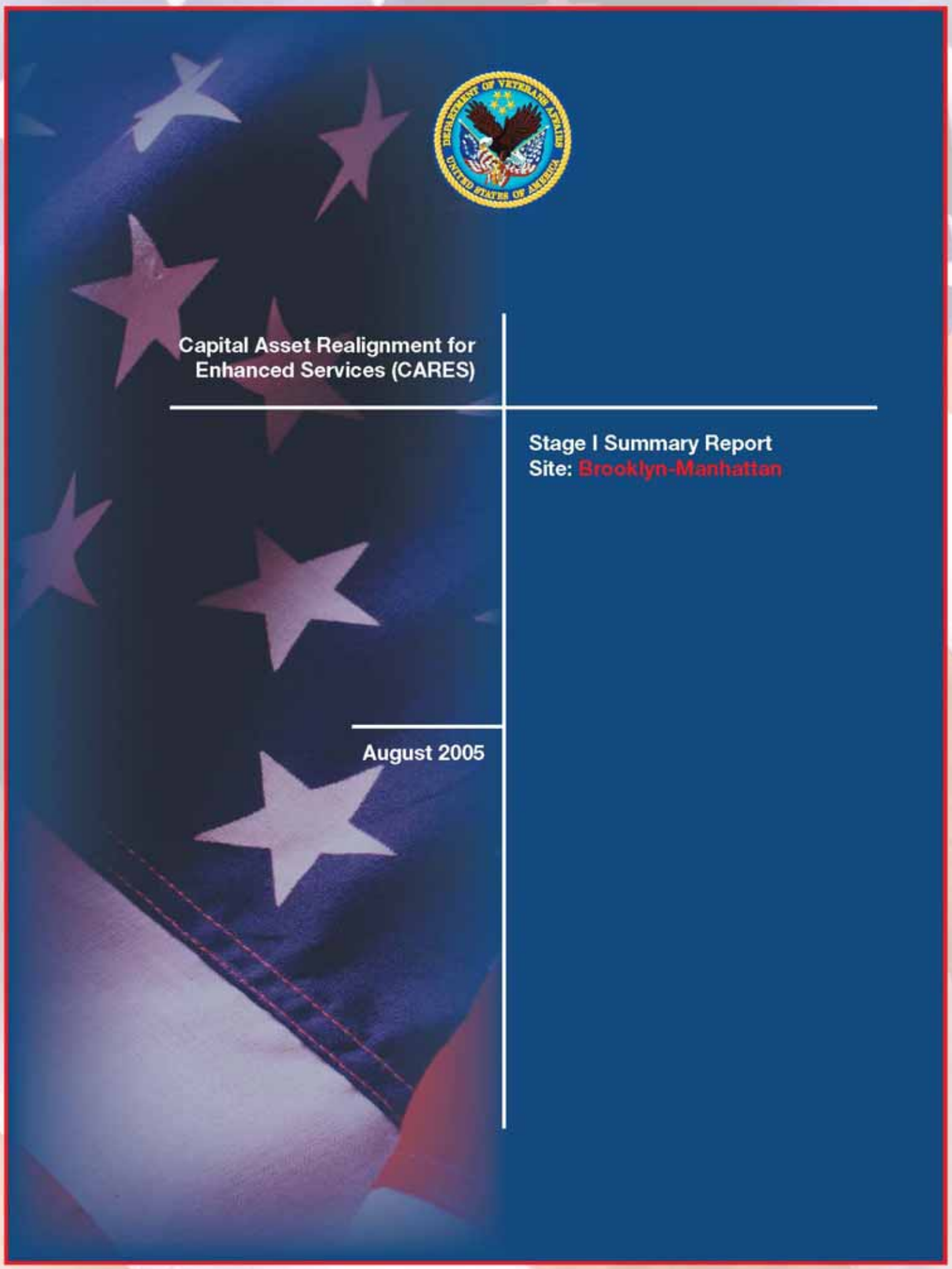

Capital Asset Realignment for Enhanced Services (CARES)

Stage I Summary Report
Site: Brooklyn-Manhattan

August 2005

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This report was written solely for the purpose set forth in Contract Number V776P-0515 and therefore should not be relied upon by any unintended party who may eventually receive this report.

OVERVIEW AND CURRENT STATE

Statement of Work

Team PwC is assisting the VA in identifying the optimal approach to provide current and projected veterans with healthcare equal to or better than is currently provided in terms of access, quality, and cost effectiveness, while maximizing any potential re-use of all or portions of the current real property inventory at the study sites. This work relies on three principal teams: healthcare, capital planning, and re-use/redevelopment.

The Brooklyn-Manhattan study will assess the feasibility of consolidating services at a single tertiary care medical center located at one of the current VAMCs, Brooklyn or Manhattan VAMC, or a new site. The study will also include plans for development of strategically located multi-specialty outpatient Clinics and Community Based Outpatient Clinics (CBOCs). The CBOCs are targeted to support the tertiary hub, maximize access, and bring primary, mental health, and specialty care services closer to where veterans live.

The general capital and re-use plans for the current and proposed VAMCs will include the proposed capital infrastructure if services continue to be delivered at the VAMC or re-use if the VAMC will no longer deliver VA healthcare services.

Summary of Market

The VA New York Harbor Healthcare System (VA NYHHS) comprises four boroughs of the City of New York: Manhattan, Brooklyn, Staten Island, and Queens, but not the Bronx. VA NYHHS consists of two VAMCs (Brooklyn and Manhattan) and the St. Albans Primary and Extended Care Center. VA NYHHS also has ambulatory care centers at all three sites plus CBOCs in Harlem, SoHo, Downtown Brooklyn, and Staten Island.

VISN 3 comprises three markets: Long Island, Metro New York, and New Jersey. The Brooklyn and Manhattan VAMCs being evaluated for this study are located in the VA Metro New York market. The Metro New York market contains approximately 169,376 veterans. Over the next 20 years, the number of enrolled veterans in Priority Groups 1-6 is expected to decrease by 21%, from 100,062 to 78,963 while the number of enrolled veterans in Priority Groups 7-8 is expected to decrease by 70%, from 69,314 to 20,583.

Veteran utilization for healthcare services was projected for 20 years, using 2003 data supplied by the VA as the base year and projecting through 2023. In both Brooklyn and Manhattan, the demand for inpatient services, medicine/observation, and surgery steadily decline over the projected period, while psychiatry and substance abuse increases through 2013, then declines. At both VAMCs, the bulk of ambulatory utilization is primary care and behavioral health. Increases in cardiology utilization and decreases in demand for the eye clinic, non-surgical specialties, orthopedics, radiology and surgical specialties, orthopedics, radiology, and surgical specialties are projected at both sites. Conversely, expected demand for outpatient mental health services overall shows an upward trend in 2013 followed by a decline in 2023; while the Brooklyn

VAMC projects a downward trend for methadone treatment and work therapy, with day treatment remaining flat.

