

## STATE HOME PER DIEM PROGRAM

### 1. SUMMARY OF MAJOR CHANGES: Major changes include:

- a. Changes the policy owner from the Office of Community Care to the Office of Geriatrics and Extended Care.
- b. Updates prior responsibilities and adds responsibilities for the Under Secretary for Health, Assistant Under Secretary for Health for Patient Care Services, Assistant Under Secretary for Health for Operations and Department of Veterans Affairs (VA) medical facility Eligibility Clerk. See paragraph 2.
- c. Removes responsibilities for the State Home Care Agreement Coordinator; this role is not required at all VA medical facilities.
- d. Combines VA medical facility Director and VA medical facility of Jurisdiction responsibilities into the VA medical facility of jurisdiction Director role.
- e. Moves State Veteran Home Per Diem Program procedures to Appendix A.

**2. RELATED ISSUES:** VHA Directive 1145.01, Survey Requirements for State Veterans Homes, dated February 18, 2021.

**3. POLICY OWNER:** The Office of Geriatrics and Extended Care (12GEC) is responsible for the content of this directive. Questions may be addressed to [VHA12GECStateHomePerDiemInquiries@va.gov](mailto:VHA12GECStateHomePerDiemInquiries@va.gov).

**4. RESCISSIONS:** VHA Directive 1601SH.01(1), State Home Per Diem (SHPD) Program, dated November 15, 2016, is rescinded.

**5. RECERTIFICATION:** This Veterans Health Administration (VHA) directive is scheduled for recertification on or before the last working day of December 2027. This VHA directive will continue to serve as national VHA policy until it is recertified or rescinded.

**6. IMPLEMENTATION SCHEDULE:** This directive is effective upon publication.

December 1, 2022

VHA DIRECTIVE 1601SH.01

**BY DIRECTION OF THE OFFICE OF  
THE UNDER SECRETARY FOR HEALTH:**

/s/ M. Christopher Saslo  
DNS, ARNP-BC, FAANP  
Assistant Under Secretary for Health  
for Patient Care Services/CNO

**NOTE:** *All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.*

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APPENDIX A

STATE VETERAN HOME PER DIEM PROGRAM PROCEDURES .....A-1

## STATE HOME PER DIEM PROGRAM

### 1. POLICY

It is Veterans Health Administration (VHA) policy that per diem payments are issued to State Veteran Homes (SVH) for any Veteran resident who meets eligibility criteria for nursing home (NH) care, domiciliary (DOM) and adult day health care (ADHC).

**AUTHORITY:** 38 U.S.C. §§ 1741-1745, 7301(b); 38 C.F.R. part 51.

### 2. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for:

(1) Ensuring overall VHA compliance with this directive.

(2) Determining which Department of Veterans Affairs (VA) medical facility is assigned as the VA medical facility of jurisdiction for each SVH as recommended by the Executive Director, Office of Geriatrics and Extended Care (GEC).

b. **Assistant Under Secretary for Health for Patient Care Services.** The Assistant Under Secretary for Health for Patient Care Services is responsible for supporting GEC with implementation and oversight of this directive.

c. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Communicating the contents of this directive to each of the Veterans Integrated Services Networks (VISNs).

(2) Assisting VISN Directors in resolving implementation and compliance challenges in all VA medical facilities within that VISN.

(3) Providing oversight of VISNs to ensure compliance with this directive and its effectiveness.

d. **Executive Director, Geriatrics and Extended Care.** The Executive Director, GEC is responsible for:

(1) Managing and providing oversight of administrative eligibility determinations and per diem payment authorizations under the State Home Per Diem Program (SHPDP) and providing ad hoc operational training found here:

<https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

(2) Recommending VA medical facility of jurisdiction assignment for each SVH to the Under Secretary for Health.

(3) Providing oversight of Chief, National SHPDP to ensure compliance of this directive.

e. **Chief, National State Home Per Diem Program.** The Chief, National SHPDP is responsible for:

(1) Communicating with the Executive Director, GEC on implementation and compliance of administrative eligibility determinations and per diem payment authorizations under SHPDP.

