



## **Skilled Nursing Demand Analysis for Wisconsin's Veterans Homes**

**Prepared by the Office of Policy, Planning and Budget  
Presented to the Board of Veterans Affairs  
December 10, 2010**

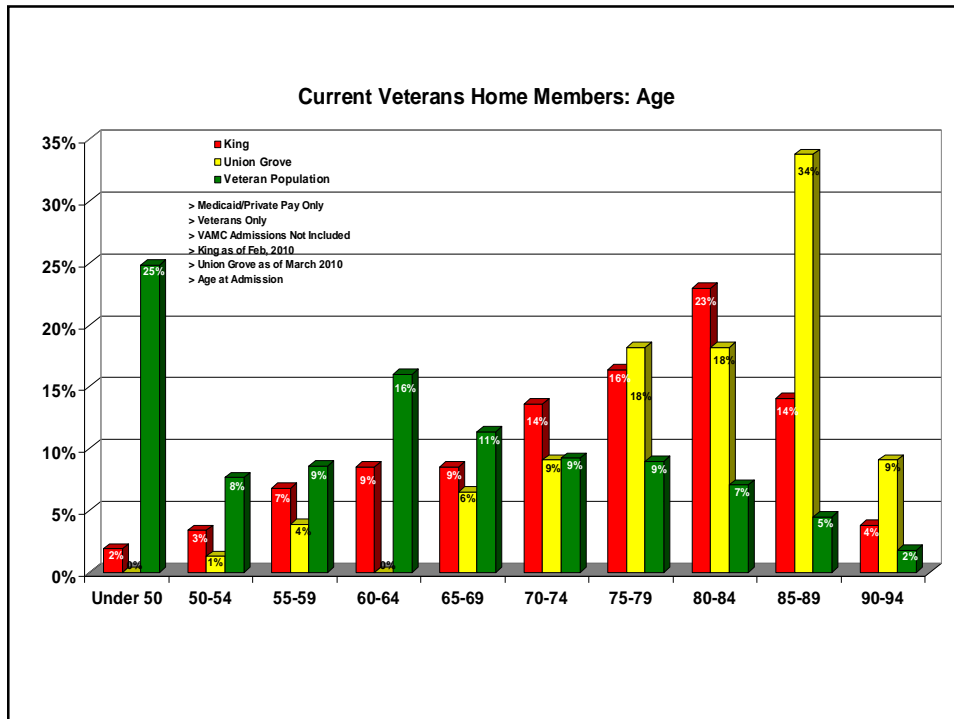


## **Demand Briefing for Wisconsin's Veterans Homes**

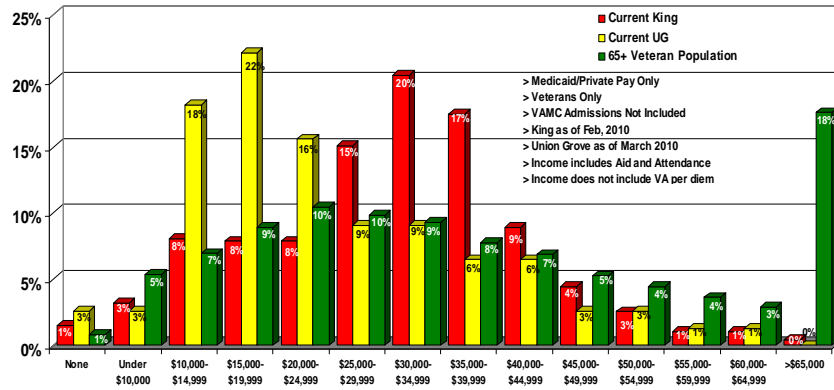
- Demographics of the King and Union Grove Veterans Homes
- Population Trends
- Demand Analysis for King
- Demand Analysis for Union Grove
- Demand Analysis for Chippewa Falls
- Conclusions



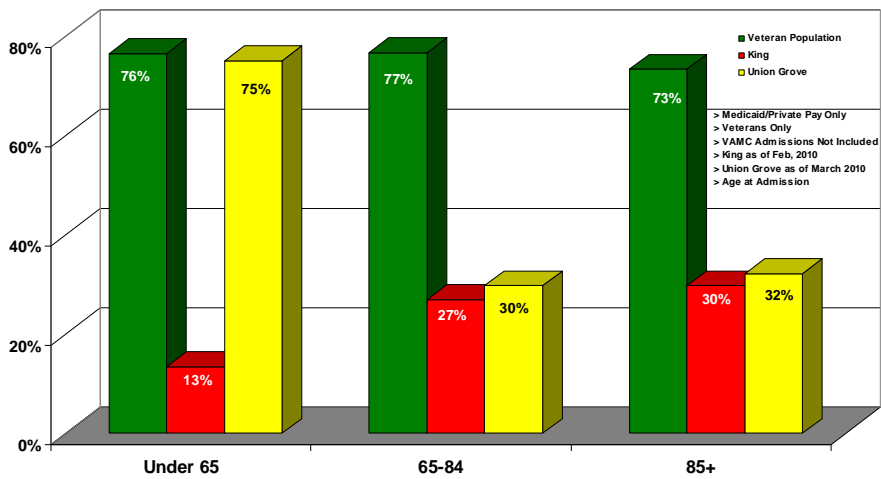
## Demographics of the King and Union Grove Veterans Homes

