

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

1. Date

2022-05-03

2. Department

California Department of Veterans Affairs

3. Organizational Placement (Division/Branch/Office Name)

Veterans Homes Division

4. CEA Position Title

Chief Financial Officer, Veterans Homes

5. Summary of proposed position description and how it relates to the program's mission or purpose.  
(2-3 sentences)

The CEA would be the primary advisor to executive leadership regarding financial operations in the Veterans Homes. The incumbent will set policy, direct standardization of procedures in accordance with best practices, set program targets, perform program reviews, develop process improvement plans when necessary, create and revise department regulations on financial operations, oversee compliance with regulatory agencies' requirements, manage the Medical Cost Recovery and Revenue Support Units, and set benchmarks for increased revenue generation.

6. Reports to: (Class Title/Level)

Exempt/Governor's Appointee/Assistant Deputy Secretary

7. Relationship with Department Director (*Select one*)

- ☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☒ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*):

The nature of the CEA's work overseeing financial operations in the Veterans Homes, and the impacts the work will have on Department-wide policies and the programming offered to veterans, warrant a high level of participation in executive communications.

8. Organizational Level (*Select one*)

- ☐ 1st ☐ 2nd ☐ 3rd ☒ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

## **B. SUMMARY OF REQUEST**

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The incumbent will perform the following duties:

Conduct or oversee internal reviews of the financial operations in the eight Veterans Homes to ensure compliance with the requirements of external State administrative agencies and the internal expectations of the Veterans Homes Division and CalVet leadership. Identify best practices and opportunities to standardize financial operations across the Veterans Homes. Identify and develop policies in accordance with evolutions in external requirements, legislative mandates, and/or internal priorities. Collaborate with other leaders in the Veterans Homes Division and with other CalVet units to establish, implement, and/or revise financial policies related to financial operations in the Veterans Homes. Serve as the lead advisor to the Deputy Secretary, Assistant Deputy Secretary, and other stakeholders on the status of financial operations in the Veterans Homes, and report on the status regularly through the development and presentation of analytical documents and presentations (e.g., written reports, plans, charts, etc.). Respond to inquiries from the public, including resident families and/or special interest groups, regarding the financial operations of the Veterans Homes.

Conduct or oversee internal reviews of revenue generation and medical cost recovery in the Veterans Homes to identify opportunities to ensure CalVet is maximizing its revenue from as many sources as are available. Collaborate with the Chief of Veterans Homes Operations and the Office of Procurement and Contracts to ensure the funds associated with Home contracts are being spent effectively and efficiently. Establish, implement, and routinely monitor revenue generation goals for the Veterans Homes and report on the status of revenue generation to the Deputy Secretary and Assistant Deputy Secretary. Serve as the lead advisor to the Deputy Secretary, Assistant Deputy Secretary, and other stakeholders on the status of revenue support and medical cost recovery in the Veterans Homes, and report on the status regularly through the development and presentation of analytical documents and presentations.

Collaborate with CalVet's Regulations Unit and Legal Affairs Division to review existing and proposed legislation to determine the impact to the financial operations of the Veterans Homes. Make recommendations and advocate for changes to existing and proposed legislation to positively affect the financial operations of the Veterans Homes. Testify to the Legislature as needed to gain approval of legislative or budget-related proposals, or to provide formal CalVet reports on programs or work products.

Through a subordinate manager, oversee the operations of the Revenue Support and Medical Cost Recovery units; directly oversee the staff in the absence of the subordinate manager. Conduct staff meetings as needed. Establish workload and performance expectations consistent with the objectives of the Division. Regularly monitor and evaluate the performance of the units and report on their achievements. Engage in and ensure compliance with all CalVet policies and procedures and associated laws, rules, and regulations with respect to personnel-related tasks.

Collaborate with the Chief of Future Operations and Planning to oversee the development of budget change proposals and other research efforts. Perform or delegate as appropriate research, analysis, writing, and editing in conjunction with other CalVet divisions for the development of these products.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The position is both critical to the Department's mission and its success as a healthcare system and a state agency. CalVet collects revenues throughout each fiscal year and relays these funds to the state to offset its impacts on the General Fund; these revenues are derived from public and private insurance billing for medical services, member fees paid by residents based on a percentage of their income, and federal funding sources such as per diem and Aid & Attendance funds from the U.S. Department of Veterans Affairs (USDVA). Ensuring the Department is collecting as much of this revenue as is available is a policy priority for CalVet.

Further, this position would provide headquarters-based policy direction and oversight of the myriad financial operations conducted at the Homes or within the system of Homes, including serving as the primary subject-matter expert in the writing and updating of the Department's financial regulations affecting the Homes; setting standards for financial operations affecting the Homes; conducting reviews of program functions to resolve operational issues and establish best practices; ensuring effectiveness in business office practices at the Homes and in how funds are managed, such as the funding spent on contracts; and serving as the primary advisor to Veterans Homes Division and Department executive leadership regarding the status of the Homes' financial effectiveness, the status of revenue generation, and significant decisions regarding evolutions in the expectations of numerous regulatory agencies.

Lastly, the associated staffing reorganization would create necessary cohesiveness, goal achievement, and operational effectiveness. The existing Medical Cost Recovery and Revenue Support Units currently within the Accounting Unit of the Administrative Services Division would be reorganized under the new CEA within the Veterans Homes Division. This would combine the existing revenue-related workload activities with the policy direction and oversight of the Homes Division.