(2) Promoting collaborative relationships with VA and SVH stakeholders and maintaining communication and networking within GEC through interactive forums, such as meetings, mail groups and national conference calls.

(3) Compiling data analytics products and reports as provided by the SHPDP office Budget Analyst that depict SVH workload and expenditure trends.

f. **Veterans Integrated Service Network Director.** The VISN Director is responsible for:

(1) Ensuring that all VA medical facilities within the VISN comply with this directive and informing leadership when barriers to compliance are identified.

(2) Administering SHPDP within their respective VISNs, in accordance with statutory and regulatory requirements and VHA policies and procedures. **NOTE:** For a list of national SHPDP policies and procedures visit <https://dva.gov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx>. This is an internal VA website that is not available to the public.

g. **Veterans Integrated Service Network Business Implementation Manager.** The VISN Business Implementation Manager (BIM) is responsible for:

(1) Serving as the main intermediary between the VA medical facility State Home Per Diem (SHPD) Point of Contact (POC) and GEC.

(2) Providing educational resources for VA medical facility of jurisdiction staff regarding SHPDP requirements, outlined in Appendix A.

h. **VA Medical Facility of Jurisdiction Director.** The VA medical facility of jurisdiction Director is responsible for:

(1) Managing the SVH program in their prescribed geographical area and adhering to SHPDP processes established in this directive.

(2) Ensuring overall VA medical facility compliance and quality of care oversight with this directive and taking appropriate corrective action if non-compliance is identified.

(3) Ensuring SVH programs are utilizing VA Form 10-10SH, State Home Program Application for Veteran Care Medical Certification. **NOTE:** *This form is available on the VHA Publications website at <http://vaww.va.gov/vaforms> and a strongly encouraged automated version is available at <https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx?RootFolder=%2Fsites%2Fvhavha%2Ddirectives%2Fstate%2Dhome%2Dper%2Ddiem%2Dshpd%2Dprogram%2FShared%20Documents%2FSHPD%20Forms&FolderCTID=0x01200093A81A8CB3A3D74C8C7E83826CC327F3&View=%7B99273EF9%2D6BC3%2D4AA3%2DBDD5%2DD8A4635FD38D%7D>. These are internal VA websites that are not available to the public.*

(4) Participating in VA medical facility-level administration of SHPDP.

(5) Appointing and selecting the VA medical facility SHPD POC and Contracting Officer Representative (COR) to perform the duties listed in the SHPDP Procedures Guide on the SHPDP home page at <https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx>. **NOTE:** *This is an internal VA website that is not available to the public.*

(6) Instituting financial controls so VA per diem payments are paid to the SVH only for Veterans eligible for a SVH program of care.

i. **VA Medical Facility State Home Per Diem Point of Contact.** The VA medical facility SHPD POC is designated by the VA medical facility of jurisdiction and is responsible for:

(1) Providing guidance to the VA medical facility of jurisdiction and SVH staff regarding SHPDP applications and claims.

(2) Communicating SHPDP responsibilities and outcomes to State officials, the VISN BIM, the VA medical facility of jurisdiction Director and GEC.

(3) Ensuring that the processing and reconciliation of all documentation and data (including SVH admission applications) with each SVH, to include daily admissions, discharges, bed hold days of payment, bills of collection and the accuracy of payment processing actions as detailed in Appendix A, occurs by the 15th business day each month.

(4) Submitting workload and expenditure reporting for the SVH under their jurisdiction to GEC. See Appendix A, paragraph 9 for details.

(5) Verifying that invoices for per diem payments are correct, complete and reconciled with the SVH using the approved VA tracking tool. See Appendix A for details.

