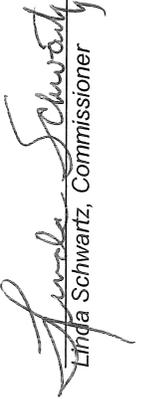


2015 MIDTERM ADJUSTMENT SUMMARY

DVA21000 - Department of Veterans' Affairs  
 11000 - General Fund

Priority	Adjustment Title	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
	<b>REDUCTION</b>				
1.00	Using VA Pharmacy for Patients in the Healthcare Facility	914,172	-685,172	229,000	230,000
	<b>ADJUSTMENT TOTAL</b>	914,172	-685,172	229,000	230,000

Head of Budgeted Agency (Signature)

  
 Linda Schwartz, Commissioner  
 10/16/2013  
 Date submitted

# Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DVA21000 - Department of Veterans' Affairs 11000 - General Fund

## Using VA Pharmacy for Patients in the Healthcare Facility

Michael Clark  
860-616-3636

Priority: 1  
Creation Date: 10/15/2013

### Description and Reason/Measure of Impact

In VHA Directive 2011-035, there are 4 options available to the State Veterans' Homes to enter an agreement with VA in order for Veterans who are qualified for "Aid and Attendance" benefits to receive medications from VA while receiving care at State Veterans Homes. (Note: this Rx benefit excludes the veterans who have 70% or more service connected disability as their cost of care is already compensated in full with a higher per diem rate.)

The option the Agency would like to pursue with VA is the Option #3 -- Entering into a sharing agreement with VA. VA will function as the pharmacy for DVA. VA will provide medications and pharmaceutical care services for the patients in the DVA healthcare Facility.

If this measure is successfully implemented by using VA Pharmacy to provide medications to DVA Patients in the Healthcare Facility, the followings are the potential benefits/ savings that the Agency is projecting for FY15.

(1) Reduce the Agency's drugs expenditures -- The Agency will only need to pay medication costs for veterans who have 70% or more service connected disability.

(2) Reduce the current need to maintain 1 full time and 1 part time Pharmacy Technicians -- Since all the prescriptions will be filled by VA Pharmacy, there will be less administrative/operational needs. Note: The Agency will retain the full time Pharmacist to remain compliant with all DPH regulations for Chronic Disease Hospital licensure.)

The Agency has been working with Connecticut Veterans Administration to establish this measure. However, this cost saving measure is very extensive and involves many different service areas within the State and the VA. Therefore, the outcome of this measure is contingent upon all the logistics being worked out to meet strict drug control regulations (both VA and the State DPH regulations and standards -- DVA Healthcare Facility is licensed by VA as a Skilled Nursing Home and as a Chronic Disease Hospital by DPH.)

DVA will use FY14 as the transitional period to establish the new protocol and logistics of using VA Pharmacy. For example, entering a sharing agreement with VA Administration on how to proceed, set up the SOP infrastructure to access/ transmit confidential data, have DVA clinicians credentialed in the VA system in order to access VA system platform, veterans' eligibility check, workflow logistics, compliance, and quality control, etc. Due to the many uncontrollable factors and the time required, the Agency cannot guarantee that this measure will be successfully implemented in time for FY15. Also, the realization of the savings maybe impacted by other unforeseeable or additional costs that is associated with setting up the logistics.

Bottom line - DVA will continue its due diligence to implement this cost saving measure. The achievement of the projected saving is contingent upon successfully utilizing VA Pharmacy and with VA paying for the Rx for patients in the Healthcare Facility.

□

Measure Statistic	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
DVA Current Pharmacy Expenditures	876,727	914,172	914,172	-685,172	229,000	230,000

### Positions / Financials

	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized

## Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DVA21000 - Department of Veterans' Affairs    11000 - General Fund

Number of Full Time Positions	2	2	2	-1	1	1
SID Code / Title						
10010 - Personal Services	161,536	171,630	171,630	-91,630	80,000	80,000
10020 - Other Expenses	715,191	742,542	742,542	-593,542	149,000	150,000
Total	876,727	914,172	914,172	-685,172	229,000	230,000



# STATE OF CONNECTICUT

## DEPARTMENT OF VETERANS' AFFAIRS

287 West Street  
Rocky Hill, CT 06067

Honorable Benjamin Barnes  
Secretary, Office of Policy and Management  
450 Capitol Avenue  
Hartford, CT 06106-1379

October 15, 2013

Dear Secretary Barnes,

The Department of Veterans' Affairs is submitting for your consideration the enclosed midterm capital budget requests to fund the following grant projects.

1. **Fire Sprinkler System** – \$638,400. This capital funding request is to correct the VA inspection /fire safety violation of October 2012 in the Kitchen and Dining Room facility in Building #2 at the Rocky Hill Vets Home.