Drive-time guidelines at the market level have a threshold of 70% for primary care and 65% for acute hospital and tertiary care. Currently, the Metro New York market significantly exceeds the access guidelines for primary, acute, and tertiary care. The VA recognizes that in New York City the application of guidelines for drive-time is less meaningful than in less urbanized areas. Accordingly, the VA and Team PwC are developing a methodology and compiling associated data to enable the Stage II Business Plan Options to be assessed using more applicable commute times (buses, subway, etc.).

Table 1: Baseline Summary of Drive-Times for VA Metro New York Market

VISN 3 Market Areas		VA Drive Time Standards					
		Primary Care		Acute Hospital		Tertiary Care[1]	
Market ID	Market Name	Baseline	Meets Threshold	Baseline	Meets Threshold	Baseline	Meets Threshold
03-b	VA Metro New York	99.6%	Yes	99.8%	Yes	100%	Yes

Selected current healthcare clinical quality measures at the Brooklyn and Manhattan VAMCs reveal that the sites rank equal to or higher than national levels for inpatient care for heart failure, colorectal cancer, endocrinology, and specific components of nursing home care.

Wait times for new patients at the Brooklyn VAMC are significantly longer than wait times for existing patients. During 2004, the standard of 80% for new patients was not met for the more than half of the clinical service types. For existing patients, the wait time standard of 80% was met for all but two clinical services.

Similarly, wait times for new patients at the Manhattan VAMC is significantly longer than wait times for existing patients. During 2004, the standard of 80% for new patients was not met for the majority of services. For existing patients, the wait time standard of 80% was met for all but one clinical service.

Summary of Current Services Provided

The Brooklyn and Manhattan VAMCs employ approximately 2,867 Full-Time Employee Equivalents (FTEEs), including 360 physicians. The Staten Island, Harlem, Chapel Street, and SoHo CBOCs employ approximately 46 FTEEs, including 4 physicians. The urban location of the Brooklyn and Manhattan VAMCs strongly supports their ability to recruit and retain hospital staff, with the exception of RN, LPN, and CRNA positions, which are more difficult. This difficulty is not unique to the VA however, and is characteristic of the overall competitiveness of the market for clinical staff.

[1] Tertiary care data is based on 2001 figures. All other information is based on 2003 figures.

Brooklyn VAMC

The Brooklyn VAMC is a tertiary care, academically-affiliated medical center located in Bay Ridge, Brooklyn. The Brooklyn VAMC has bed services in acute medicine, surgery, psychiatry, and residential substance abuse. There are currently 147 operating beds. Veterans are enrolled in the medical center's primary care program, which establishes one healthcare provider (MD, PA, NP) team to coordinate the patient's care. Specialized programs exist in comprehensive cancer care and non-invasive cardiology. A Women's Healthcare Center, with a dedicated mammography unit offers comprehensive medical services to female veterans. The VA NYHHS has recently been approved for a Fisher House, long-term housing for oncology patients and their families, to be located on the Brooklyn VAMC.

The Brooklyn VAMC is affiliated with the State University of New York-Downstate (SUNY). A fully integrated residency program exists with SUNY in general medicine and specialties and optometry. The medical center is affiliated with the NYU School of Dentistry. An innovative house staff rotation in ambulatory care medicine and primary care pharmacy makes the medical center a preferred site for training medical students. University level allied health training programs exist and numerous NYHHS specialist trainees, administrative residents, and fellows regularly intern in the medical center.

Manhattan VAMC

The Manhattan VAMC has bed services in acute medicine, surgery, acute psychiatry, neurology, and rehabilitation medicine. There are currently 171 operating beds. The Manhattan VAMC is host to several VHA Programs of Excellence, including NYHHS HIV/AIDS, cardiac surgery, rehabilitation medicine, and dialysis programs. The Manhattan facility serves as the VISN 3 Referral Center for interventional cardiology, cardiac surgery, neurosurgery and urology and is the only VHA facility to house a designated clinical care unit and research center for AIDS/HIV infection. The Manhattan VAMC also is home to the Preservation and Amputation Care Team (PACT), Prosthetic Treatment Center, Amputee Center and comprehensive rehabilitation medicine services, the VISN Footwear Center, and the Prosthetic and Orthotic Lab.

The Manhattan VAMC is affiliated with many schools of higher education. The primary clinical affiliation is with the New York University (NYU) School of Medicine. The residency programs are fully integrated with those at NYU and Bellevue Medical Centers. A fully integrated dental affiliation exists with the NYU School of Dentistry. University level allied health training programs exist and numerous NYHHS specialist trainees, administrative residents, and fellows regularly intern in the medical center.

Research and Education at Brooklyn and Manhattan

Research and education programs are integral to both the Brooklyn and Manhattan VAMCs. The vast majority of research is associated with the Manhattan VAMC and NYU. The combined annual research revenue is approximately $5.7 million and intramural funding and $10 million at the affiliated schools and non-profit research corporations. There are 639 veterans currently enrolled in research studies. Manhattan hosts approximately 144 FTE funded medical residents,

16 dental residents, 107 medical students, and 30 allied health trainees. Brooklyn hosts approximately 119 medical resident positions, 6 dental residents, 173 medical students, and 16 allied health trainees.