(6) Processing per diem payments to the SVH on a monthly basis.

j. **VA Medical Facility State Veterans Home Clinical Provider.** The VA medical

facility SVH clinical provider is responsible for reviewing and approving determinations for SVH admission applications, including determinations about Veterans' levels of care and whether Veterans' VA-adjudicated service-connected disabilities require SVH care. See Appendix A for information on SVH admission applications. **NOTE:** *The VA medical facility SVH clinical provider must be either a VA physician or physician extender (e.g., a physician assistant or nurse practitioner) who is currently employed at or has experience working in a VA long-term care setting. This delegation of authority from the Chief of Staff, is usually restricted to one or two clinical providers per VA medical facility of jurisdiction.*

k. **VA Medical Facility Contracting Officer Representative.** The VA medical facility COR is responsible for ensuring compliance with all contracts between VA and SVH within the facility's jurisdiction and is selected by the VA medical facility of jurisdiction Director and designated in writing by a VA Contracting Officer. **NOTE:** *This position is only required when there is a contract executed between VA and an SVH or a sharing agreement under 38 U.S.C §§ 8153 and VHA Directive 1660.01, Health Care Resources Sharing Authority - Selling, dated June 20, 2018.*

l. **VA Medical Facility Fiscal Service Representatives.** The VA medical facility Fiscal Service Representatives are responsible for completing the VA medical facility's accounting, obligation and payment activities in compliance with separation of duty requirements as outlined in fiscal policies for SVH payment. **NOTE:** *For more information on fiscal policies for SVH payment visit <https://www.va.gov/finance/policy/pubs/volumeX.asp>.*

m. **VA Medical Facility Eligibility Clerk.** The VA medical facility Eligibility Clerk is responsible for verifying that the Veteran is eligible for VA health care prior to authorizing per diem payment.

### 3. TRAINING

The following training is **recommended** for VA medical facility SHPD POCs and Eligibility Clerks: Talent Management System Course 42005, National State Home Per Diem Program Training. The purpose of the national SHPDP training is to educate participants in the step-by-step process through interactive learning for SHPDP procedures. This one-time training addresses regulations and procedures to include program roles and responsibilities, communication, admission package and eligibility requirements, Veteran movement reconciliation and per diem payment.

### 4. RECORDS MANAGEMENT

All records regardless of format (e.g., paper, electronic, electronic systems) created by this directive must be managed as required by the National Archives and Records Administration (NARA) approved records schedules found in VHA Records Control Schedule 10-1. Questions regarding any aspect of records management should be addressed to the appropriate Records Officer.

## 5. BACKGROUND

a. SHPDP is a grant program in which the State receives a per diem payment from VA for providing care to eligible Veterans when VA recognizes the home as an SVH. States are not required to participate in SVH construction grant funding to be eligible for recognition and certification as a SVH by VA. **NOTE:** *For further details regarding VA's State Home Construction Grant Program, see 38 C.F.R. part 59 and VHA Directive 2012-028, State Home Construction Grant Applications for Projects that Remedy Conditions Threatening the Lives or Safety of State Home Residents, dated October 1, 2012. SVHs are owned and operated by the State and VA does not have authority over the management or operation of any SVH.*

b. VA ensures that SVHs meet VA standards through surveys, audits and reconciliation of records conducted by VA and VA contractors under the supervision of the VA medical facility Director of jurisdiction, as outlined in VHA Directive 1145.01, Survey Requirements for State Veterans Homes, dated February 18, 2021.

c. Under SHPDP, States may provide care in a SVH for eligible Veterans in need of care in three different levels of care: NH, DOM and ADHC.

d. Only homes recognized by the Under Secretary for Health under 38 C.F.R. part 51 subpart B are considered SVHs.

e. Admissions to SVHs are limited to eligible Veterans and certain categories of Veteran-related family members (including but not limited to spouses or parents any of whose children died while serving in the Armed Forces). Veteran enrollment in the VA health care system is only required for admission in ADHC.

f. VA per diem payments to SVHs are not made until the home is recognized and certified in accordance with VHA Directive 1145.01 and each Veteran resident is verified as eligible. VA per diem payment is limited to eligible Veteran residents; non-Veteran residents are not eligible for VA payment. The Secretary of VA may adjust the per diem rates each year.

g. Receipt of per diem payments is contingent upon the SVH meeting VA standards at 38 C.F.R. § 51.50 for NHs, § 51.52 for ADHC and § 51.51 for DOMs.

## 6. DEFINITIONS

a. **Per Diem.** Per diem is the daily rate of reimbursement for care that SVHs provide to eligible Veterans, established by VA for each SVH program of care.

b. **VA Medical Facility of Jurisdiction.** A VA medical facility of jurisdiction is a VA medical facility located closest to the SVH that has filed an application for SVH recognition.