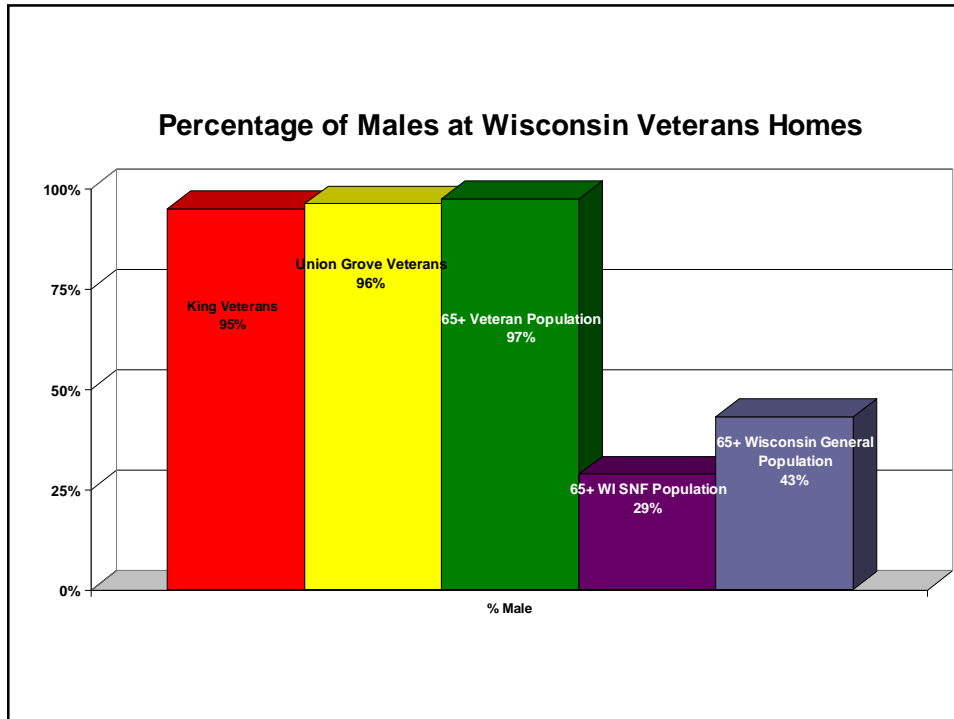


### Current Veterans Home Members: Income



### Current Veterans Home Members: Marital Status



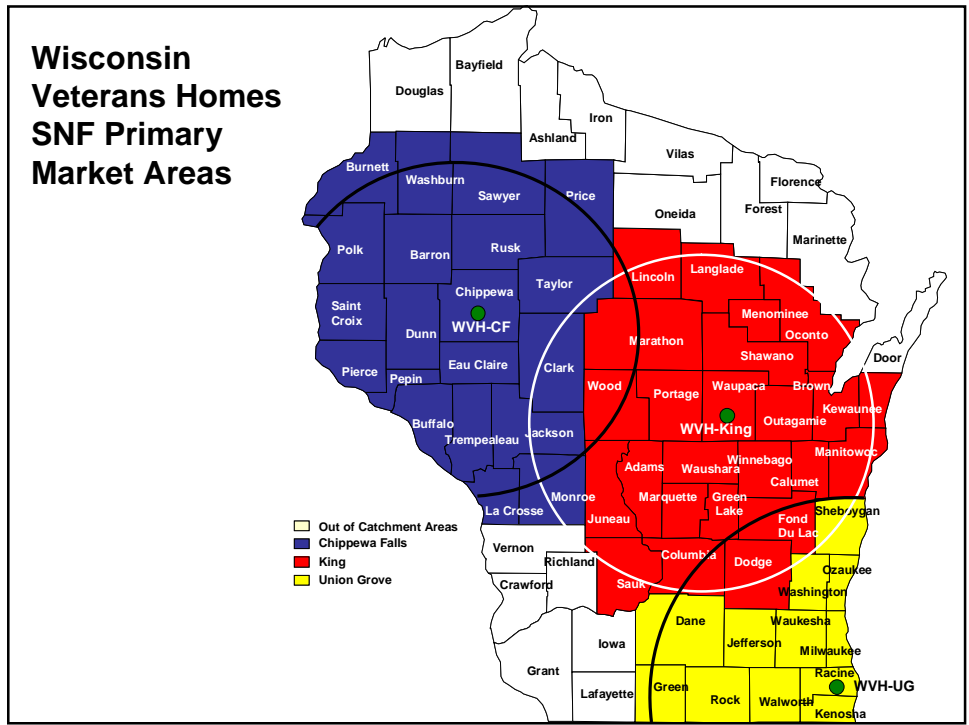


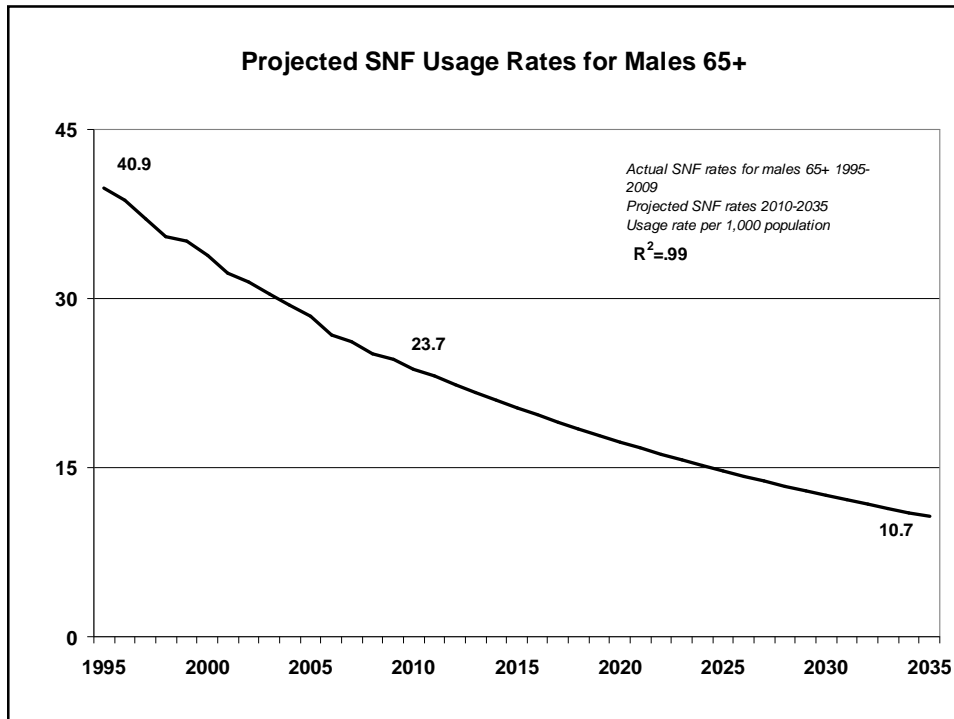
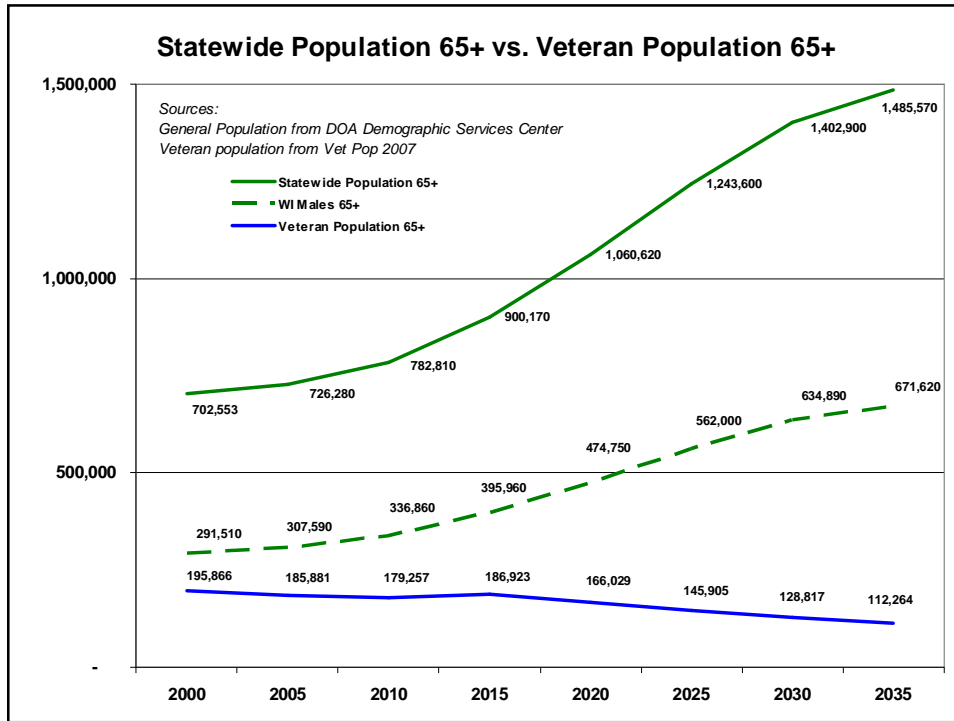
## Summary of Demographics