Summary of Current Facility Condition

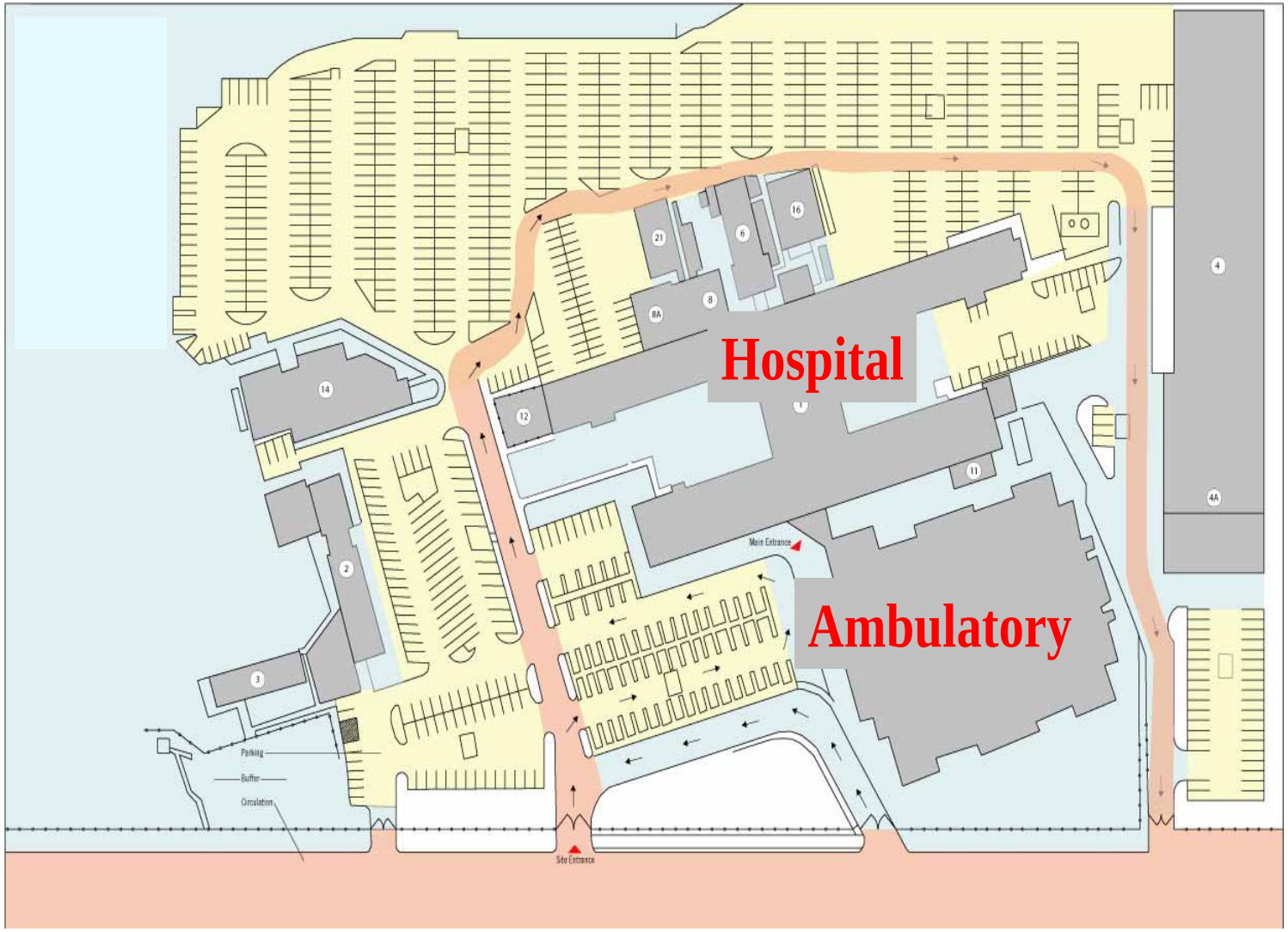
Brooklyn

The Brooklyn site is located on 17.1 acres of land, rectangular in shape, which includes 12 buildings for a total of 898,497 square feet. The main hospital facility is located in Building 1. The site was originally part of Fort Hamilton and was transferred to the VA from the U.S. War Department in 1945. Most of the buildings on the site were constructed over a period of several years, beginning in the early 1950s. The most recent addition is the outpatient clinic completed in 2000, which was structurally designed for two additional floors. With the exception of the recently constructed outpatient building, all buildings on the site that are used for patient care or administration range from poor to fair condition.

There are pockets of vacant space on floors totaling approximately 17,000 square feet and Building 3 is currently vacant. The demolished site is expected to be the location of the new Fisher House. Several floors in the main hospital building are currently undergoing renovation to ensure compliance with the federal American Disability Act and patient privacy statutes. The area available for construction is extensive. However, any construction would displace a portion of the existing 800 parking spaces which are presently in need of expansion. There are no buildings of historic considerations at the Brooklyn VAMC.

The site's primary re-use/redevelopment potential is for residential development (condominiums or apartments.

Figure 1: Site Map for Brooklyn VAMC



Manhattan

The Manhattan VAMC consists of six buildings, including the main hospital facility in Building 1. The buildings within the facility were constructed over a period of several years beginning in the early 1950s, with the most recent addition being the 1992 addition of the outpatient clinic. Unlike the Brooklyn VAMC where the buildings are more dispersed, the facilities at the Manhattan VAMC are all interconnected via above-ground walkways. All buildings used for patient care and administration are in fair to good condition. The good building conditions at the main facility, Building 1, are largely due to an extensive series of capital improvements completed within the past decade. Other ancillary buildings, such as those used for maintenance or storage purposes are in generally good condition. None of the buildings or structures at the Manhattan VAMC are designated as historic on the National Historic Register.

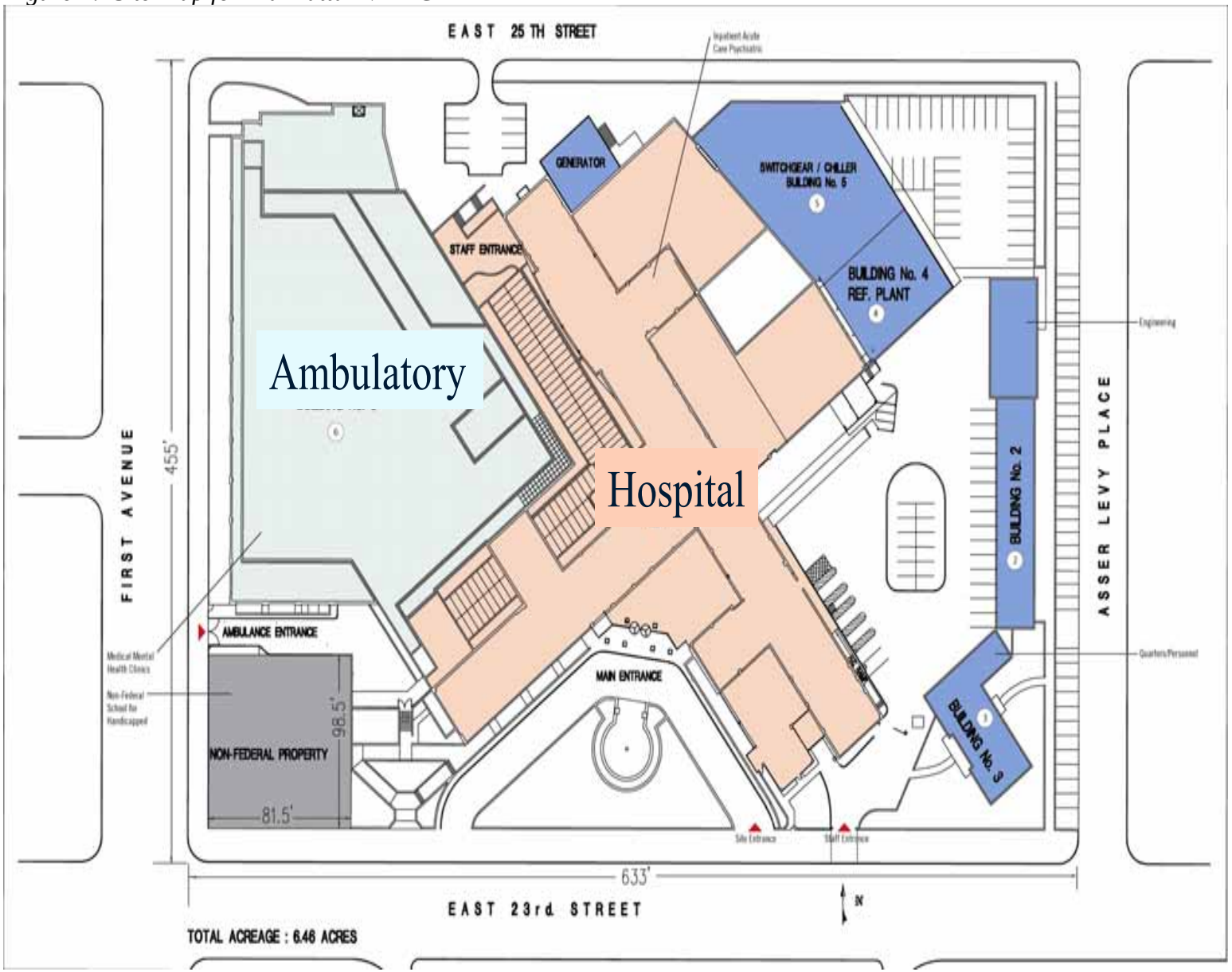
The Manhattan owns and occupies most of the city block on which it is located, but it does not own a small 99 by 80-foot lot that forms the southwest corner of the block. This lot is currently the site of a seven-story school for the handicapped. The Manhattan VAMC is located on a rectangular 6.4 acres of land.