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

CalVet had a Governor-appointed Chief Financial Officer for the Veterans Homes until 2015. The incumbent separated from the Department, and the Governor's Office did not fill the vacancy. Around that time and in the years since, the Legislature and Department have taken numerous steps to transition the eight Homes into a system of health facilities, rather than stand-alone centers. This evolution has been accompanied by a Veterans Homes Division effort to standardize and unify its oversight and support of the Homes, and in accordance with these policy goals, the Division has established a Director of Long-Term Care, a Chief of Veterans Homes Operations, a Chief of Future Operations and Planning, and a Compliance Officer. Three of these four positions are CEAs, and all four of them provide crucial policy direction and nuanced expert guidance for the Department's and Veterans Homes Division's executive leadership. A critical missing area of emphasis and background on this team is in revenue generation and financial performance. As the system of Homes has formed, it has become apparent that, in order to ensure the greatest revenue generation and cost savings for the state, the Division needs a member of the leadership team dedicated to direction, standardization, and operational effectiveness in the Homes' financial practices. The proposed CEA would review, revise, and create policies, procedures, and regulations related to financial operations; make critical financial decisions related to revenue or cost savings for the state; provide oversight of the practices at the Homes and define and implement process improvements; serve as an advisor on financial matters to the highest levels of Department leadership; evaluate and provide oversight of revenue generation and set the Department's goals in these areas; and determine future procedural or structural changes within the system's financial operations, and work with Department leadership and the Chief of Future Operations and Planning to research, plan for, and propose reforms.

In addition to CalVet determining it needs a CEA to perform this role, many other internal and external factors have changed in recent years and driven this proposal. Specifically:

- The Homes are regulated by, among other agencies, the U.S. Department of Veterans Affairs (USDVA). The USDVA in recent years has changed its requirements regarding income eligibility for admission into veterans homes' independent living programs, as well as its regulations regarding the services that veterans homes must offer these residents in exchange for per diem payments. The CEA would align CalVet policies and practices with these evolving federal requirements, and would serve as a Department representative in communications with federal officials regarding formal sharing agreements and other matters.
- Long-term care patients themselves are evolving, which leads to increases in the complexities within both the clinical and the financial operations of healthcare systems. Those seeking admission to the Veterans Homes are showing higher levels of medical acuity than previous generations. Incoming residents are in need of more specialized services, such as mental health programming, which results in CalVet exploring new ways to provide care and work with external partners.
- CalVet is in the process of implementing a new electronic health record system. This system marries clinical and financial operations into one set of electronic modules that will perform the Department's internal functions for medical record keeping, coding and insurance claim preparation, and tracking of member fee payments and other information. The roll-out of this system will include extensive training, and a financial expert will be critical for its smooth installation and to monitor effectiveness in its use.

### C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The following are among the specific policy areas that would be assigned to the new CEA:

- 1) Development of policies, practices, and Department objectives related to the administration of member fees. This includes addressing an evolution in income-related requirements of the USDVA, any fee exemption programs the Department determines it should allow for eligible members, and verification of member income sources.
- 2) Research and development of policy regarding paying for certain costs of care, such as insurance premiums, medical equipment, and certain medical services. Research and development of regulations related to the requirements for residents to maintain certain types of health insurance.
- 3) Identification of new or underutilized revenue sources, and design of policy and process improvements in these areas. This includes management of the Medical Cost Recovery and Revenue Support Units. This also includes definition of penalties for Veterans Home residents who are dishonest in the reporting of their income and standardization of practices related to the collection of delinquent fees. It also includes exploring any additions to the Department's billing practices or opportunities, such as through an expansion of telehealth or changes in specialty medical services.
- 4) Implementation of the Department's new electronic health record - specifically the financial functions. This includes, but is not limited to, overseeing training and use of the coding and billing components of the system, the maintenance of any necessary certifications within the system or among CalVet clinicians, and the incorporation of any new billing opportunities.

**C. ROLE IN POLICY INFLUENCE (continued)**

**13. What is the CEA position's scope and nature of decision-making authority?**

The CEA will provide oversight and expert advice to division and Department executive leadership on the highest level of financial functions that are administered in the Veterans Homes. The CEA will have decision-making authority over these functional areas, including setting program goals and standards, establishing policy and program reforms, and making determinations that execute the vision and strategic plans of the division and Department.

The CEA also will serve as the primary advisor to the Secretary and Veterans Homes Division Deputy Secretary on the vision and strategic planning for the Department. The CEA will serve as a Department representative with high-level external stakeholders, such as the Legislature, Department of Finance, federal officials, or others. The CEA will represent CalVet in negotiations and communications with the USDVA regarding formal sharing agreements or the development of programs necessary to compliance with per diem requirements.

**14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

The CEA will fulfill both of these responsibilities. The Department has existing financial operations and associated policies, procedures, and regulations, but as internal goals and external requirements continue to evolve, these are in need of reviews and revisions. Additionally, as the Department continues to explore new programs to advance and modernize the Homes' care programs and meet new expectations, the CEA will research and implement new policies, procedures, and regulations accordingly, and advise the Department Secretary and division Deputy Secretary on major program reforms and decisions.