

STORAGE NAME: h0771.lgva.doc

DATE: January 16, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
LOCAL GOVERNMENT & VETERANS AFFAIRS
ANALYSIS**

BILL #: HB 771

RELATING TO: Veterans

SPONSOR(S): Representative Jordan and others

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) LOCAL GOVERNMENT & VETERANS AFFAIRS (SGC)
- (2) FISCAL POLICY & RESOURCES (FRC)
- (3) COUNCIL FOR SMARTER GOVERNMENT
- (4)
- (5)

I. SUMMARY:

This bill revises provisions relating to the administration of the state veterans' homes and revises the duties and procedures for the appointment of the veterans' homes' administrators. This bill eliminates a residency requirement for veterans' homes' administrators. This bill also provides for the accounting of certain funds and eliminates requirements for the deposit of certain interest into the Grants and Donations Trust Fund. This bill modifies the purpose to authorize more than one veterans' nursing home.

The bill has an indeterminate economic impact on the private sector.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---------|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A [X] |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A [X] |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A [x] |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A [x] |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A [x] |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Florida is home to 1.7 million veterans, representing the second largest veteran population of any state in the nation. Florida also ranks second in the nation for veterans age 65 and over and veterans who were disabled as a direct result of active military service, and first in the nation for the number of the most seriously disabled veterans. Currently, the U.S. Department of Veterans' Affairs (VA) operates health care facilities in Florida, including six medical centers and 11 outpatient clinics. The VA spends approximately \$3 billion annually in veterans' benefits and services in Florida.

In 1989, the Legislature established the "Veterans' Domiciliary Home of Florida Act" for veterans who served in wartime or peacetime service (Part I of chapter 296, F.S.). The facility is available for veterans who are not in need of hospitalization or nursing home care and who can attend to their personal needs, dress themselves, and attend a general dining facility, or who are in need of extended congregate care. The Florida Department of Veterans' Affairs (DVA) manages and maintains the domiciliary, which is located in Lake City. The domiciliary has the capacity to serve 150 residents. To be eligible for admittance into the domiciliary, the veteran must have been a resident of the state for one year immediately preceding application and be a resident of the state at the time of the application. Section 296.07, F.S., provides that a person who is mentally ill, habitually inebriated, or addicted to the use of drugs is ineligible from being received or retained in the domiciliary.

Section 296.04, F.S., establishes the qualifications, duties and responsibilities of the domiciliary's administrator.

Section 296.11, F.S., requires all gifts, grants, and endowments received in the name of the Veterans' Domiciliary Home, and all interest earned on moneys in the Residents' Deposits Trust Fund, be deposited in the Grants and Donations Trust Fund of the State Treasury. The Residents' Deposits Trust Fund, created pursuant to section 296.12, F.S., is a local fund that is administered by the home and is not a part of the State Treasury.

Part II of chapter 296, F.S., the Veterans' Nursing Home of Florida Act, establishes the basic standards for the operation of the three current and two future Veterans' Nursing Homes in Florida. The homes are available to veterans who served in wartime or peacetime service, and who:

- be in need of nursing home care;
- have been a resident of the state for 1 year immediately preceding, and at the time of application for, admission to the home;
- not owe money to the department for services rendered during any previous stay at a department facility; and
- have applied for all financial assistance reasonably available through governmental sources.

Priority is given to veterans who have a service-connected disability, or who were discharged or released from military service for disability incurred or aggravated in the line of duty and the disability is the condition for which nursing home care is needed. Second priority is given to those veterans who have a non-service-connected disability and are unable to pay for nursing home care.

The DVA manages and maintains the nursing homes, which are located in Daytona Beach, Pembroke Pines, and Land-O-Lakes. The DVA is planning to open new facilities in Bay and Charlotte counties. Groundbreaking took place in January of 2002 for the Bay County facility. In addition, each nursing home has the capacity to serve 120 residents.

Section 296.32, F.S., defines the purpose of the Veterans' Nursing Home of Florida Act.

Section 296.33, F.S., provides definitions.

Section 296.34, F.S., establishes the qualifications, duties and responsibilities of Veterans' Home Administrators.

Section 296.38(3)(a), F.S., creates the Residents' Deposit Trust Fund for each respective Veterans' Nursing Home. These trust funds are locally administered by each respective nursing home. All interest accrued on the fund must be accounted for by the financial manager of the nursing home and deposited in the Grants and Donations Trust Fund.