## 7. REFERENCES

- a. P.L. 101-453, as amended.
- b. P.L. 104-134.
- c. P.L. 112-154 § 105.
- d. P.L. 116-136 § 20005.
- e. 38 U.S.C. §§ 101(2), 1710, 1720, 1741-1745, 5303-5303A, 8153.
- f. 38 C.F.R. §§ 51.41, 51.50, 51.51, 50.52, 17.46, 17.47, Part 51, Part 59.
- g. VHA Directive 1145.01, Survey Requirements for State Veterans Homes, dated February 18, 2021.
- h. VHA Directive 1660.01, Health Care Resources Sharing Authority Selling, dated June 20, 2018.
- i. VHA Directive 1907.01, VHA Health Information Management and Health Records, dated April 5, 2021.
- j. VHA Directive 2012-028, State Home Construction Grant Applications for Projects that Remedy Conditions Threatening the Lives or Safety of State Home Residents, dated October 1, 2012.
- k. VA Form 10-10EZ, Application for Health Benefits. <https://www.va.gov/find-forms/>.
- l. VA Form 10-10EZR, Health Benefit Update Form. <https://www.va.gov/find-forms/>.
- m. VA Form 10-10SH, State Home Program Application for Veteran Care Medical Certificate. <http://vaww.va.gov/vaforms>. **NOTE:** *This is an internal VA website that is not available to the public.*
- n. VA Form 10-5588, State Home Report and Statement of Federal Aid Claimed. <https://www.va.gov/find-forms/>.
- o. VA Form 10-5588A, Claim for Payment for Nursing Home Care Provided to Veterans Awarded Retroactive Service Connection. <https://www.va.gov/find-forms/>.
- p. Office of Finance: Volume X - Grants Management. <https://www.va.gov/finance/policy/pubs/volumeX.asp>.
- q. SHPDP Procedures Guide. <https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx>. **NOTE:** *This is an internal VA website that is not available to the public.*
- r. SHPDP Reference SharePoint. Automated VA Form 10-10SH.

<https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx?RootFolder=%2Fsites%2Fvhavha%2Ddirectives%2Fstate%2Dhome%2Dper%2Ddiem%2Dshpd%2Dprogram%2FShared%20Documents%2FSHPD%20Forms&FolderCTID=0x01200093A81A8CB3A3D74C8C7E83826CC327F3&View=%7B99273EF9%2D6BC3%2D4AA3%2DBDD5%2DD8A4635FD38D%7D>. **NOTE:**

*This is an internal VA website that is not available to the public.*

s. Department of Defense Form 214, Certificate of Release or Discharge from Active Duty. <https://www.esd.whs.mil/Directives/forms/>.

## STATE HOME PER DIEM PROGRAM PROCEDURES

### 1. ELIGIBILITY FOR VA PER DIEM FOR CARE IN A STATE VETERANS HOME

a. The Department of Veterans Affairs (VA) per diem payment is authorized for any Veteran who meets eligibility criteria for nursing home (NH) care, domiciliary (DOM) and adult day home care (ADHC) outlined in 38 C.F.R. part 51 Subpart C. The minimum periods of Active Duty service required in 38 U.S.C. § 5303-5303A apply to the following three levels of care:

(1) 38 C.F.R. § 51.50 details the eligibility criteria for NH care.

(2) 38 C.F.R. § 51.51 details the eligibility criteria for DOM care.

(3) 38 C.F.R. § 51.52 details the eligibility criteria for ADHC.

b. The VA medical facility of jurisdiction Director must institute the proper financial controls so VA per diem payments are paid to the State Veteran Home (SVH) only for Veterans eligible for an SVH program of care; however, the SVH can elect to provide care to Veterans even when VA per diem is not provided, as long as the Veteran meets the definition of Veteran for purposes of 38 U.S.C. § 101(2).

