialized short-term rehabilitation unit. Memory care and hospice services are also available.

Previously, the state also owned a nursing home in Trinidad, but this facility was not certified by the VA as a state veterans home, and the state sold it to a private company in 2011.

Funding for Veterans Community Living Centers

The four state-run VCLCs together operate as an enterprise for TABOR purposes. State law directs the homes to be self-sustaining, covering their operating and maintenance costs from payments for care. These payments are deposited into the Central Fund for Veterans Community Living Centers (central fund). The central fund may also receive up to 10 percent of its annual revenue from the General Fund and remain an enterprise. For FY 2019-20, \$800,000 was transferred from the General Fund to the central fund for operating expenses. The FY 2019-20 Long Bill also appropriates some General Fund money to the four VCLCs as shown in Table 2.

Table 2
FY 2019-20 General Fund Appropriations for Veterans Community Living Centers

Line Item	General Fund Subject to TABOR
Fitzsimons Veterans Community Living Center	\$965,580
Florence Veterans Community Living Center	513,096
Homelake Veterans Community Living Center	567,049
Homelake Military Veterans Cemetery	59,300
Rifle Veterans Community Living Center	624,197
Transfer to the Central Fund pursuant to Section 26-12-108 (1) (a.5), C.R.S.	800,000
Total	\$3,529,222

Source: Senate Bill 19-207.

Per diem rates. The VA pays the VCLCs a per diem for eligible veteran residents, starting at \$109.73 for nursing home care. Veterans with a service connected disability of 70 percent or higher, or those who meet certain less common eligibility standards, are eligible for a higher per diem rate of \$438.63 at the Fitzsimons VCLC or \$431.24 at the other facilities. According to the division, this higher rate is based on the Medicare prevailing rate, which will no longer be calculated by the Centers for Medicare and Medicaid Services (CMS) beginning in 2020, and the VA is currently considering other methods of determining the payment rate. The VCLCs can also receive private payments, and per diem payments from Medicare and Medicaid. Per diem rates for Medicaid range from \$255.82 to \$279.23 depending on the location.

Capital funding. For capital construction and maintenance, the VA offers a state home grant program that can cover up to 65 percent of the cost of state home construction, acquisition, or renovations. However, the program is subject to congressional appropriations, so funding is not always available. In the last five years, one capital construction project for the VCLCs received state funding totaling \$4.3 million over two fiscal years.

Fitzsimons VCLC construction. The most recently constructed VCLC is Fitzsimons, which was completed in 2002. The total cost of the project was about \$25.3 million, with \$15.9 million or about 63 percent of the funds coming from the federal government. The following legislative directives led to the construction of the Fitzsimons VCLC:

- **Senate Joint Resolution 95-35** directed the Department of Human Services to conduct an initial feasibility study on the need for a new state veterans nursing home on the Front Range;

- **Senate Bill 97-215**, the FY 1997-98 Long Bill, appropriated funds to conduct a feasibility study and develop a facility program plan;
- **Senate Bill 98-186** appropriated state funds and authorized construction of a home at the Fitzsimons site; and
- **House Bill 00-1451**, the FY 2000-01 Long Bill, provided the remainder of the appropriations to complete the project.

Statutory Requirements for New Veterans Community Living Center Construction

State law requires the Department of Human Services and the Colorado Board of Veterans Affairs to recommend proposed sites for veterans centers to the Capital Development Committee and the Joint Budget Committee. The General Assembly must then select a proposed site, and any new center must have a capacity of at least 120 beds.¹ The law offers the following criteria to be considered when evaluating a potential site for a proposed VCLC:

- the proximity of the proposed center to VA medical services;
- the impact the proposed center would have upon the financial viability of existing VCLCs; and
- whether there is an established bed need for the proposed center based on the location of Colorado veterans, their families, and support systems.

State law further specifies that no VCLC is to be constructed unless other centers have maintained an average occupancy rate of at least 80 percent over the six-month period immediately prior to beginning construction. This specific occupancy requirement was enacted in 1998, but most of this section of law has been in place since 1954.

¹Section 26-12-111, C.R.S.