Current practice at the Baldomero Lopez Nursing Home has been to keep interest earned on deposit in the resident's account to offset bank service charges. Florida Statutes requires that any interest earned be transferred to the Grants and Donations Trust Fund. The Joint Legislative Budget Commission, Zero-Based Budgeting Subcommittee on Health and Human Services Committee staff recommends deleting this requirement from Florida Statutes.

The Auditor General's audit of DVA's Nursing Homes and Related Health Care Facilities (Report No. 01-049) found that state and federal guidelines conflict regarding the disposition of interest earned on the residents' personal moneys. The audit recommended the Department seek legislative guidance in resolving this conflict.

C. EFFECT OF PROPOSED CHANGES:

This bill revises provisions relating to the administration of the state Veterans' Domiciliary Home of Florida and the Veterans' Nursing Homes and revises the duties and procedures for the appointment of the veterans' domiciliary and homes' administrators. This bill eliminates a residency requirement for veterans' domiciliary and homes' administrators. This bill also provides for the accounting of certain funds and eliminates requirements for the deposit of certain interest into the Grants and Donations Trust Fund. These changes are in response to findings in the Auditor General's audit of DVA's Nursing Homes and Related Health Care Facilities (Report No. 01-049). This bill modifies the purpose of the Veterans' Nursing Home of Florida Act to authorize more than

one veterans' nursing home. This bill creates a definition of "Home" and deletes the "Veterans' Nursing Home of Florida" definition.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends section 296.04, F.S., to redefine the duties and qualifications of the administrator of the Veterans' Domiciliary Home of Florida. The administrator is responsible for the overall operation of the home and care of the residents. A provision is deleted that calls for the administrator, serving as chief executive of the home, to have immediate custody and control of all property used in connection with the home. The requirement that the administrator "be a resident of the state" at the time the administrator is employed in the position is deleted. The bill deletes the requirement that the administrator forward to FDVA all applications approved by him or her for employment with the home.

Section 2. Amends section 296.11, F.S., to delete the requirement that the domiciliary home deposit all interest earned on moneys in the Residents' Deposits Trust Fund into the Grants and Donations Trust Fund.

Section 3. Amends section 296.12, F.S., to require that money deposited into the Residents' Deposits Trust Fund, and any interest accruing on the trust fund, be accounted for by the financial manager of the domiciliary home. In addition, a provision is added to clarify that resident's interest earned from those deposits may be withdrawn at the will of the resident. The provision requiring that interest on the Residents' Deposits Trust Fund deposits be deposited into the Grants and Donations Trust Fund is deleted.

Section 4. Amends section 296.32, F.S., to modify the purpose to allow for more than one veterans' nursing home.

Section 5. Amends section 296.33, F.S., to create a definition of "Home" and delete the "Veterans' Nursing Home of Florida" definition.

Section 6. Amends section 296.34, F.S., to redefine the qualifications, duties, and responsibilities of Veterans' Nursing Home administrators. The director appoints an administrator to each home and he or she is responsible for the overall operation of the home and the care of the residents. The director of the FDVA gives veterans preference in selecting an administrator. The requirement that the administrator "be a resident of the state" is deleted. A provision is deleted that calls for the administrator to have immediate custody and control of all property used in connection with the home. The bill deletes the requirement that the administrator forward to FDVA all applications approved by him or her for employment with the home.

Section 7. Amends section 296.38, F.S., to require that all moneys deposited into the Residents' Deposits Trust Fund, and any interest accrued on the fund, be accounted for by the financial manager of the nursing home. In addition, a provision is added to clarify that resident's interest earned from those deposits may be withdrawn at the will of the resident. The provision requiring that interest on the Residents' Deposits Trust Fund deposits be deposited in the Grants and Donations Trust Fund is deleted.

Section 8. Provides that the act will take effect on July 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Sections 2, 3, and 7 of the bill, allow residents of Veterans' domiciliary and nursing homes to keep the interest accrued on deposits they make to the Residents' Deposits Trust Fund, as noted in the Auditor General's audit Report No. 01-049.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenue in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

STORAGE NAME: h0771.lgva.doc

DATE: January 16, 2002

PAGE: 6

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The Auditor General's audit of DVA's Nursing Homes and Related Health Care Facilities (Report No. 01-049) found that state and federal guidelines conflict regarding the disposition of interest earned on the residents' personal moneys. The audit recommended the Department seek legislative guidance in resolving this conflict.

HB 771 is similar to SB 916 (2001 Legislative Session) and subsequently died in Senate Messages.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

VII. SIGNATURES:

COMMITTEE ON LOCAL GOVERNMENT & VETERANS AFFAIRS:

Prepared by:

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