### 2. STATE VETERAN HOME APPLICATIONS FOR ADMISSION

a. For VA to make per diem payments for an eligible Veteran's SVH NH, DOM or ADHC care, the SVH must submit the following forms to the VA medical facility of jurisdiction for each Veteran at the time of each Veteran's admission to an SVH or when there is a change in status (see paragraph 2.d.) below:

(1) **VA Form 10-10EZ, Application for Health Benefits.** The VA medical facility State Home Per Diem (SHPD) Point of Contact (POC) must receive the following completed form from the SVH Administrator; VA Form 10-10EZ or VA Form 10-10EZR, Health Benefits Update Form, when a completed VA 10-10EZ is already on file at VA for a Veteran and ensure the proper completion of the form for payment.

(2) **VA Form 10-10SH, State Home Program Application for Veteran Care Medical Certification.** The VA medical facility SHPD POC must receive a completed and signed VA Form 10-10SH from the SVH Administrator or designee, which must contain sufficient medical information for a VA clinical provider to authorize the SVH program of care and payment for each eligible Veteran.

b. SVHs may submit Department of Defense Form 214, Certificate of Release or Discharge from Active Duty, located at <https://www.esd.whs.mil/Directives/forms/>, to the VA medical facility of jurisdiction. The VA medical facility Eligibility Clerk is responsible for validating the Veteran's eligibility prior to authorizing per diem payments.

c. For Veterans receiving DOM care, the VA medical facility of jurisdiction must additionally obtain, maintain and utilize income data (VA Form 10-10EZ or 10-10EZR) to authorize eligibility for VA per diem payment.

d. **Changes in Status.** A change in the level of care provided to a Veteran (e.g., from ADHC to DOM to NH) must be considered by an SVH when a change in health or physical condition occurs and a new level of care would more appropriately provide the services required by the Veteran.

(1) The SVH must complete a new application package (e.g., VA Forms 10-10EZR and 10-10SH) when a change in the Veteran's level of care occurs and the Veteran is discharged.

(2) The VA medical facility SHPD POC establishes internal controls with SVHs to ensure a new application is submitted when a Veteran transfers to a new level of care.

(3) VA medical facilities must ensure there is an authorized and signed application (VA Forms 10-10SH and 10-10EZR) on file with all required forms prior to paying monthly per diem payments.

### 3. PER DIEM RATES TO USE FOR PROCESSING STATE VETERAN HOME PAYMENTS

a. Per diem rates for SVH care are established and vary based on the type of SVH level of care (e.g., NH, DOM or ADHC). For NH care and ADHC, per diem rates may also vary depending on the Veteran's service-connected disability rating.

b. SHPD rates are determined by the Secretary of VA. The rates are then provided to the VA medical facilities' SHPD POCs and SVH officials. Per diem rate information can be found at <https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx?RootFolder=%2Fsites%2Fvhavha%2Ddirectives%2Fstate%2Dhome%2Dper%2Ddiem%2Dshpd%2Dprogram%2FShared%20Documents%2FPer%20Diem%20Rate%20Information&FolderCTID=0x01200093A81A8CB3A3D74C8C7E83826CC327F3&View=%7B99273EF9%2D6BC3%2D4AA3%2DBDD5%2DD8A4635FD38D%7D>. **NOTE:** This is an internal VA website that is not available to the public.

### 4. TYPES OF STATE VETERAN HOME PER DIEM PROGRAM PAYMENTS

a. VA processes two different types of SHPD payments. Eligibility for each is determined by one of two Veteran service-connected disability ratings:

(1) Prevailing per diem rate authorized through a contract or State home care agreement (SHCA) for certain Veterans with service-connected disabilities (see 38 C.F.R. § 51.41).