- Age:
  - Predominately over age 65
  - Higher proportion of members over age 85 at UG Home than at King Home
- Income:
  - Most veterans have incomes less than \$40,000
  - Greater proportion of veterans with incomes under \$25,000 at UG Home than at King Home
- Marital Status: Primarily single veterans
- Gender: Primarily male



# Population Trends







## Summary of Population Trends

- Over 65 population will increase through 2035
- SNF usage rates have declined for the last 15 years and are likely to continue to decline in the future
- Over 65 veteran population will decline through 2035

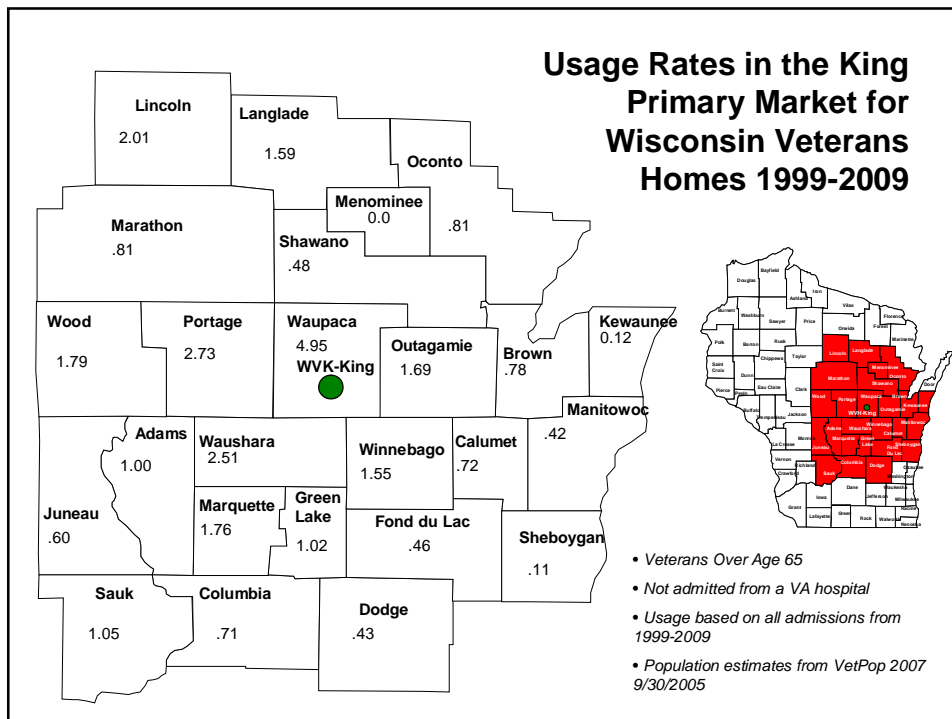


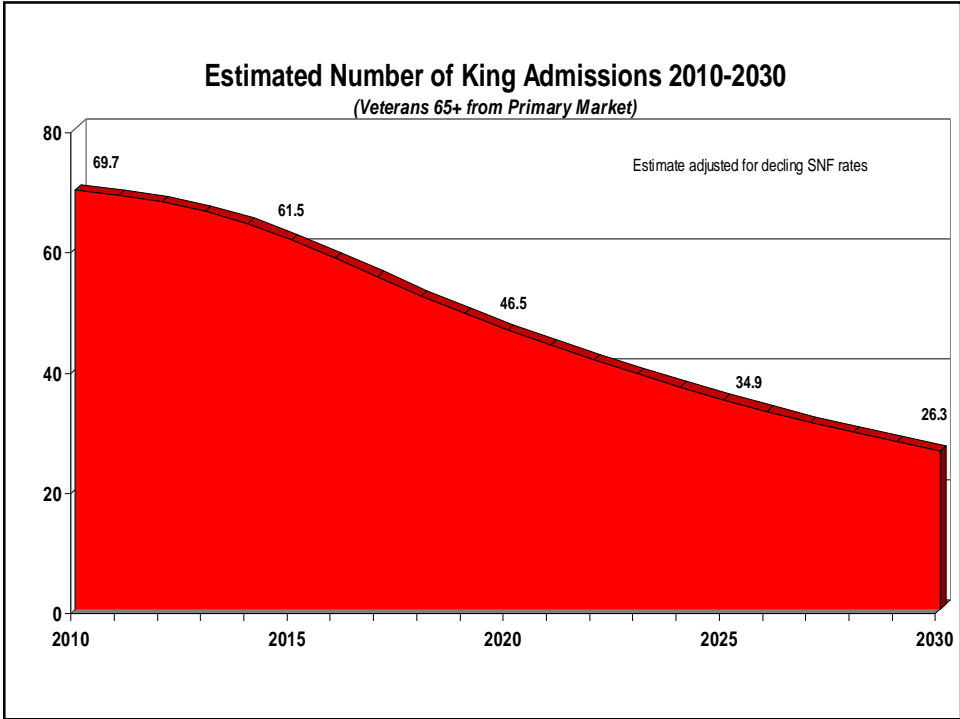
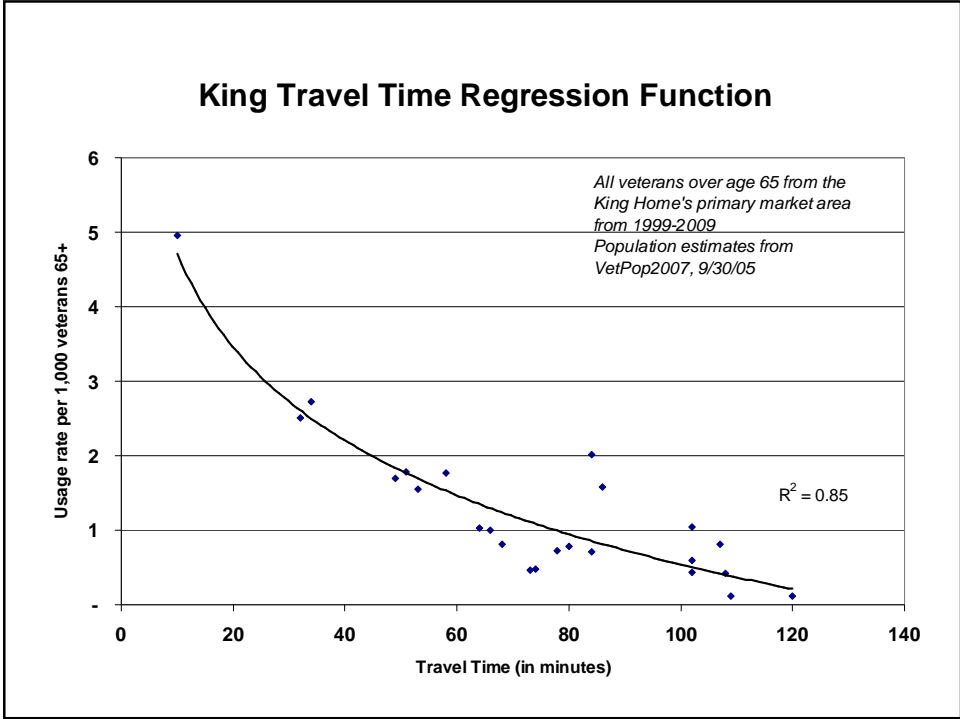
## Demand Analysis for King