Therefore, a 35% State matching funds is required to complete the Fire Sprinkler System Project. The total Fire Sprinkler project cost is estimated at \$1,824,000. Pending the midterm funding approval, the Agency will submit a grant to the federal VA for the reimbursement of 65% as a life safety upgrade measure. This project is to install a new Fire Sprinkler System in the kitchen and dining room facility as cited by federal VA inspection in October 2012. (Per the VA standard 147 "Physical Environment" on page 61 of the inspection report. Specifically, page 62 cites the "Actual Standard: NFPA 101 Life Safety Code that needs to be remedied.")

2. **DVA Power Plant Boilers Control Upgrades** -- The Agency has authorized bond funding to support the 35% required state matching funds or \$771,050.00. Therefore, this midterm budget request is for the State to advance the 65% federal share or \$1,431,950 which will be reimbursed to the state upon grant application/ submission and approval by the VA.

The total cost of the "Boilers Control Upgrades" project based upon the DCS' Architect's estimate is \$2,203,000 due to the extensive upgrades and mechanical repairs that are needed. Consistent with the due diligence process as outlined by OPM the Agency was granted approval to submit a federal grant in August 2013. Therefore, a federal grant application for the boilers controls upgrade project will be submitted before Dec 2013. (Fiscal Note: Per VA's email to DVA on 6/26/13, pending grant submission and approval by VA, the feds will reimburse the State for 65% of the project expenditures).

In closing, the above mentioned projects are critical infrastructure repairs and improvements necessary for life safety and compliance with two thirds of the upgrade costs reimbursed by the federal VA. Your consideration and approval of the midterm budget requests is appreciated.

Respectfully submitted,

Linda S. Schwartz, RN, DrPH, FAAN

USAF (Ret.)

Commissioner

Linda.schwartz@po.state.ct.us

Agency/Description

**Department of Veteran's Affairs**

Alterations, renovations and improvements to buildings and grounds

FY 2015	Adjustment Requested	If Yes, Amount of Adjustment	Reason and Justification for Adjustment ( Please send any additional supporting documentation, including a detailed project budget to OPM Capital Budget Staff)
Authorized (\$)	(Y/N)	(+/-)	
750,000			
	Y	638,400	This is for the request of the 35% State matching fund required for the complete project of Fire Sprinkler System. The total estimated cost for the Sprinkler project is \$1,824,000. The Agency will submit a grant to federal VA for the reimbursement of the 65% as a life safety upgrade measure. This project is to install a new Fire Sprinkler System in the kitchen and dining room facility as cited by federal VA inspection. (per the VA standard 147 "Physical Environment" starts on page 61 of the inspection report. Specifically, page 62 cites the "Actual Standard: NFPA 101 Life Safety Code that needs to be remedied.)
	Y	1,431,950	The total cost of the "Boilers Control Upgrades" project based on the Architect's estimate has grown from the original Agency estimate of \$350,000 to \$2,203,000 due to the extensive upgrades and repairs needed. The Agency has the support of VA for this "Life Safety Upgrade" and feels applying the federal grant will save the State the capital it needs for this urgent project. Therefore, this is to request the State to advance the the 65% federal share of the boiler controls upgrades project.

Fire Sprinkler System (To correct the violation of fire safety in the Kitchen and Dining Room facility in Building #2)

DVA Power Plant Boilers Controls upgrades (This will be a 65% federal funded and 35% state funded project. Application for the federal grant will be submitted before Dec 2013. Per VA's email to DVA on 6/26, if grant is approved, the fed will reimburse the State for the federal share of the expenditures.)

Agency/Description

**Department of Veteran's Affairs**

Alterations, renovations and improvements to buildings and grounds

FY 2015	Adjustment Requested	If Yes, Amount of Adjustment	Reason and Justification for Adjustment ( Please send any additional supporting documentation, including a detailed project budget to OPM Capital Budget Staff)
Authorized (\$)	(Y/N)	(+/-)	
750,000			
	Y	638,400	This is for the request of the 35% State matching fund required for the complete project of Fire Sprinkler System. The total estimated cost for the Sprinkler project is \$1,824,000. The Agency will submit a grant to federal VA for the reimbursement of the 65% as a life safety upgrade measure. This project is to install a new Fire Sprinkler System in the kitchen and dining room facility as cited by federal VA inspection. (per the VA standard 147 "Physical Environment" starts on page 61 of the inspection report. Specifically, page 62 cites the "Actual Standard: NFPA 101 Life Safety Code that needs to be remedied.)
	Y	1,431,950	The total cost of the "Boilers Control Upgrades" project based on the Architect's estimate has grown from the original Agency estimate of \$350,000 to \$2,203,000 due to the extensive upgrades and repairs needed. The Agency has the support of VA for this "Life Safety Upgrade" and feels applying the federal grant will save the State the capital it needs for this urgent project. Therefore, this is to request the State to advance the the 65% federal share of the boiler controls upgrades project.