Veterans Health Administration, Office of Geriatrics and Extended Care
Veteran-Directed Home and Community-Based Services (VD-HCBS)
Draft Interim Program Procedures

**Key Operation Context:** Veterans Affairs Medical Centers (VAMCs) will purchase a product known as Veteran-Directed Home and Community-Based Services (VD-HCBS) from Aging and Disability Network Agencies including Aging and Disability Resource Centers (ADRCs), Area Agencies on Aging (AAAs), and/or State Units on Aging (SUAs).

**VD-HCBS Program:** The VD-HCBS program serves Veterans of all ages and with all types of disabilities, who are at risk of nursing home placement. The VD-HCBS program provides Veterans the opportunity to receive home and community-based services that allow them to live independently in their homes. Veterans are able to manage their own monthly budget and directly hire workers and/or purchase goods and services to meet their needs in their home and community.

**Aging and Disability Network Participation:** Aging and Disability Network Agencies must meet the VD-HCBS readiness criteria before they can offer VD-HCBS and enroll Veterans. The specific readiness criteria demonstrate the Aging and Disability Network Agency’s capacity to implement VD-HCBS and begin facilitation of the services in a self-directed manner so that enrolled Veterans:

- Receive an assessment and care planning assistance
- Decide for themselves, or with a representative, what mix of goods and services will best meet their, and their family caregiver’s care needs
- Manage a flexible, individual budget
- Hire and supervise their own workers, including family or friends
- Purchase goods or services needed to live independently in the community
- Have Financial Management Services (FMS) and counseling support services which facilitate service delivery
- Utilize traditional service providers, if desired, to supplement Veteran-directed care only for unforeseen emergencies or at the initiation of the Veteran’s services.

**Veterans Currently Using Home Health Agency Services:** Veterans using Homemaker/Home Health Agency services for personal care or homemaking services and who wish to be in the VD-HCBS program must develop a plan to transition to full self-direction of these personal tasks within 90 days. This means that they must hire and manage their own workers. It is allowed to use vendors in the community for supplemental services such as adult day care, snow-plowing, yard work, or for Home Health Agencies to be used as an emergency back-up. A Veteran that wants to remain in Home Health Agency care should be referred back to the VAMC.

**Provider Agreement:** When the Aging and Disability Network Agency meets the VD-HCBS program readiness criteria and is ready to begin serving Veterans, the applicable VAMC will form a Provider Agreement with the Aging and Disability Network Agency. The Provider Agreement will outline the policies and procedures between the VAMC and Aging and Disability Network Agency for the VD-HCBS program.

**Target Population:** All Veterans enrolled in the VHA health care system are eligible to participate in the VD-HCBS program when the Veteran is “in need of nursing home care” and interested in...
self-direction. Veterans are determined “in need of nursing home care” when one or more of the following conditions is met:

- Three or more activities of daily living (ADL) dependencies
- Significant cognitive impairment
- Receiving hospice services
- Two ADL dependencies and two or more of the following:
  - Three or more instrumental activities of daily living (IADL) dependencies
  - Recent discharge from a nursing facility or nursing home discharge contingent on receipt of HCBS services
  - Recent discharge from inpatient rehabilitation facility or discharge contingent on receipt of HCBS
  - 75 years old or greater
  - Three hospitalizations or 12 outpatient clinic/emergency evaluations in past 12 months
  - Diagnosis of clinical depression
  - Lives alone in the community
- Meets some of the criteria of the target population, but clinically determined by the local VAMC to need services

The VD-HCBS program is targeted to Veterans whose home care needs exceed the average number of hours generally available through the Homemaker/Home Health Aide (H/HHA) program at a VAMC or who have difficulty with the traditional agency-based home care system, and who desire to have more choice and control over their services and supports.

**Services & Goods:** Aging and Disability Network Agencies offering VD-HCBS must provide or assist in arranging Veteran-directed services based upon the needs and preferences of the Veterans. The VD-HCBS program at a minimum will include the following services:

- Home and community-based services (HCBS) directed and managed by the Veteran including, but not limited to:
  - Personal Care (e.g. physical or verbal assistance with eating, bathing, dressing, grooming, transferring)
  - Homemaker (e.g. cleaning, laundry, meal planning and preparation, shopping)
  - Adult Day Care
  - Assistive Technology (e.g. emergency response system, electronic pill reminder)
  - Home-Delivered Meals
  - Caregiver Support (e.g. counseling, training)
  - Respite Care
  - Environmental Support (e.g. yard care, snow removal, extensive cleaning)
  - Other goods and services needed to remain safely in the community (e.g. small appliances, grab bars, ramp, lift chair, etc.)
- Veteran-Centered Assessment
- Options counseling/counseling support services including care management
- Financial Management Services (FMS)
  - Fiscal/Employer Agent is the preferred model
**Note:** HCBS provided through the VD-HCBS program cannot duplicate any services that are already being provided to a Veteran through the VAMC. Local coordination will be required between the VAMC and the Aging and Disability Network Agency to identify existing VHA services that are currently provided. A guide to determining which goods and services are typically allowed or disallowed in Veteran-directed services is found in Attachment A.