## Components of the Demand Model

- Regression function that estimates demand for veterans age 65+ in the primary market area based on distance from the Home
- Population estimates from VetPop 2007
- Multiplicative market adjustments for veterans under 65, demand outside the primary market, and dependents
- Veterans admitted from VA Medical Centers
- Attrition model based on age at admission and longevity at the Home
- Demand adjusted for declining (male) SNF usage rates

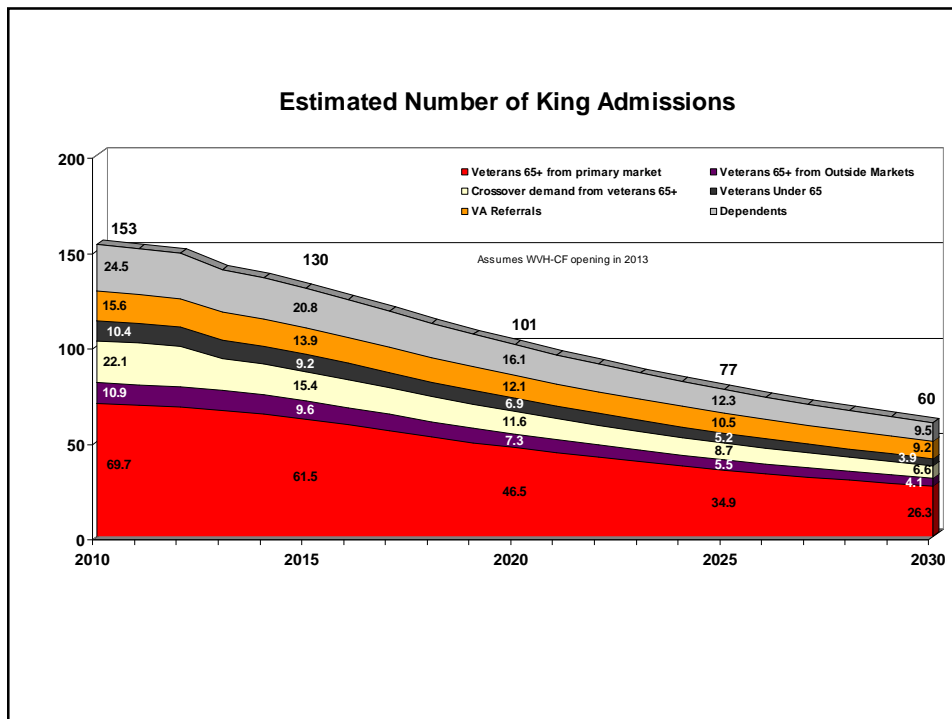




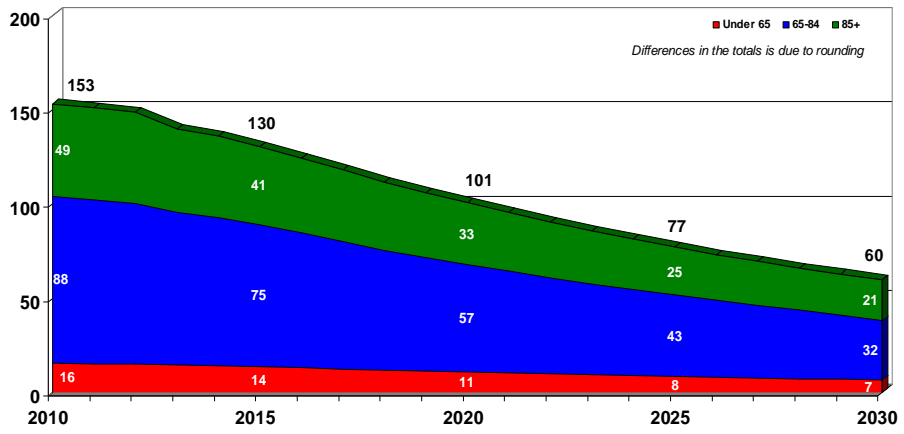


## King Market Adjustments (Based on Admissions 1999-2009)

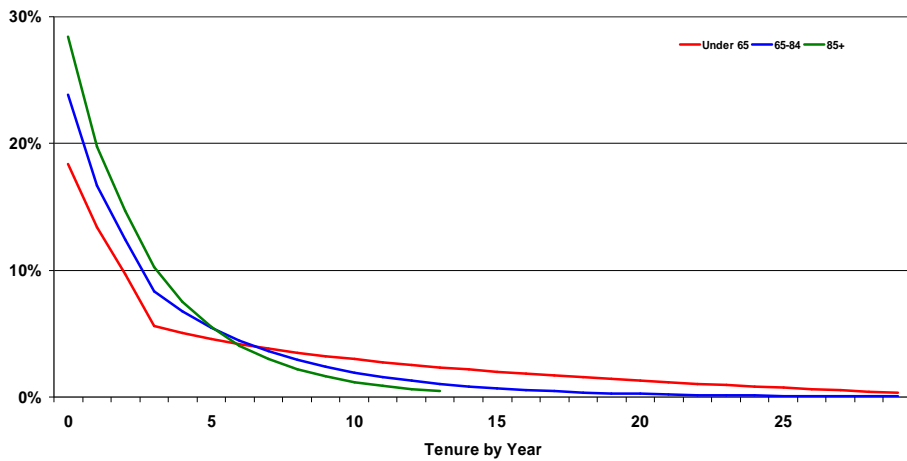
- Veterans over 65 from outside the primary market of state veterans homes (15%)
- Spouses and dependents (19%)
- Crossover demand from other veterans homes primary markets (34% from 2010-12 and 25% from 2013-2030)
- Veterans under age 65 (13%)
- Veterans admitted from VA Medical Centers (VAMCs) (current demand prorated by over 45 veteran population)
- No additional demand for Medicare rates