The main building, Building 1 has approximately 25,800 square feet of vacant space. Several spaces are leased to private entities as part of enhanced sharing agreements. Most of this space is currently leased to NYU's Medical School, which is the largest non-VA space user in the facility. Of the 49,000 square feet of outleased space, 96% is occupied by NYU or its affiliates.[2]

The site's primary re-use/redevelopment potential is for residential development (condominiums or apartments).

[2] The outlease figures shown here differ from those in the Capital Planning section. This is due to data uses/sources differences - the Capital Planning figure is from the facility assessment, and is a reflection of the amount of space that would need to be replaced if the service is moved. The Re-Use figure reflects the actual square footage documented in the leases but excludes the square footage associated with nonleasable and common areas.

Figure 2: Site Map for Manhattan VAMC



COMMUNITY INFORMATION

Demographic and Real Estate Trends

Brooklyn

Between 1990 and 2000, Brooklyn's population grew slowly relative to the other four boroughs. According to the US Census Bureau, between 1990 and 2000, Brooklyn's annual population growth rate of 0.7% lagged behind the citywide growth rate of 0.9%.

Brooklyn is also becoming home to a wealthier population. Median household income in Brooklyn increased 3.4% annually between 2000 and 2004 - a rate greater than all boroughs except Manhattan over the same time period. While median household income growth in Brooklyn is forecast to slow down slightly by 2009, it is expected to exceed the growth rate of all boroughs except Staten Island.

Fueled by low interest rates, positive population growth, city-wide policies aimed at significantly expanding the housing stock, the market for both market-rate rental and condominium/co-op housing remains particularly strong in Brooklyn. Increased prices and overall demand for housing in Brooklyn has prompted large expansions in supply. Since 2003, the number of multi-family residential permits issued for Brooklyn has exceeded that of Manhattan. Instead of resulting in a depression of prices, however, the additional supply has been absorbed by demand that far exceeds supply growth. As a result of the rapid price appreciation in the downtown area, many neighborhoods in east and south Brooklyn have become increasingly attractive and have experienced increases in residential market values.

Manhattan

Manhattan is the third most populous borough in New York City. According to the US Census Bureau, between 1990 and 2000, Manhattan's annual population growth rate of 0.3% not only lagged behind Brooklyn but behind the citywide growth rate of 0.9%. Over the same time period, Manhattan's annual household growth rate of 0.3% also lagged behind the citywide average. Despite relatively slow population and household growth, however, Manhattan has attracted a wealthier population than any of the other boroughs.

Manhattan has become home to the city's oldest population as well as its wealthiest. In 2000, Manhattan's median resident age was 35.7 years, second only to Staten Island's median of 35.9. Since 2000, an influx of older residents has caused Manhattan's median age to rise, surpassing Staten Island. According to ESRI Business Solutions, a national provider of demographic forecasts, the median age of a Manhattan resident was estimated to be 36.8 years in 2004, more than two years more than the city-wide median of 34.7 years and greater than that of any other borough. Driven by an aging baby-boomer segment that comprises a large share of the borough's current population, Manhattan's median resident age is forecast to increase to 37.6 years by 2009.

Fueled by low interest rates, positive population growth, and citywide policies aimed at significantly expanding the housing stock, the market for both market-rate rental and condominium/co-op housing remains strong in Manhattan. Several indicators suggest that increased demand is primarily driving price appreciation in the Manhattan residential market.