**Referral Process:** The VAMC will identify Veterans who are eligible for the VD-HCBS program and refer the eligible Veterans to the Aging and Disability Network Agency.

**Note:** Veteran referrals that come through other avenues, such as an Aging and Disability Network Agency, must first be approved by the local VAMC. Each participating Aging and Disability Network Agency and VAMC will establish protocols for determining eligibility in a streamlined and expedited manner. Aging and Disability Network Agencies can refuse to accept Veterans when it is anticipated that the services required would exceed the scope of the Aging and Disability Agency’s ability to meet the Veteran’s needs.

**Follow-up Process:** Each Aging and Disability Network Agency is required to have oversight procedures as documented in the VD-HCBS Readiness Review to ensure that services are delivered on-time and in a safe manner. At a minimum, the Aging and Disability Network Agency is expected to conduct reassessments and work with the Veteran to develop service plans annually (semi-annual in the first year) and conduct face-to-face visits at least quarterly to monitor well-being. VAMC staff will monitor the status of Veterans and their service utilization in the VD-HCBS program on a quarterly basis by phone. Periodically the Aging and Disability Network Agency and the VAMC may meet together with Veterans and their families to assure services are being provided and the Veterans’ needs are met.

**Disenrollment:** Veterans may voluntarily disenroll at any time by notifying their Aging Network Options Counselor who will notify the VAMC Coordinator. Veterans who demonstrate the inability to self-direct services due to misuse of funds, consistent non-adherence to program rules (including refusal to cooperate with the assessment or inability or refusal to complete required employer/employee paperwork), or an ongoing health and safety risk to themselves or others, will be required to select a representative to assist them with the responsibilities of self-direction. Veterans who refuse to select a representative, cannot locate a representative who is able and willing to manage the services, or if they lose a representative (if already required for program participation) and cannot locate a suitable replacement, they will be required to disenroll from the program. The Aging Network Resource Counselor and Veterans Administration Medical Center Coordinator will try to help the Veteran locate suitable alternative services.

**Rate Determination:** Budget rates for the VD-HCBS Program will be established between the VAMC and the Aging and Disability Network Agency, based on rates provided by VA Central Office (VACO) and may be adjusted annually. VACO will provide each VAMC with a range of county-based rates, generally based on local Medicaid rates, sufficient to cover most cases. Rates above the range require VACO approval.

VAMCs will set individual Veterans’ budget rates based on the Purchased HCBS Case Mix and Budget Tool. Rate assessment using the Case Mix Budget Tool will usually be carried out by the
VAMC early in the process of a Veteran enrolling in the VD-HCBS program so the Veteran will be referred to the Aging and Disability Network Agency with his or her budget already determined.

VA will pay the Provider the separate Service Transition Assessment Reimbursement (STAR) fee when a Veteran is referred to the VD-HCBS Program. This will include a set price for either a full or a partial assessment. The STAR fee will be provided by GEC with the monthly budget rates.

**Rate Components:** The bundled monthly VD-HCBS Rate consists of two parts:

1) **Veteran-Directed Budget:** These funds are used to hire workers and/or purchase goods and services outlined above. The funds can also be used as savings for when the Veteran needs to hire back-up workers, including agency providers, often referred to as “back-up” savings. They can also be used for purchasing of goods which cannot be purchased in a single month’s budget. These are often referred to as “planned” savings.

2) **VD-HCBS Administration:** These are the funds for the Aging and Disability Network Agency to use to provide service coordination, FMS, and program administration.

The allowable cost for VD-HCBS Administration is listed in the VAMC rate sheet from VACO.

For Veterans who start the program on a day other than the first day of the month, their budget for that month will be pro-rated to reflect the proportion of the month they were active in the program. The one-time cost of VD-HCBS Veteran-centered assessment and related start-up service planning costs will be billed at the time of completion and paid separately. The allowable cost is listed on the VACO-provided rate sheet. One-half this rate will also apply for Veterans who are assessed for VD-HCBS and determined to be inappropriate placements or choose not to participate in the program prior to completion of the service plan.

A Veteran’s back-up savings may not exceed the bundled monthly rate minus $100.00. A Veteran’s planned savings may exceed that amount.

**Institutional Care:** Upon learning of a VA beneficiary’s institutional placement (i.e. placement in a hospital, nursing home or rehabilitation center), the Provider shall promptly notify the VA liaison that authorized the Veteran’s placement in the VD-HCBS Program. When the VAMC learns of a participant’s institutional placement, VAMC staff will promptly alert the Provider.