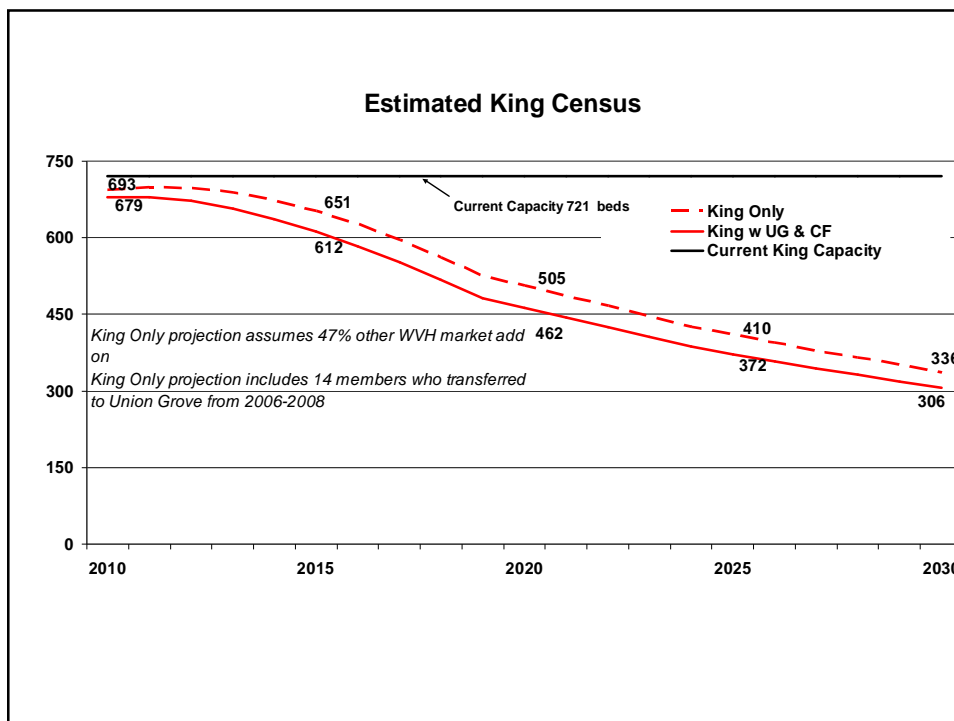
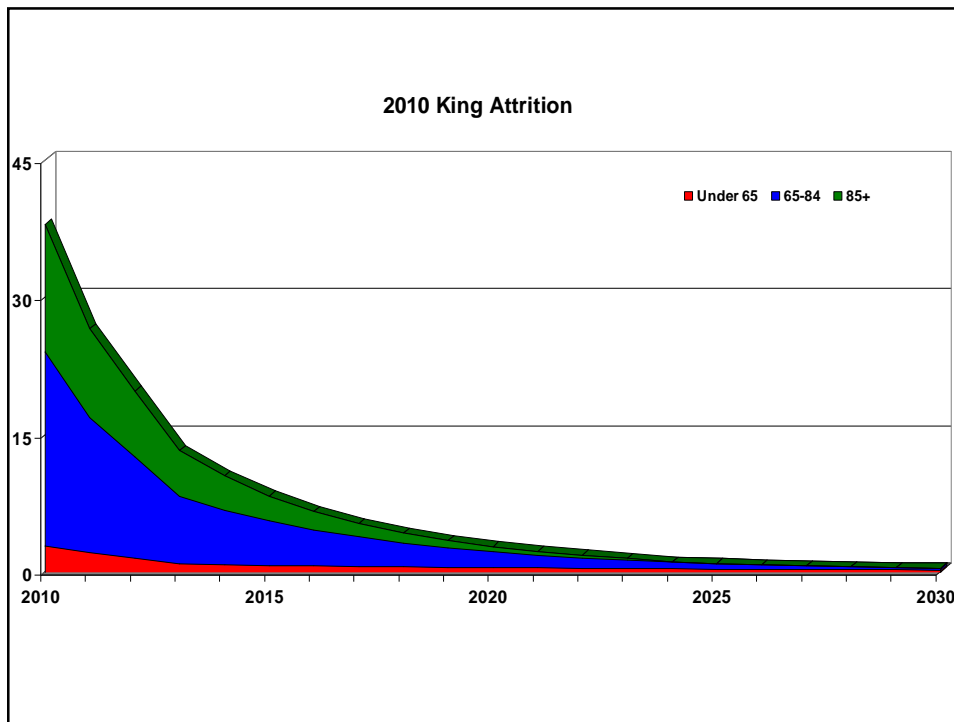


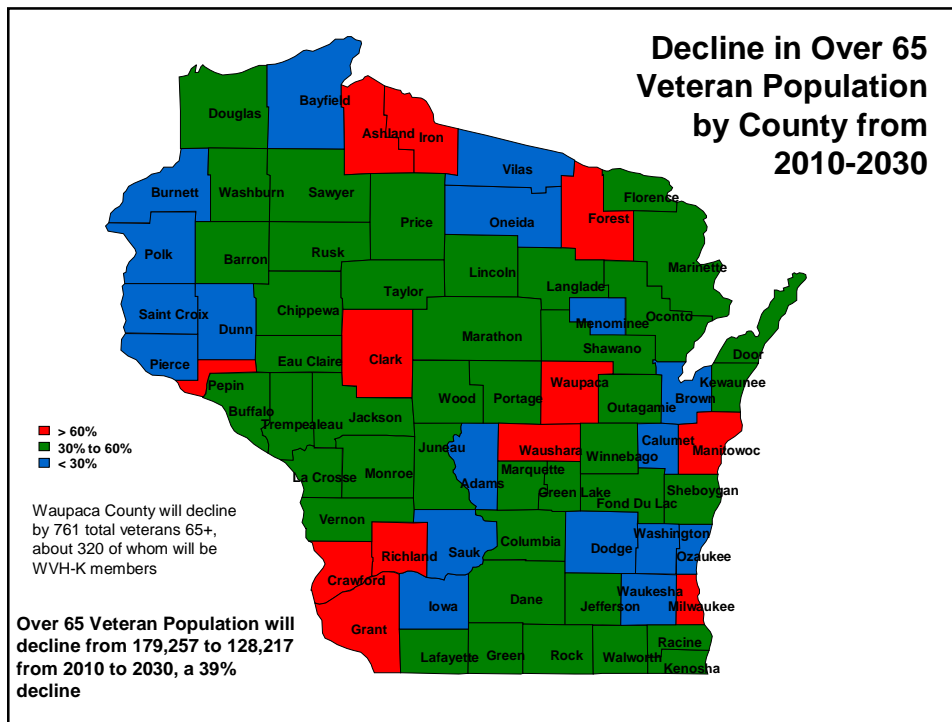
### Estimated Annual King Admissions by Age