BUSINESS PLAN OPTION DEVELOPMENT

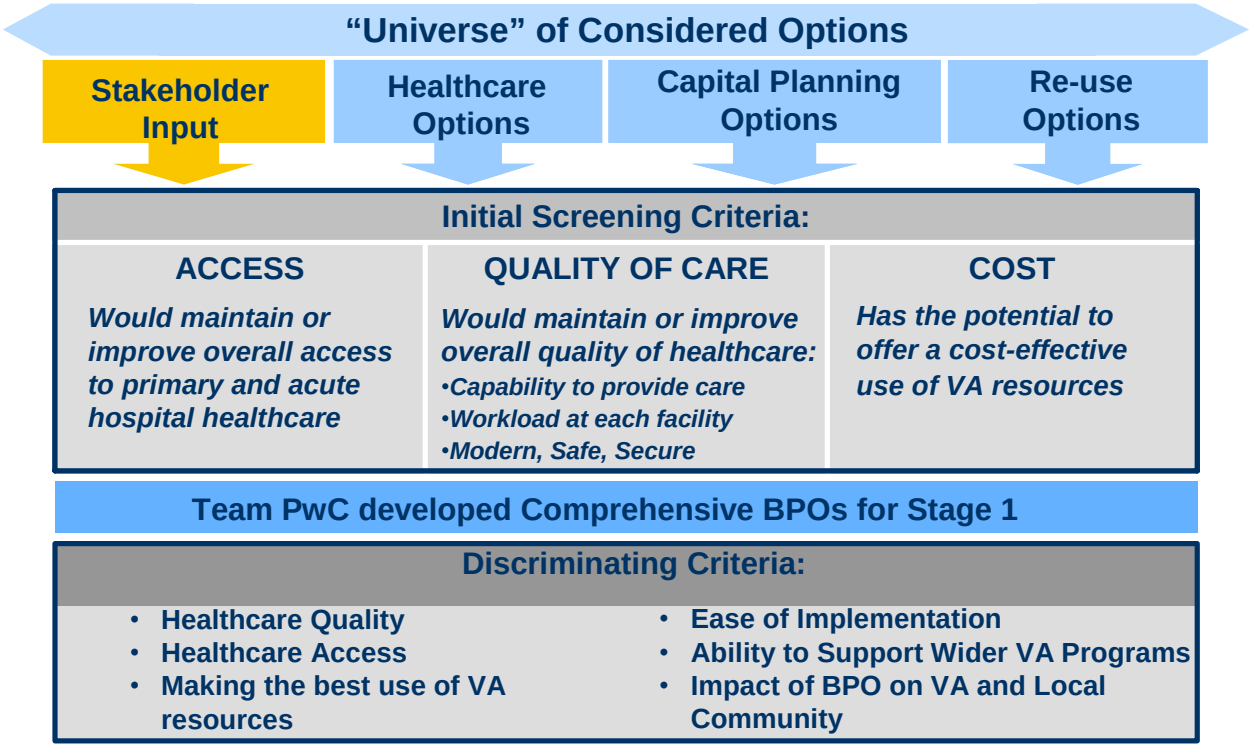
Option Development Process

Team PwC developed a set of comprehensive BPOs to be considered for Brooklyn-Manhattan VAMC. A comprehensive BPO is defined as consisting of a single healthcare option (HC) combined with at least one associated capital planning option (CP) and re-use option (RU). Therefore, the formula for a comprehensive BPO would be:

Comprehensive BPO = HC option + CP option + RU option

A multi-step process was employed in the development and selection of these comprehensive BPOs to be further assessed. Initially, a broad range or "universe" of discrete and credible healthcare and associated capital planning and re-use options were developed by the teams. These options were tested against the agreed-upon initial screening criteria of access, quality, and cost. The healthcare and capital options that passed the initial screenings were then further considered to be potential healthcare and capital options to comprise a comprehensive BPO. All of the comprehensive BPOs were then further assessed at more detailed level according to set of discriminating criteria.

Figure 3: Option Development Process



Stakeholder Concerns

For the Brooklyn-Manhattan CARES Study Site, 3,677 forms of stakeholder input were received between January 1, 2005 and June 30, 2005 including comment forms (paper and electronic), letters, written testimony, oral testimony, and other forms. The greatest amount of written and electronic input was received from VA or medical center employees and veterans.

Stakeholders who submitted written and electronic input indicated that their top concerns were keeping the facility open and the potential effect on the research and educational affiliations of the Brooklyn and Manhattan facilities. Stakeholders who contributed oral testimony at the Local Advisory Panel public meeting shared the concern of keeping the facilities open, as well as concerns regarding access to the facilities in the unique urban environment of New York City, and general support for veterans. Thousands of stakeholders sent in form postcards that asked to keep the Manhattan VAMC open. Additionally, many representatives from the NYU School of Medicine wrote pattern letters expressing the valuable nature of the relationship that NYU shares with the Manhattan VAMC.

Table 2: Definitions of Categories of Stakeholder Concern

Stakeholder Concern	*Definition*
Effect on Access	Involves a concern about traveling to another facility or the location of the present facility.
Maintain Current Service/Facility	General comments related to keeping the facility open and maintaining services at the current site.
Support for Veterans	Concerns about the federal government/VA's obligation to provide health care to current and future veterans.
Effect on Healthcare Services & Providers	Concerns about changing services or providers at a site.
Effect on Local Economy	Concerns about loss of jobs or local economic effects of change.
Use of Facility	Concerns or suggestions related to the use of the land or facility.
Effect on Research & Education	Concerns about the impact a change would have on research or education programs at the facility.
Administration's Budget or Policies	Concerns about the effects of the administration's budget or other policies on health care for veterans.
Unrelated to the Study Objectives	Other comments or concerns that are not specifically related to the study.

Table 3: Written Testimony Key Concerns

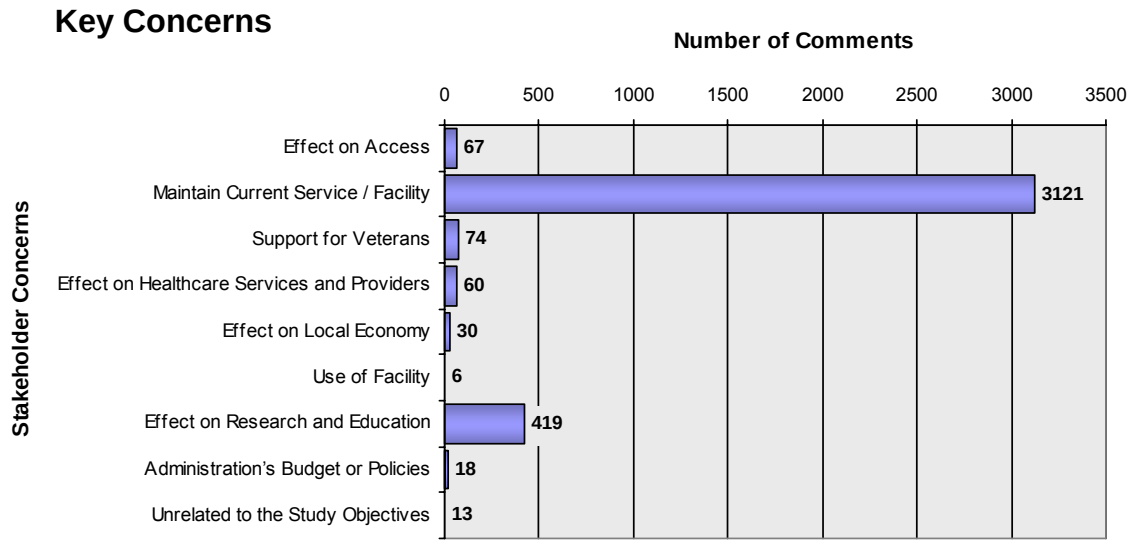
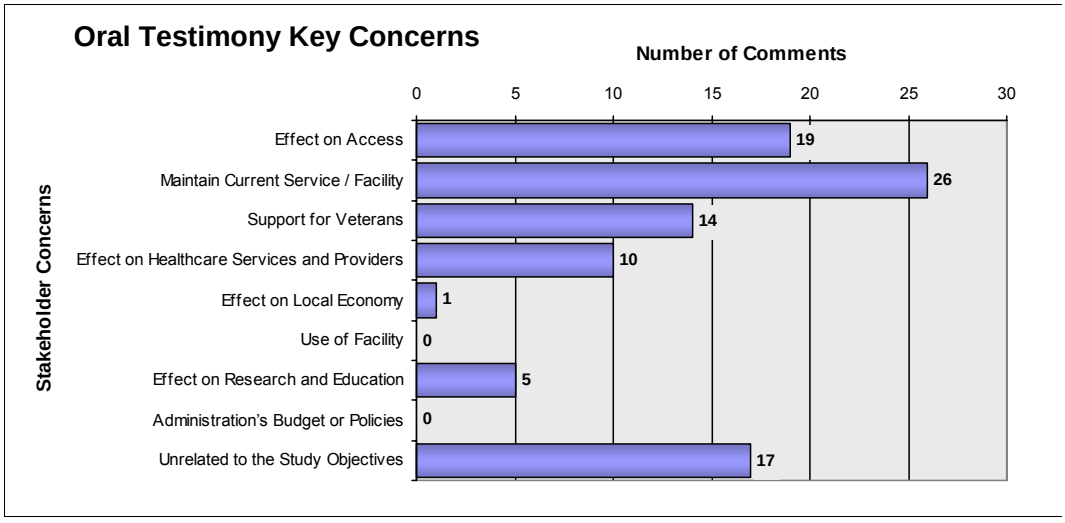


