



A Comparison of a Veterans Directed Health Care Program vs. Community Nursing Home Placement

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ABSTRACT

This study compared the cost effectiveness and patient satisfaction of a veterans directed health care program (VDHC) with traditional community nursing home (CNH) care. VDHC enables qualified veterans to select their own caregivers, who are reimbursed for their services, to assist them in functioning at home, rather than place such veterans into a CNH.

This study retrospectively compared the costs of care and patient satisfaction ratings of 23 patients in the VDHC program with a sample of 31 controls in the VA CNH program. Results showed significant cost savings with VDHC compared to CNH care. While there were statistically significant differences between the two groups in terms of age, gender, ethnicity, and diagnoses, both groups appeared to have similar medical and/or psychiatric conditions that would typically require CNH or similar level of care, suggesting that VDHC programs would be cost effective for a portion of those patients who require continuous, supportive care.

BACKGROUND

- As the average age of Americans increases the need for greater services for age-related illness will expand.
- Many age-related illnesses require support and/or assistance from others in order for the affected individual to be able to adequately function¹.
- Many simply need an able-bodied person in their home to provide continuous supervision and assistance to provide care or prevent injury.
- The U.S. Center for Medicare/Medicaid Services (CMS) initiated "consumer directed care" where such individuals are given funds to "hire" a person of their choice to assist them^{1, 2, 3}.
- Consumer directed care was shown to be popular with users, with reports of greater satisfaction and feelings of safety with the consumer directed care compared to more typical, "agency directed" home care services.^{3, 4, 5}. In addition, public policy makers felt that consumer directed home programs would also be less costly⁶.

Veteran's Directed Home Care

- The Department of Veterans Affairs (VA) has initiated a consumer directed program, the Veterans Directed Home Care (VDHC) program.
- Provides funds to local and state agencies to administer a consumer directed home care program for veterans.
- The local agency is responsible for evaluating the potential user (the Veteran), as well as the potential caregiver, to ensure that both are eligible, that the service is needed, and that the caregiver has the capability of providing the veteran with the needed services in the veteran's home. In addition, the local agency monitors the veteran and the caregiver to ensure that the care provided is appropriate and adequate, and that there is no abuse or neglect of the veteran.
- For the VA, this program not only addresses the issue of assisting older veterans dealing with chronic medical conditions that arise from aging, but also can assist younger veterans with serious, persistent combat injuries be able to remain in their home environments and be able to better associate with their peer groups.
- Veterans participating in the VDHC program generally reported satisfaction with the services being offered.

PURPOSE

The purpose of this study is to compare the cost effectiveness and patient satisfaction of a veterans directed health care program (VDHC) with traditional community nursing home care.

METHODS

- Retrospectively compared the costs of care and patient satisfaction ratings of 23 VDHC veterans with a sample of 31 controls in the VA community nursing home (CNH) program, as well as demographic and diagnostic data.
- Five diagnoses were recorded: dementia, hypertension, diabetes, congestive heart failure (CHF), and major mental illness (per Axis I DSM-IV⁷). An "other" category was created for other major diagnoses that would necessitate CNH or VDHC level of care, such as cardiovascular accidents (CVAs), multiple sclerosis (MS), and head trauma (TBI, anoxic brain injury, etc.).

RESULTS

- The average cost of care for a veteran in the VDHC program is less than half that of CNH placement.
- Cost savings for 25 Veterans would amount to almost one million dollars per year. Note that the data do not include any medical or specialist care costs that might be incurred.
- The VDHC group had more female Veterans ($p < .001$) and minority Veterans ($p < .05$) and was, on average, about 9 years younger ($p < .001$).
- Both groups had roughly the same number of Veterans with significant mental illness although the VDHC group had fewer individuals with dementia than the CNH group. Both groups showed a high level of co-morbidity between physical and mental illness.
- Both groups of Veterans were service connected anywhere from 70% to 100%, which is considered fully disabled, indicating that both groups consisted of Veterans with severely disabling conditions.
- Veterans participating in the VDHC program generally reported satisfaction with the services being offered.

DISCUSSION

The results support that VDHC is less expensive than CNH care. This cost difference makes sense when one considers all of the additional expenses inherent in nursing home care, such as food, 24/7 nursing home level of care, maintenance of the nursing home environment, medications, etc. On the other hand, the Veterans in the VDHC group obviously can function without these additional aspects and services that a nursing home provides. In a sense, the costs saved by the VDHC program consist of money for CNH services that are not really needed or necessary, since the Veteran in VDHC is able to live at home without them.

The VDHC group is, on average, younger by almost a decade. In addition, the VDHC group had fewer Veterans with dementia than the CNH group. This makes some sense, in that older adults with dementia tend to not only need a dedicated caregiver, but also environmental interventions and restrictions, such as those found on a CNH dementia unit, to ensure adequate safety.

Table 1. Average Cost Comparison and Cost Savings – VDHC vs. CNH

	VDHC	CNH (room/board only)
Average Cost per Veteran per Month	\$2,618.39	\$5,540.39
For 25 Veterans (per month)	\$65,459.75	\$138,509.75
Savings/Month (VDHC vs. CNH)	\$73,050	
Savings/year (VDHC vs. CNH)	\$876,600	

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Table 2. Diagnostic Comparison Between Veterans in VDHC and CNH Groups.

	CNH count	VDHC count	VDHC%	CNH%	Difference
Dementia	9	4	0.173913	0.290323	-0.11641
Hypertension	17	14	0.608696	0.548387	0.060309
Diabetes	14	6	0.26087	0.451613	-0.19074
CHF	2	3	0.130435	0.064516	0.065919
Mental illness	13	13	0.565217	-0.41935	0.984572
Other*	16	9	0.391304	0.516129	-0.12482
ALS	0	2	0.08695	0.0	0.08695
CVA	3	2	0.086957	0.096774	-0.00982
MS	3	1	0.043478	0.096774	-0.0533

Note: VDHC=Veterans Directed Health Care, CNH=Community Nursing Home, CHF=Congestive Heart Failure, ALS=Amyotrophic Lateral Sclerosis, CVA=Cerebrovascular Accident, MS=Multiple Sclerosis

Table 3. Frequency Counts of the Number of Major Diagnoses Per Group and Percentages

# of Major Diagnoses	# with this Many Diagnoses - CNH Group	# with this Many Diagnoses -VDHC Group	VDHC%	CNH%	%diff
1	7	8	0.347826	0.225806	0.12202
2	11	6	0.26087	0.354839	-0.09397
3	10	7	0.304348	0.322581	-0.01823
4	2	2	0.086957	0.064516	0.02244
5	1	0	0	0.032258	0.032258
	31	23			