### Attrition Rates by Age







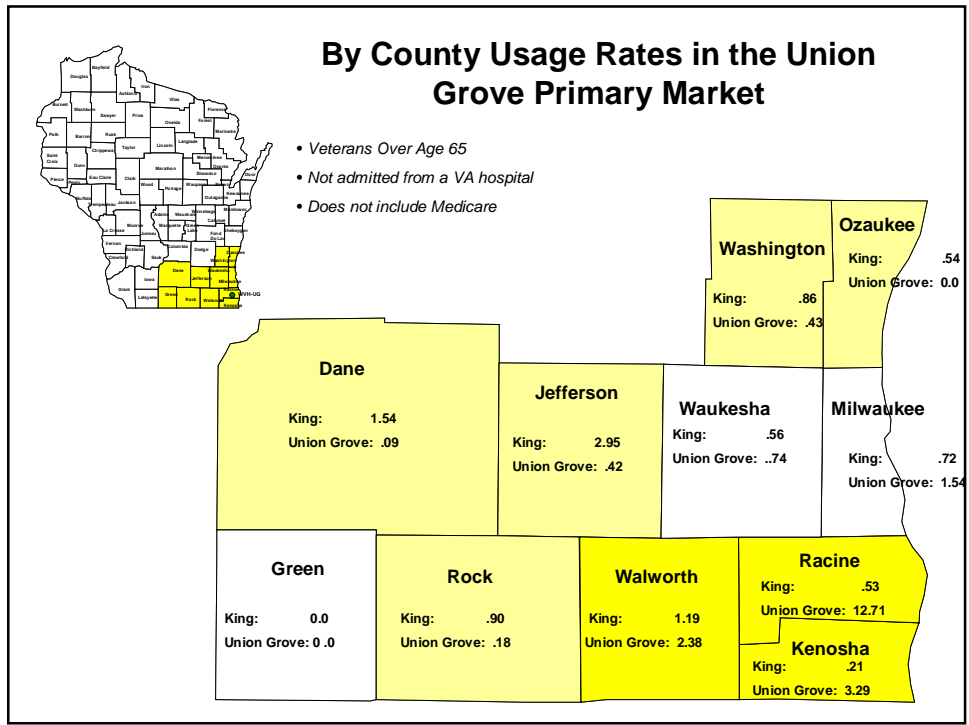
## Summary of King Demand Analysis

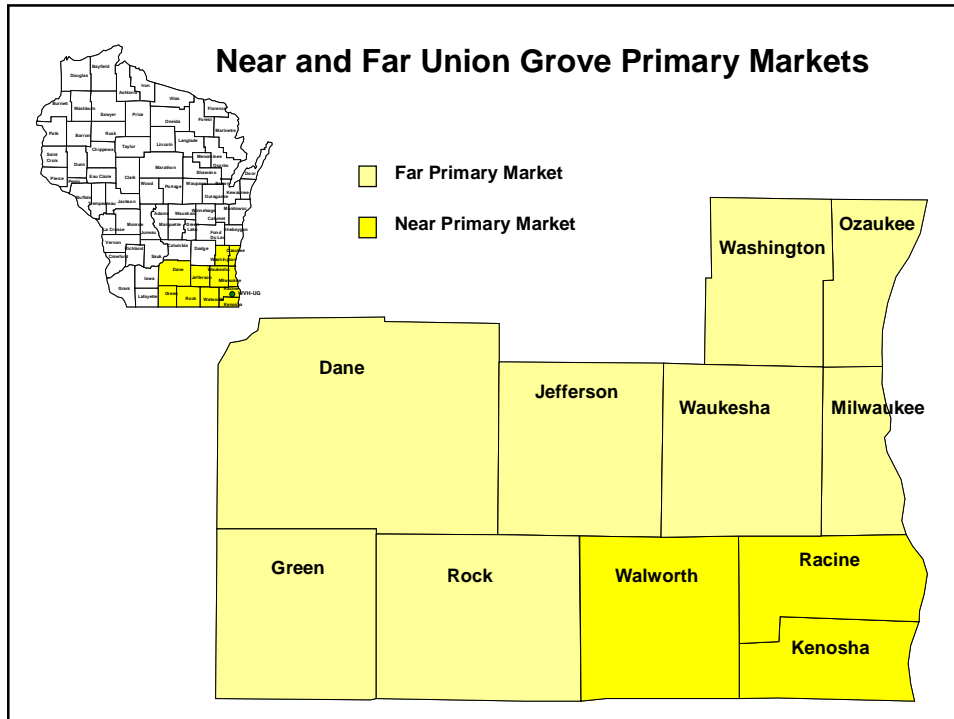
- Distance (travel time) is the best indicator of a veteran going to a veterans home, as is the industry standard
- Skilled Nursing Facility usage rates are declining and are likely to continue to decline
- The over 65 veteran population is declining
- Opening veterans homes in Union Grove and Chippewa Falls will have little effect on King census
- Rural counties have higher usage rates at WVH-King than urban
- King census will decline to around 500 in the early 2020s and to 300 in the early 2030s



# Demand Analysis for Union Grove

## Adjusting the King Demand Model for an Urban Setting





## Urban Model Adjustments

- Use the King distance (rural) model to estimate demand for the Near Primary Market
- Treat the Far Primary Market as a 58% market adjustment