Table 4: Oral Testimony Key Concerns

Analysis of Oral Testimony Input Only (Oral Testimony at LAP Meeting):

The breakout of "Key Stakeholder Concerns" that were expressed during Oral Testimony for the Brooklyn/Manhattan study site is as follows*:



* Note that totals reflect the number of times a "key concern" was raised by a stakeholder. If one stakeholder addressed multiple "key concerns", each concern is included in the totals.

COMPREHENSIVE BUSINESS PLAN OPTIONS

Baseline Option

The Baseline is the BPO under which there would not be significant changes in either the location or type of services provided in the study site. In the Baseline BPO, the Secretary's Decision and forecasted long-term healthcare demand forecasts and trends, as indicated by the demand forecasted for 2023, are applied to the current healthcare provision solution for the study site.

Specifically, the Baseline BPO is characterized by the following:

- Healthcare continues to be provided as currently delivered, except to the extent healthcare volumes for particular procedures fall below key quality or cost effectiveness threshold levels.
- Capital planning costs allow for current facilities to receive such investment as is required to rectify any material deficiencies (e.g., in safety or security) such that they would provide a safe healthcare delivery environment as required in the Secretary's Decision.
- Life Cycle capital planning costs allow for on-going preventative maintenance and life-cycle maintenance of major and minor building elements.

Therefore, the Baseline is the current state projected out to 2013 and 2023 without any changes to facilities or programs but accounting for projected utilization changes, and assuming same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment.

For the Brooklyn VAMC, all existing services will be sustained and right-sized to meet 2023 utilization and service requirements. All services will consolidate into the existing buildings with approximately 187,000 square feet of unused space. Medium to low complexity renovations will be performed and two buildings will be demolished.

For the Manhattan VAMC, all existing services will be sustained and right-sized to meet 2023 utilization and service requirements. All services will consolidate into the existing buildings with 310,000 square feet of unused space. Phased renovations will be performed and two buildings demolished.

Options Not Selected for Assessment

The following options were considered, but were not selected for assessment as a component of a comprehensive BPO.

Note: the reader will see several options where full consolidation at either the Brooklyn VAMC, Manhattan VAMC, or indeed a new VAMC in either borough was not selected for assessment. This does not mean that all options to accomplish a consolidation have been ruled out – however, based on the initial screening, many options to consolidate failed the screening criteria.

Table 5: Options Not Selected for Assessment

Label	Description	Screening Results
Consolidate at Manhattan VAMC Site	Brooklyn: Vacate the Brooklyn VAMC completely. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to medium. New construction of a 416,000 square foot building would be required to accommodate all services on this VAMC. Demolition of buildings 2 (Engineering) and 3 (Quarters) required.	This Option would completely consolidate the Brooklyn and Manhattan VAMCs at the current Manhattan VAMC site. It fails due to lack of facility capacity. The entirety of the facilities cannot be consolidated without the acquisition of additional adjacent buildings and land.
Consolidate at Brooklyn VAMC	Brooklyn: Phased renovation of the existing buildings at the Brooklyn VAMC would be required. The level of complexity required would be low to medium. New construction would be required to accommodate more services on this VAMC. There is the potential to build two floors on top of the new Outpatient Building which would create 78,000 of additional square feet. In addition, a new building of 553,000 square feet is added to accommodate the projected needs. Demolition of Buildings 2 and 3 would be required to allow space for the new building. Manhattan: Vacate the Manhattan VAMC completely.	This BPO fails due to lack of facility capacity in addition to concerns about access. The Brooklyn VAMC cannot reasonably accommodate the entirety of the two sites without extensive new construction nearly approaching the current VAMC in terms of size. In addition, without additional investment in the borough of Manhattan, ambulatory access will be insufficient.

Label	Description	Screening Results
Consolidate at Brooklyn VAMC site and Expand Harlem CBOC	Brooklyn: Phased renovation of the existing buildings at the Brooklyn VAMC would be required. The level of complexity required would be low to high. New construction would be required to accommodate more services on this VAMC. There is the potential to build 2 floors on top of the new Outpatient Building which would create 78,000 of additional square feet. In addition, a new building of 534,000 square feet is added to accommodate the projected needs. Demolition of Buildings 2 and 3 would be required to allow space for the new building. Manhattan: Vacate the Manhattan VAMC completely. CBOCs: Expand the Harlem facility by 24,000 square feet.	This BPO does not quite fail on capacity, but to maintain or improve access for patients from Manhattan more than one CBOC must be expanded.
Consolidate at Brooklyn VAMC and expand SoHo CBOC	Brooklyn: Phased renovation of the existing buildings at the Brooklyn VAMC would be required. The level of complexity required would be low to high. New construction would be required to accommodate more services on this VAMC. There is the potential to build 2 floors on top of the new Outpatient Building which would create 78,000 additional square feet. In addition, we a new building of 534,000 square feet is added to accommodate the projected needs. Demolition of Buildings 2 and 3 would be required to allow space for the new building. Manhattan: Vacate the Manhattan VAMC completely. CBOCs: Expand the SoHo facility by 19,000 square feet.	This BPO does not quite fail on capacity, but to maintain or improve access for patients from Manhattan more than one CBOC must be expanded.

