
Department of Veterans' Services

House Appropriations Subcommittee on Fiscal Accountability

February 16, 2023



Department of Veterans' Services

- JLBC Baseline – Executive Comparison of Major Funding Changes

GF \$ in M Above Prior Year

	<u>JLBC</u>	<u>Exec</u>
1) 10% Raise for State Veterans' Homes Nurses – Homes are currently funded via fees and reimbursements w/o GF	0	2.8
2) Remove One-Time Funding for Tribal Ceremonies	<u>(1.0)</u>	<u>(1.0)</u>
Total	(1.0)	1.8

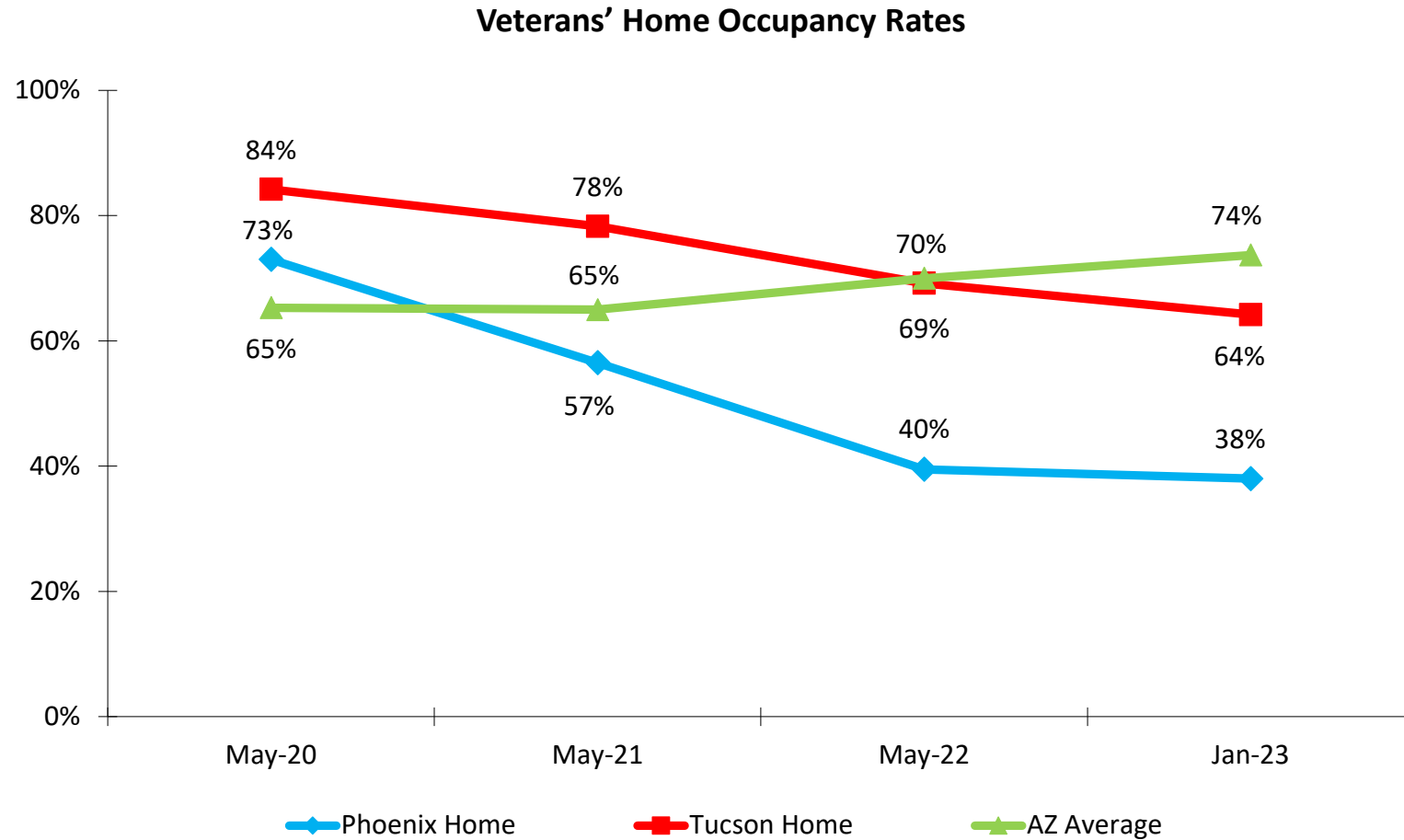
Arizona State Veterans' Homes Shortfall

- Trust Fund revenues have declined due to low occupancy

- DVS reports occupancy rates and Trust Fund revenue have declined during the COVID-19 pandemic
 - Fund revenue includes: Federal VA monies, Medicare, Medicaid, and private pay
- Occupancy rates as of 1/29/23:
 - Phoenix Home: 38% of 200 beds; 73% at the start of the pandemic
 - Tucson Home: 64% of 120 beds; 84% at the start of the pandemic
 - Yuma Home: 25% of 80 beds; opened in October 2022
 - Flagstaff Home: Planned opening in April 2023; 80-bed capacity
 - Nearly three-fourths of AZ nursing homes have returned to their early pandemic levels

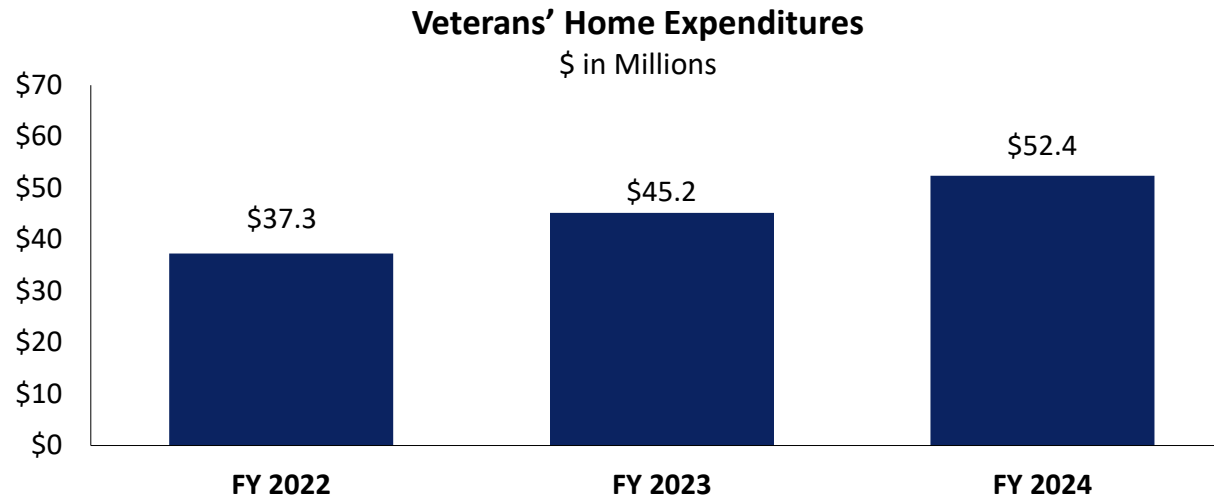
Arizona State Veterans' Homes Shortfall

- Occupancy Rates in AZ Nursing Homes Throughout the Pandemic



Arizona State Veterans' Homes Shortfall

- Homes' expenses increase as Federal Funds backfill ends



- As residents return and new homes open, DVS expects revenues to recover
- The Executive allocated \$16M in FY 2022 and \$20M in FY 2023 in Federal Funds to address the shortfall
- Questions remain whether Trust Fund revenues will be sufficient to fund \$52M in FY 2024 expenses