

RECOMMENDATION NO. 61

The Commission recommends that the Veterans Administration be authorized to increase the reimbursement rate to community nursing homes from one-third to 45 percent of the VA general hospital per diem rate.

Background to Recommendation:

During fiscal year 1967, the Veterans Administration reimbursed community nursing homes at an average per diem rate of \$10.45 for care provided to its veteran beneficiaries. This amount was less than the average per diem rate paid to community nursing homes by the Social Security Medicare program. It is estimated that social security paid approximately \$14.60. The amount paid by the Veterans Administration was also considerably less than the average payment for such care from private funds.

The problem of placing veterans in community nursing homes in high cost areas has become acute because of the present limit on VA reimbursement. Therefore, the Commission recommends that the Veterans Administration be authorized to pay community nursing homes up to 45 percent of the general hospital per diem rate, as is proposed in H.R. 7481, before the 90th Congress.

RECOMMENDATION NO. 62

The Commission recommends that a program of matching construction grants for renovation and replacement of state domiciliary homes be instituted.

Background to Recommendation:

Under the provisions of Public Law 88-450, Federal aid is provided to the individual States for the construction of nursing home beds to be operated by the States as part of the State Soldiers Home Program. The law authorizes \$5,000,000 per year for five years (FY 1965-1969) for up to 50 percent of the costs of construction, renovation, and initial equipment.