Label	Description	Screening Results
Consolidate at Manhattan VAMC and maintain a large CBOC at Brooklyn VAMC	Brooklyn: Vacate the Brooklyn VAMC except for the CBOC at Poly Place (Brooklyn VAMC Site). Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to medium. New construction of a 309,000 square foot building would be required to accommodate all services on this VAMC. Demolition of buildings 2 (Engineering) and 3 (Quarters) required.	This BPO fails as the Manhattan VAMC cannot be expanded to accommodate the volume. In addition access for ambulatory patients from Brooklyn is not sustained.
Consolidate at Manhattan VAMC and develop a CBOC at Borough Hall	Brooklyn: Vacate the Brooklyn VAMC completely. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to medium. New construction of a 345,000 square foot building would be required to accommodate all services on this VAMC. Demolition of buildings 2 (Engineering) and 3 (Quarters) required. CBOCs: Construct or lease a CBOC (70,000 square feet) at Borough Hall in Brooklyn.	This BPOs fails as the Manhattan VAMC cannot be expanded to accommodate the volume. In addition access for ambulatory patients from Brooklyn is not sustained.
Consolidate at Manhattan VAMC and expand Chapel Street CBOC	Brooklyn: Vacate the Brooklyn VAMC. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to high. New construction of a 346,000 square foot building would be required to accommodate all services on this VAMC. Demolition of buildings 2 (Engineering) and 3 (Quarters) required. CBOCs: Construct or lease a CBOC (70,000 square feet) at Chapel Street in Brooklyn.	This BPO fails as the Manhattan VAMC cannot be expanded to accommodate the volume. In addition access for ambulatory patients from Brooklyn is not sustained.

Label	Description	Screening Results
Consolidate at Manhattan VAMC and create a new Queens CBOC	Brooklyn: Vacate the Brooklyn VAMC completely. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to high. New construction of a 345,000 square foot building would be required to accommodate all services on this VAMC. Demolition of buildings 2 (Engineering) and 3 (Quarters) required. CBOCs: Construct or lease a CBOC (43,000 square feet) in Queens.	This BPO fails as the Manhattan VAMC cannot be expanded to accommodate the volume. In addition access for ambulatory patients from Brooklyn is not sustained.
Convert Brooklyn VAMC to Medical/Surgical, Manhattan VAMC to Psychiatric/Behavioral	Brooklyn: Phased renovations of the existing buildings at the VAMC. New construction of a 93,000 square foot building would be required to accommodate the shift in services between the VAMCs. Buildings 2 and 3 at the Brooklyn VAMC will need to be demolished. Manhattan: Phased renovation of the existing buildings. There will be 614,000 square feet of unused space at the Manhattan VAMC.	This BPO fails on a relative basis. In a split by Medical/Surgical vs. Psychiatry/Behavioral Health the logical split is the converse – Medical/Surgical to Manhattan. This is associated with sustaining or enhancing current quality. In addition, the Manhattan VAMC is grossly underutilized.
Service Line Consolidation -- Cardiology/Orthopedics/Surgery to Brooklyn VAMC and Oncology/Women's Health to Manhattan VAMC	Ruled out prior to study of capital requirements. Does not sustain or enhance healthcare services.	This BPO would require, at a minimum, the movement of Centers of Excellence from Manhattan to Brooklyn (in Cardiac/Thoracic Surgery) and Specialty Centers from Brooklyn to Manhattan (in Oncology). This movement is not likely to occur without loss of the supporting affiliates. Loss of these affiliates would reduce quality.
Medical/Surgical Split (Brooklyn VAMC: Medical, Manhattan VAMC: Surgical)	Brooklyn: Phased renovation of the existing buildings. There will be 94,000 square feet of unused space at the Brooklyn VAMC. Buildings 2 and 3 on the Brooklyn VAMC will need to be demolished in part to make way for the Fisher House. Manhattan: Phased renovation of the existing buildings. There will be 378,000 square feet of unused space at the Manhattan VAMC.	This BPO fails quality. The potential to sustain or enhance current quality levels under a split of medicine vs. surgery by VAMC is remote.

Label	Description	Screening Results
Medical/Surgical Split (Brooklyn VAMC: Surgical, Manhattan VAMC: Medical)	Brooklyn: Phased renovation of the existing buildings. There will be 228,000 square feet of unused space at the Brooklyn VAMC. Buildings 2 and 3 on the Brooklyn VAMC will need to be demolished in part to make way for the Fisher House. Manhattan: Phased renovation of the existing buildings. There will be 245,000 square feet of unused space at the Manhattan VAMC.	This BPO fails quality. The potential to sustain or enhance current quality levels under a split of medicine vs. surgery by VAMC is remote.
Incremental Realignment	Brooklyn: Phased renovation of the existing buildings. There will be 156,000 square feet of unused space at the Brooklyn VAMC. Buildings 2 and 3 on the Brooklyn VAMC will need to be demolished in part to make way for the Fisher House. Manhattan: Phased renovation of the existing buildings. There will be 308,000 square feet of unused space at the Manhattan VAMC.	This BPO does not have the potential enhancements of efficiency (cost) and access as a comparable BPO, HC-6B/CP-F2, which is retained for further assessment.
New Consolidated VAMC in Manhattan	Brooklyn: completely vacate VAMC. Manhattan: completely vacate VAMC. Relocate to a new VAMC and construct a 1,456,000 square foot building on a new site to accommodate all services.	This BPO fails on both cost (prohibitively expense to develop the new facility in the borough of Manhattan – excluding Harlem, but locating the new facility there is not complementary to the Bronx VA) and access (Manhattan has the second-lowest density of enrolled veterans).
New Consolidated VAMC in Brooklyn	Brooklyn: completely vacate VAMC and relocate to a new VAMC and construct a 1,456,000 square foot building on a new site to accommodate all services. Manhattan: completely vacate VAMC.	This BPO fails on access (without additional investments in CBOCs as included in HC-8C/CP-H1C) current access is not sustained.

