Veteran-Directed Home and Community-Based Services (VD-HCBS) Program
Veterans Affairs Medical Center (VAMC)
Getting Started Frequently Asked Questions

Q: What is VD-HCBS?
A: The Veteran-Directed Home and Community-Based Services (VD-HCBS) program serves Veterans of all ages, with all types of disabilities, who are at risk of institutional placement. 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. The key to the VD-HCBS program is to meet the individualized needs, goals, and preferences of the Veterans. This is a fundamental component of the Veterans Health Administration (VHA) goal to expand access to home and community-based services (HCBS) and maintain nursing homes as a placement option when Veterans’ needs cannot be met at home. More detail about VD-HCBS can be found here: vd-hCBS.participantdirection.org.

Q: Does VD-HCBS work?
A: The VD-HCBS program is based on the Cash & Counseling (C&C) model of self-direction. The Cash & Counseling model was rigorously evaluated in the late 1990’s to determine the feasibility of self-directed programs. The evaluation included a 3-state demonstration involving nearly 6,700 people in Arkansas, New Jersey, and Florida. Interested participants were randomly assigned to an intervention group (where participants controlled their budget and managed their own services and supports) or a control group (where participants received traditional agency care). Independent third-party researchers found that:
- Self-directing participants were up to 90% more likely to be very satisfied with how they lead their lives.
- Self-directing participants had positive health outcomes and significantly reduced personal care needs.
- Caregivers of self-directing participants were very satisfied with overall care and reported less physical stress and emotional strain.
- Self-direction did not increase incidence of fraud and abuse.
- High-cost services were utilized less when basic support services were provided.

A 2012 evaluation of the VD-HCBS program, which included a survey of VAMC Program Coordinators, demonstrated that VD-HCBS is meeting an important and special need in home and community-based services for Veterans whose level of need for care and services places them at risk for nursing home placement, but who choose to remain in their own home and maintain choice and control with their plan of care. The study also showed that services were matched to individual needs and revealed a broad spectrum of positive functional, health, psychosocial, emotional, safety, and quality of life outcomes. Caregiver outcomes included decreased burden and stress and improved satisfaction. VD-HCBS elements of flexibility, choice, person-centeredness, autonomy/empowerment, and support were important in the program's success. Click here for a copy of the VD-HCBS Program Evaluation.

Q: What is a representative?
A: Any Veteran who is uncomfortable with or unable to independently handle the VD-HCBS budgeting responsibility can select a representative to manage the budget on his or her behalf. A representative may be a Veteran’s legal guardian, family member, friend, or any other person identified by the Veteran to manage the program on the Veteran’s behalf and in the Veteran’s best interest.
Q: How does VD-HCBS operate?
A: A local Aging and Disability Network Agency enters into an agreement with the VAMC. The Aging and Disability Network Agency may be an Area Agency on Aging (AAA), Aging and Disability Resource Center (ADRC), or State Unit on Aging (SUA). The provider is responsible for completing assessments, assisting the Veteran in developing a service plan, and providing ongoing Financial Management Services (FMS), to manage employer taxes and payments, and ongoing Veteran-directed Options Counseling support services. Each Veteran in the program may designate unspent funds in his/her budget toward savings for authorized goods and services and toward a back-up fund. This back-up fund is then available to cover unplanned services in the event of an emergency or inability of a worker to make a scheduled shift.

Q: What does the Aging and Disability Network Agency offer to the Veteran?
A: The Aging and Disability Network Agency either directly, or through subcontracting, conducts a comprehensive Veteran-centered assessment, works with the Veteran to develop a service plan based on their needs, goals, and preferences, and supports the Veteran in understanding and implementing the program. It also arranges for an FMS provider who assists in employee hiring, payroll, tax withholding, and payment of any needed fees, insurance, and authorized goods and services. The Aging and Disability Network Agency is also responsible for ensuring that the Veteran is receiving services according to his/her service plan and that any new or changed needs are identified and addressed.

Q: What needs to be done before we start planning the VD-HCBS program locally?
A: You should first contact Patrick O'Keefe at the Purchased Long-Term Care (LTC) Group in Geriatrics and Extended Care (GEC) to discuss implementing the VD-HCBS program in your region. You would then arrange to meet with your local Aging and Disability Network Agency. In many instances, representatives from the Purchased LTC Group, the Administration for Community Living (ACL) and the National Resource Center for Participant-Directed Services (NRCPDS) will schedule a visit or conference call with your VAMC to provide an overview of the program and assistance in getting started.

Q: What decisions need to be made in our meetings with the Aging and Disability Network Agency?
There are several decisions to be agreed upon by you and the Aging and Disability Network Agency. More detail will be given on each, but the main topic areas to cover are:
1. Referral process and enclosures
2. Individual Veteran Case Mix Budget level approval
3. Service plan approval
4. Billing and savings retention
5. Ongoing communication

Q: What are the options for VD-HCBS referrals?
A: The VAMC is always responsible for determining whether a Veteran is eligible for VD-HCBS, and deciding which Veterans to refer. The Aging and Disability Network Agency may encounter a Veteran in the community who may be a good candidate, but must refer that Veteran to the VAMC to determine candidacy.