(2) Basic per diem rate is paid to Veterans who are not eligible for the prevailing per

diem rate (see 38 C.F.R. § 51.40).

b. **Basic Per Diem Rates.** VA must pay a facility recognized as an SVH for all three levels of care the lesser of the basic per diem rate or one-half of the daily cost for care provided to an eligible Veteran in such facility. The basic per diem rate is specified by 38 U.S.C. § 1741 (a) and (c). Veterans with service-connected disabilities rated at 60% and below who are receiving NH care unrelated to their service-connected disabilities will receive the basic rate.

c. **Prevailing Per Diem Rates.** VA must establish a contract or SHCA with SVHs to authorize prevailing per diem payments for certain Veterans with service-connected disabilities identified in 38 C.F.R. § 51.41(a).

d. Payments under contracts are negotiated between VA and SVH and is governed by Federal acquisition law and regulation.

e. For payments under SHCAs, SVH must sign an agreement to receive payment from VA for providing care to certain eligible Veterans under a VA SHCA. SHCA will provide for payments at the rate detailed by 38 C.F.R. § 51.41.

f. States are not authorized to claim the basic per diem rate in lieu of the contract or SHCA rate for Veterans who meet the criteria set forth in 38 C.F.R. § 51.41. If a State declines the contract or provider agreement determined rate for a particular Veteran, the State cannot file claims for VA per diem under the basic rate. VA payment for Veterans whose care is payable pursuant to 38 C.F.R. § 51.41 constitutes payment in full to the SVH for NH care provided to the Veteran and States may not bill other payer sources to supplement VA's payment.

## **5. PROCESSING MONTHLY CLAIMS AND DETERMINING THE AMOUNTS OF PER DIEM PAYABLE**

a. The VA medical facility SHPD POC must process requests for per diem payments to SVHs on a monthly basis.

b. No claim for VA per diem (NHC, ADHC or DOM) can be authorized for care that was furnished prior to the date specified in the recognition of the home by VA as an SVH. See 38 C.F.R. § 51.30(b).

c. Payments for NH care, DOM care and ADHC are made only after the State submits an electronic invoice, via a VA approved system, to include a completed VA Form 10-5588, State Home Report and Statement of Federal Aid Claimed, or VA Form 10-5588A, Claim for Payment for NHC Provided to Veterans Awarded Retroactive Service Connection, for retroactive payments and supporting documentation. VA Form 10-5588 is a monthly statement of the SVH's VA per diem costs for Veterans in all levels of care.

d. To ensure timely payment processing, the VA medical facility of jurisdiction must

have SVHs electronically submit and upload their VA Form 10-5588 and all supporting documentation to the VA-approved database by the 15th business day following the month for which per diem is claimed. VA Form 10-5588 is considered complete when all required information is provided, and the form is signed by the SVH Administrator. Instructions for each line entry are provided on VA Form 10-5588.

e. In cases where the SVH is operated under a contractual agreement, VA Form 10-5588 must be signed by the On-site State Representative. **NOTE:** *On-site State Representative refers to the State employee responsible for monitoring or managing a SVH that is operated by an entity contracting with the State. In this case, the State must assign a State employee on a full-time, on-site basis.*

f. If a Veteran receiving SVH NH care or ADHC receives a retroactive VA service-connected disability rating and becomes a Veteran identified in 38 C.F.R. § 51.41(a), the Veteran is therefore eligible for a prevailing rate of per diem payments. This is completed using VA Form 10-5588A.

g. **Criteria for Paying Per Diem During Resident Absences from SVH Nursing Homes.** Bed hold is a term used by SVH NHs to hold a Veteran's bed who is temporarily absent from the SVH in cases where that bed could be filled with another resident. In order to claim per diem for a bed hold, the SVH must have a daily occupancy rate of 90% or greater. Pursuant to the CARES Act, for purposes of per diem payments, this 90% occupancy rate requirement is waived during a public health emergency with respect to COVID-19 declared by a Federal, State or local authority. Pursuant to 38 C.F.R. § 51.43(c), VA pays per diem for a bed hold only for the first 10 consecutive days during which a Veteran is admitted as a patient for a stay in a VA or other hospital (note that VA will pay per diem for multiple hospital stays in a calendar year) and only for the first 12 days in a calendar year during which the Veteran is absent for purposes other than receiving hospital care.

h. **Criteria for Paying Per Diem During Resident Absences from State Veteran Home Domiciliaries.**

(1) **Present.** Residents absent from State DOM for 96 hours or less are considered present and are eligible for VA per diem. Absences that are not interrupted by at least 24 hours of continuous residence in the home are considered as continuous periods of absence. VA aid is not paid for any day when a resident is hospitalized in a VA hospital or a non-VA hospital at VA expense or for any portion of a continuous period of absence of more than 96 hours. When a Veteran overstays an approved absence of 96 hours, no portion of the leave may be claimed for VA payment. In such instances, the resident is ineligible for per diem payments retroactive to the day of departure.