When a Veteran enrolled in this program is placed in an institution, VA will pay for certain household services and planned purchases on a case-by-case basis. VA will not pay for personal care services during the institutional stay. VA will pay for VD-HCBS Monthly Administration for the first 15 days of the institutional placement. For an institutional placement which continues beyond 15 days, the Veteran will be placed in an inactive status, at which time all payments to the provider will cease until the Veteran’s status is reactivated, unless otherwise approved by GEC. The Veteran will be discharged from the program when it is determined that the VD-HCBS Program is no longer clinically appropriate.

**VAMC Payment for VD-HCBS:** The VAMC will expedite payments to the Aging and Disability Network Agency for VD-HCBS, recognizing the need to assure that payroll for staff employed by the Veteran enrolled in VD-HCBS is met on a regular basis.
VAMCs and providers bill on a per diem basis where the actual expenditures from the Veteran’s service plan in a given month is divided by the number of days in that month that the Veteran was active in the program and the resulting amount is the per diem rate.

Invoices based on a Veteran’s service plan must include the full name and address of the Aging and Disability Network Agency and shall reflect the Veteran's name, social security number, number of days billed, level of care category, and per diem rate. The provider will then supply the VAMC coordinator a quarterly reconciliation listing in detail the actual expenses that the Veteran incurred over the course of the quarter.

Failure to include the required information on an invoice may result in delayed payments.

**Workers Employed by Veteran:** Gross hourly pay rate not including employer tax costs for non-professional workers hired by the Veteran will not exceed the hourly rate allowed by the State Program for agency services, or in the absence of a State standard, $20.00/hour.

Any Veteran who is uncomfortable, or unable to independently handle, the VD-HCBS employer responsibilities can select a representative to manage the budget on his or her behalf. A representative may be an individual’s legal guardian, family member, friend, or any other person identified by the individual to manage the program on their behalf and in their best interest. Veteran representatives may not serve as paid workers.

**Workload Reporting:** The VD-HCBS Program is enrollment-based and recorded in the Fee Payment System using Purpose of Visit (POV) Code XX (Interim Code is POV 71). An entry is made for each day the Veteran is enrolled in the program, whether or not a service is rendered on each day to account for the cost of goods, Agency service coordination and administration and FMS. The invoiced amount, once certified, will be divided by the number of days in the month. That daily rate with the POV code will be entered into the Fee Payment System.

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The Purchase of goods and services should meet all of the following criteria:

1. Meet the identified needs and outcomes in the Veteran’s plan and to assure the health and safety of the Veteran; AND
2. Collectively provide a feasible alternative to an institution; AND
3. Be the least costly alternative that reasonably meets the Veteran’s identified needs; AND
4. Be for the benefit of the Veteran.

If all the above criteria are met, goods and services are appropriate purchases when they are reasonably necessary to meet the following Veteran outcomes:
- Maintain the ability of the Veteran to remain in the community;
- Enhance community inclusion and family involvement;
- Develop or maintain personal, social, physical, or work related skills;
- Decrease dependency on formal support services;
- Increase independence of the Veteran;
- Increase the ability of unpaid family members and friends to receive training and education needed to provide support.
### Allowable VD-HCBS Expenditures

Veteran-directed community supports may include traditional goods and services as well as alternatives that support Veterans. There are four general categories of services which may be considered in VD-HCBS:

1. Personal Assistance
2. Treatment and training
3. Environmental modifications and provisions
4. Veteran-directed support activities

Additionally, the following goods and services that may also be included in the Veteran’s budget as long as they meet the criteria and fit into the above categories:

- Services not available through Prosthetics and Pharmacy that mitigate the Veteran’s disability when ordered by a VA primary care provider;
- Expenses related to the development and implementation of the Veteran’s plan;
- Cost incurred to manage the Veteran’s budget.

### Unallowable VD-HCBS Expenditures

- Services provided to Veterans living in licensed foster care or other congregate residential settings;
- Services covered by the Veterans Health Administration (VHA), Medicare, or other liable third parties including education, home-based schooling, and vocational services;
- Services, goods, or supports provided to or benefiting persons other than the Veteran;
- Medical fees and co-pays;
- Attorney costs or costs related to advocate agencies;
- Insurance except for insurance costs related to employee coverage;
- Room and board and personal items;
- Home modifications that add square footage;
- Home modifications for a residence other than the primary residence of the Veteran;
- Expenses for travel, lodging, or meals related to training the Veteran or his/her representative or paid or unpaid caregivers;
- Experimental treatments;
- All prescription and over-the-counter medications, compounds, and solutions, and related fees including premiums and co-payments;
- Membership dues or costs except as related to fitness or physical exercise;
- Vacation expenses other than the cost of direct services;
- Vehicle maintenance (can cover maintenance to modifications related to the disability);
- Tickets and related costs to attend sporting or other recreational events;
- Costs related to internet access.