Any referral process should take into account the Health Insurance Portability and Accountability Act (HIPAA) confidentiality requirements. Unless email is encrypted it should not be used to transmit any identifying or medical information. Fax machines, if used, should not be in areas where non-employees have access.
The referral may include just basic demographic information with a diagnosis, or include more detailed background information. You need to balance what you have available, how pertinent it may be to the VD-HCBS assessment and service planning process, and what can be reasonably transmitted to the Aging and Disability Network Agency. Often a telephone conversation can both provide basic referral information and give an opportunity for the Aging and Disability Network Agency to ask questions.

Q: How is the individual Veteran's budget amount determined?
A: The individual Veteran’s budget amount is based on the Veteran’s needs and determined by utilizing the VHA Purchased Home and Community-Based (HCBS) Case Mix and Budget Tool. The VHA Purchased HCBS Case Mix and Budget Tool has sixteen questions which focus on the Veteran’s activities of daily living, behavior, special nursing needs, and, in certain cases, diagnoses. Based on these responses, the Veteran will receive a Case Mix Level which directly translates into a monthly capped budget. Click here for more information on the VHA Purchased HCBS Case Mix and Budget Tool.

Q: Who is responsible for completing the VD-HCBS Case Mix and Budget Tool?
A: The VD-HCBS Program Coordinator at the VAMC is responsible for ensuring that the Case Mix and Budget Tool Questions are completed. It is up to the local site whether VAMC staff or Aging and Disability Network Agency staff completes the tool.

Q: What is the STAR Fee?
A: The Service Transition Assessment Reimbursement (STAR) Fee is a onetime fee paid to the Aging and Disability Network agency. The STAR fee replaces what was formerly known as the assessment fee. It is being implemented to reduce the financial burden on local Aging and Disability Network agencies that is sometimes associated with the implementation of a VD-HCBS Program. The STAR Fee VD-HCBS CY 2014 spreadsheet lists the STAR Fee associated with each case mix for every county and rural area across the United States.

Q: How does the VD-HCBS Service Plan work?
A: The Aging and Disability Network Agency will work with the Veteran to develop a plan of service. The plan may include a mix of hired workers and/or purchased goods or services. Each Veteran must also identify what his or her back-up plan will be if a scheduled worker or service is not available to perform needed tasks. Traditional Home Health Agencies may only be used as a back-up service. The Aging and Disability Network Agency will have Options Counseling and FMS support services in place to help the Veteran implement his or her service plan. The role of the VAMC Coordinator is to review any goods and services identified in the service plan to ensure they are needed as a result of the Veterans’ disability to help him or her remain in the home, and do not duplicate an item otherwise available through the VHA. In some instances, a product otherwise available through the VHA may not meet an individual Veteran’s needs. With justification on why the VHA-available item will not be sufficient for a particular Veteran, the service plan may include purchase of the alternative product that will meet the Veteran’s needs. The VAMC Coordinator will notify the Aging and Disability Network Agency that the service plan is approved, or will identify what item is not allowed before the plan is implemented or any purchases are made. Policies on goods and services are located in the VD-HCBS Program Procedures document.
Q: How does the billing process work, and who holds on to funds for back-up services and savings toward large purchases?

A: The Aging and Disability Network Agency will submit the UB 04 billing form monthly. On a quarterly basis (or more frequently if requested by the VAMC coordinator), the Aging and Disability Network Agency will submit an itemized detail of the Veteran’s spending to the VAMC coordinator. Documentation on Veterans’ expenditures is maintained by the Aging and Disability Network Agency's FMS and includes timesheets for workers and receipts for authorized purchases. Billing also includes the established monthly administrative fee (the amount for each region is provided by GEC in VACO). The administrative fee includes all support services, FMS, and program oversight. Click here for examples of the level of back-up detail available.

The Aging and Disability Network Agency will also bill a one-time assessment fee. This assessment fee is for the initial Veteran-centered comprehensive assessment, education, and service planning of a Veteran new to VD-HCBS.

If the Veteran decides not choose to participate after the assessment and information about the program has been shared, but before the service plan has been completed, the Aging and Disability Network Agency may bill for one-half of the assessment fee.

The Aging and Disability Network Agency will itemize a running total of the amount of back-up fund and savings toward purchases available on the detailed back-up to the 1500 Invoice. Unexpended funds in a given month automatically carry over into the next month's back-up/savings fund to the extent they do not exceed the sum of the costs of all authorized goods in the spending plan that have not yet been purchased, and one month’s budget amount minus $100.

On the quarterly detail that is provided as back-up to the UB 04 billing form, the Aging and Disability Network Agency will itemize each worker, number of hours worked, and hourly salary as well as total employment taxes and fees paid for all workers. They will also itemize each item or vendor service paid, the rate per unit, number of units and total paid, and rainy day fund and savings balances.

Q: How should we communicate issues?

A: The primary points of contact for both the VAMC and Aging and Disability Network Agency should be identified in order to know who to reach in the event there are issues that need to be shared. The Aging and Disability Network Agency is responsible for day-to-day operations and monitoring of the program, but in some cases, the Veteran may contact the VAMC with a concern. Regular conversations between the VAMC and the Aging and Disability Network Agency are highly recommended to discuss general program operations, Veteran well-being, and any routine matters pertaining to the program. Any serious issue, such as a threat to the Veteran's well-being or suspicion of fraudulent activity should be communicated immediately to the appropriate point of contact.

Additional VD-HCBS tools and resources can be found here: vd-hcms.participantdirection.org

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