(2) **Absences of More Than 96 hours.** Each SVH must maintain a daily tracking record showing the number of residents absent and the names of those who depart for or return from periods of absence of more than 96 hours.

(3) **Absences of 96 Hours or Less.** A simple log or "sign out" record with date and

time must be maintained for departures for and returns from periods of absence of 96 hours or less. It is not necessary to record absences which do not extend beyond one calendar day.

i. **Daily Census Record.** VA requests that each SVH provides a daily census record showing the number of residents present, absent and the names of those who depart for or return from periods of absence under the Changes in Residency for the Month section of VA Form 10-5588.

j. **Use of Health Records.**

(1) Additional health records may be requested by VA during the Veteran admissions application process.

(2) Policies and procedures for the content, filing and retention of health records are managed by SVHs in accordance with State law. All Veteran health records received from the SVH by VA are retained according to VHA Directive 1907.01, VHA Health Information Management and Health Records, dated April 5, 2021.

(3) Information provided in these health records is confidential and may be disclosed to authorized persons only, in accordance with the provisions of the Privacy Act and the Health Insurance Portability and Accountability Act of 1996.

## **6. COMPUTATION OF PER DIEM COST**

a. SVHs are required to submit an electronic invoice for per diem payments, including a complete VA Form 10-5588, as detailed in paragraph 9 in this appendix.

b. SVHs are required to submit appropriate documentation that supports the cost of care they report when requesting payment of per diem.

c. VA computes separate per diem costs for NH care, DOM care and ADHC. This may require the development of a basic per diem cost figure for the indirect costs of all resident care and a separate per diem rate for direct costs of NH care, DOM care and ADHC.

d. VA must verify that VA payments for basic rate do not exceed allowable amounts and that the amount paid per diem to a SVH does not exceed one-half of the daily cost of providing care to Veterans in that SVH.

## **7. PROCESSING AND INVOICING OF PAYMENTS**

a. The VA medical facility SHPD POC must process per diem payments to SVHs on a monthly basis.

b. All SVH per diem payments are processed with earmarked funds that are provided only for this purpose. The allocation of these earmarked funds is managed by

the Veterans Health Administration (VHA) Geriatrics and Extended Care (GEC) program office. Prior year retroactive payments will also be processed using current year funds.

c. Prior to submitting the completed VA Form 10-5588 to VA, the VA medical facility SHPD POC is responsible for verifying that the invoice is correct, complete and reconciled with the SVH with the approved VA tracking tool.

d. Payments for NH care, DOM care and ADHC are made only after the State electronically uploads a completed VA Form 10-5588 into a VA Financial Service Center-approved system.

## **8. USE OF DIRECT DEPOSIT ELECTRONIC FUND TRANSFER FOR STATE VETERAN HOME PAYMENTS**

Payments must be processed through electronic funds transfer directly to the States. In cases where the State has a contract-operated SVH, the State is responsible for processing a separate payment to the contractor.

## **9. STATE VETERAN HOME WORKLOAD AND EXPENDITURE REPORTING**

Workload and expenditure reporting for SVH programs is a two-step process:

a. SVHs use VA Form 10-5588 to submit per diem claims for their individual facilities monthly to the VA medical facility of jurisdiction.

b. The VA medical facility SHPD POC, in turn, are responsible for entering the information through the SHPD Web Application Database for SVHs under their jurisdiction by the 24th calendar day after the end of the month claimed. It also serves as a national data repository to capture workload and expenditure. The VA medical facility SHPD POC must follow the instructions for entering VA Form 10-5588 and 10-5588A provided in the SVH Procedures Guide located at:

<https://dvagov.sharepoint.com/sites/vhavha-directives/state-home-per-diem-shpd-program/SitePages/Home.aspx>. **NOTE:** *This is an internal VA website that is not available to the public.*