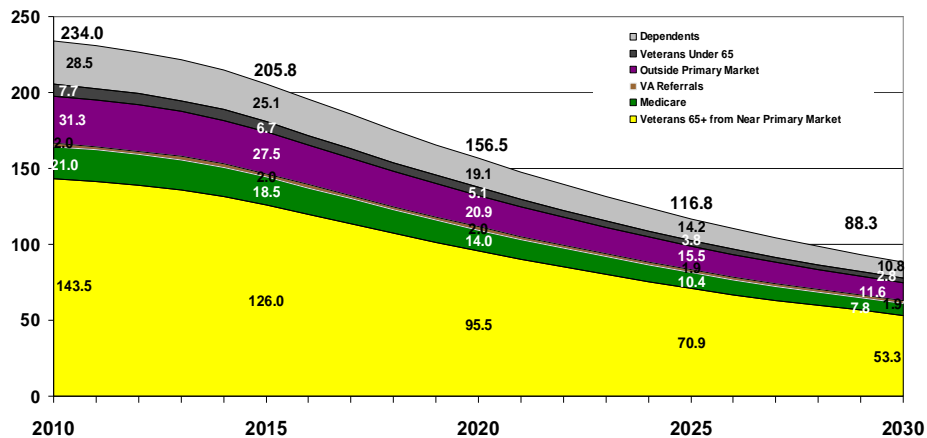


## Union Grove Market Adjustments

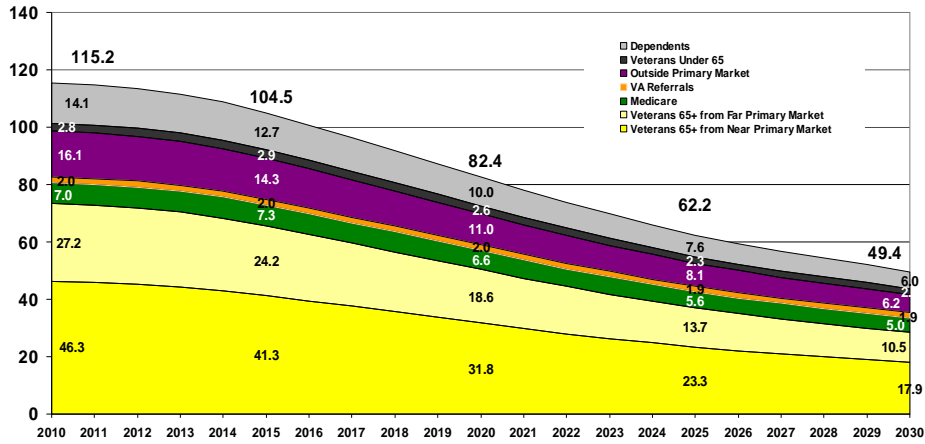
(Based on Admissions 2006-March 2010)

- Veterans over 65 from outside the Union Grove primary market (35%)
- Spouses and dependents (14%)
- Veterans under age 65 (5%)
- Veterans admitted from VAMCs (current demand prorated by over 45 veteran population) approximately 2/yr.
- Medicare (15%)

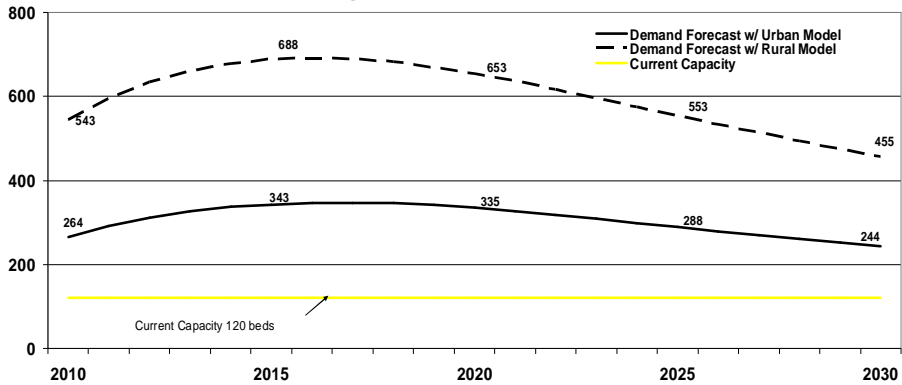
Estimated Union Grove Admissions Using Rural Model



### Estimated Union Grove Admissions Using Urban Model



### UG Demand Using Urban and Rural Model Comparisons





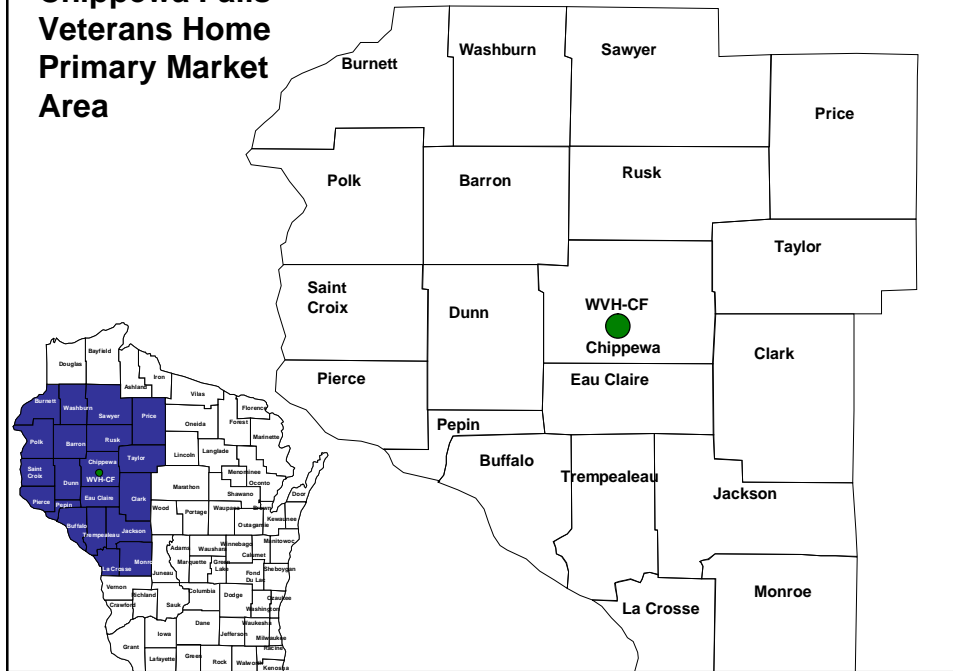
## Summary of Union Grove Demand Analysis

- Distance is a much greater factor at Union Grove than at King
- Many counties in the Union Grove Primary Market have higher usage rates for WVH-K than WVH-UG
- Adjusting the rural model for an urban setting provides a more accurate demand projection
- There is excess demand in the Union Grove Primary Market through 2030



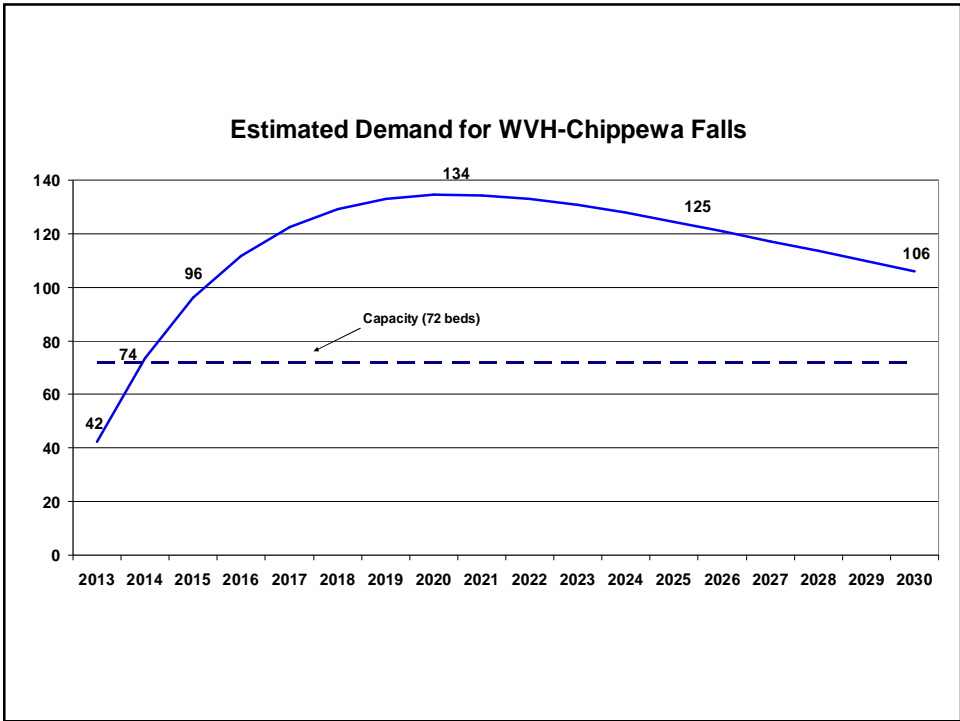
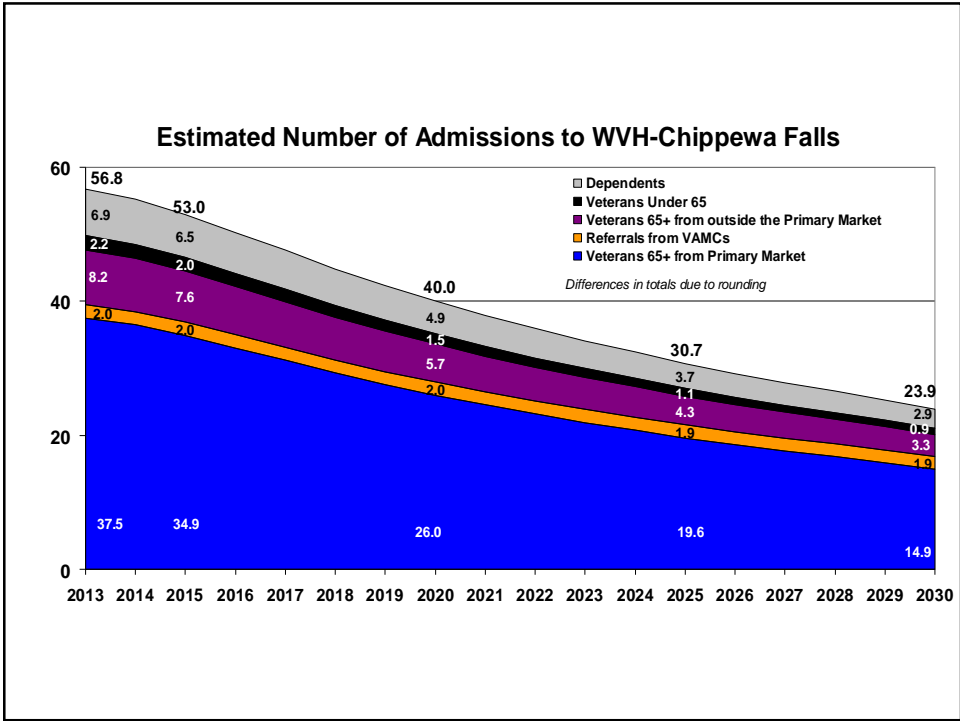
## Demand Analysis for Chippewa Falls

## Chippewa Falls Veterans Home Primary Market Area



## Chippewa Falls Market Adjustments

- Veterans over 65 from outside the Chippewa Falls Home Primary Market (22% of based on cumulative Union Grove SNF admissions)
- Spouses and dependents (14%, based on cumulative Union Grove admissions)
- No additional demand for Medicare (Medicare accounts for 15% of Union Grove admissions)
- 2 VAMC admissions per year, pro-rated by the annual decrease/increase in the 45 veteran population
- 5% will be veterans under 65





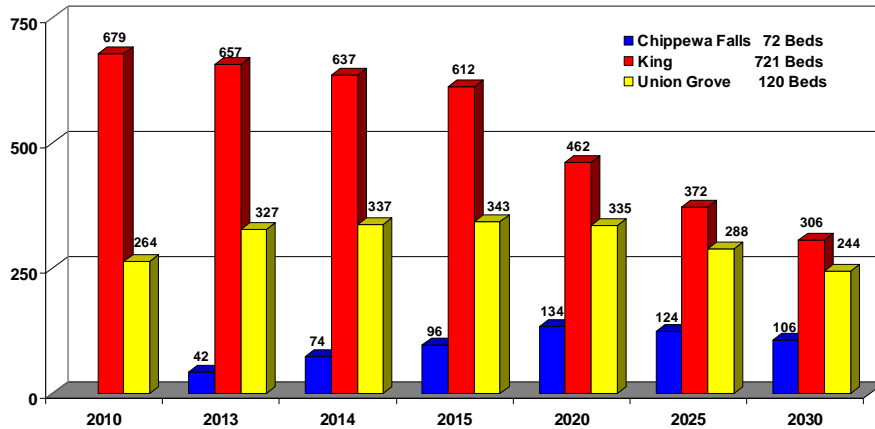
## Summary of Chippewa Falls Demand Analysis

- There is excess demand for a 72-bed facility in the Chippewa Falls primary market from 2014-2030
- Demand will peak in 2020
- Consideration of additional beds at Chippewa Falls should be based on projections beyond 2030



## Conclusions

### Projected SNF Demand for Wisconsin Veterans Homes



## Conclusions

- Usage rates at state veterans homes declines with distance
- A declining state veteran population and reduced skilled nursing facility usage rates will cause the census at King to be reduced to half of the current level by 2030
- There is excess demand in the Union Grove market
- There will be excess demand in the Chippewa Falls market beginning in 2014



***End of Presentation  
Questions?***