Label	Description	Screening Results
New Consolidated VAMC in Queens with Expansion of CBOCs	Brooklyn: completely vacate VAMC. Manhattan: completely vacate VAMC. Queens: Construct a new 1,456,000 square foot building on a new site to accommodate all services. CBOCs: Construct or lease a CBOC (121,000 square feet) in Queens and a CBOC (77,000 square feet) at Borough Hall in Brooklyn.	This Option would have replaced both the existing Manhattan and Brooklyn VAMCs in a new VAMC in the borough of Queens. It fails on a cost basis, as the proceeds from potential re-use do not appear sufficient to cover the cost of land acquisition and development in the borough of Queens for the multitude of sites required in the BPO. BPO HC-8C/CP-G1A is a more cost-effective demonstration of this idea and is retained for assessment.
New Consolidated VAMC in Manhattan with Expansion of CBOCs	Brooklyn: completely vacate VAMC. Manhattan: completely vacate VAMC. Relocate to a new VAMC and construct a 1,456,000 square foot building on a new site to accommodate all services. CBOCs: Construct or lease a CBOC (121,000 square feet) in Queens and a CBOC (77,000 square feet) at Borough Hall in Brooklyn.	This Option would have replaced both the existing Manhattan and Brooklyn VAMCs in a new VAMC in the borough of Manhattan. It fails on a cost basis, as the proceeds from potential re-use do not appear sufficient to cover the cost of land acquisition and development in the borough of Manhattan. In addition based on projected enrollment by sector, the consolidated facility would be in the borough with the second-lowest density of veterans (lowest is Staten Island).
Consolidate at Manhattan VAMC. Contract for Brooklyn's Specialty Centers	Ruled out prior to study of capital requirements. Does not sustain or enhance healthcare services. Is not consistent with Secretary's Decision.	This Option is not consistent with the Secretary's Decision. In addition this contracting would likely increase total cost of care as the consolidated VAMC in Manhattan would still be required to carry all of a tertiary medical centers' infrastructure.
Consolidate at Manhattan VAMC. Contract for Brooklyn's Specialty Centers and Selected Specialties	Ruled out prior to study of capital requirements. Does not sustain or enhance healthcare services. Is not consistent with Secretary's Decision.	This Option is not consistent with the Secretary's Decision. In addition this contracting would likely increase total cost of care as the consolidated VAMC in Manhattan would still be required to carry all of a tertiary medical centers' infrastructure.

Label	Description	Screening Results
Consolidate at Brooklyn VAMC. Contract for Manhattan Centers of Excellence	Ruled out prior to study of capital requirements. Does not sustain or enhance healthcare services. Is not consistent with Secretary's Decision.	This Option is not consistent with the Secretary's Decision. In addition this contracting would likely increase total cost of care as the consolidated VAMC in Brooklyn would still be required to carry all of a tertiary medical centers' infrastructure.
Consolidate at Brooklyn VAMC. Contract for Manhattan Centers of Excellence and Selected Specialties	Ruled out prior to study of capital requirements. Does not sustain or enhance healthcare services. Is not consistent with Secretary's Decision.	This Option is not consistent with the Secretary's Decision. In addition this contracting would likely increase total cost of care as the consolidated VAMC in Brooklyn would still be required to carry all of a tertiary medical centers' infrastructure.

Comprehensive BPOs To Be Assessed in Stage I

The comprehensive BPOs incorporate healthcare, capital, and re-use option components as previously described. The combinations of healthcare, capital and re-use options were formulated in order to arrive at the most appropriate options for the site. The following describes each of the BPOs and the support for the selection of the BPOs.

Table 6: Comprehensive BPOs to be Assessed in Stage I

BPO Designation	Label	Description	Support for BPO
BPO 1 **Comprising:** **HC-1/CP-A1**	Baseline	Current state projected out to 2013 and 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality and necessary maintenance for a safe, secure, and modern healthcare environment. Brooklyn: Sustain all existing services and right-size to meet 2023 utilization and service requirements. All services will consolidate into the existing buildings with approximately 187,000 square feet of unused space. Manhattan: Sustain all existing services and right-size to meet 2023 utilization and service requirements. All services will consolidate into the existing buildings with 310,000 square feet of unused space. Renovate the buildings in phased renovations.	▪ Adequate square footage exists within the current Manhattan VAMC to accommodate future volumes for Manhattan through the year 2023. ▪ At Manhattan, costs are lower since this option does not require any new construction, but it does require phased renovations. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow. This affiliation provides the VA with quality faculty and staff. The Centers of Excellence are dependent on the affiliate relationship. The Centers include Cardiac Surgery, Rehab Medicine, Dialysis, HIV/AIDS. Manhattan also has the largest AIDS program in the VA system. ▪ Adequate square footage exists within the current Brooklyn VAMC to accommodate future volumes for Brooklyn through the year 2023. ▪ At Brooklyn, costs are less since this option does not require any new construction, but it does require extensive phased renovations (with the exception of the relatively recently constructed outpatient addition). ▪ The affiliation of the Brooklyn VAMC with SUNY would continue and grow. This affiliation provides the VA with quality faculty and staff. Specifically, the Specialty Centers of Cancer Care and Non-Invasive Cardiology is an important relationship with SUNY.

BPO Designation	Label	Description	Support for BPO
BPO 2 **Comprising:** **HC-2D/CP-B1D/RU-1**	Consolidate at Brooklyn VAMC and expand Harlem and SoHo CBOCs	Consolidate all existing Manhattan and Brooklyn services at Brooklyn VAMC Site. *Exception:* expand both the Harlem and SoHo CBOCs to provide additional ambulatory services in Eye Clinic, Podiatry, Plastic Surgery, Neurosurgery and Mental Health. Brooklyn: Phased renovation of the existing buildings at the Brooklyn VAMC would be required. The level of complexity required would be low to medium. New construction of a 185,000 square foot building would be required to accommodate all services on this VAMC. Demolition of Buildings 2 and 3 would be required to allow space for the new VA medical facilities. Manhattan: Vacate the Manhattan VAMC completely. CBOCs: Expand the Harlem facility by 24,000 square feet and the SoHo facility by 19,000 square feet respectively.	▪ By consolidating the VAMCs, the size of support square footage can be reduced due to better efficiency. ▪ This option involves moving some of the Outpatient Services from the Manhattan VAMCs and expanding them into both the Harlem and SoHo CBOCs. ▪ The affiliation of the Brooklyn VAMC with the SUNY would continue and grow. This affiliation provides the VA with quality faculty and staff. Specifically, the Specialty Centers of Cancer Care and Non-Invasive Cardiology is an important relationship with SUNY. ▪ This option would create a 550,000 square foot parking structure which would help satisfy the parking demand. ▪ The entire Manhattan VAMC is made available for re-use/redevelopment.
BPO 3 **Comprising:** **HC-2J/CP-B2F/RU-2**	Consolidate at Manhattan VAMC; develop a new Queens CBOC and a new Borough Hall CBOC.	Consolidate all existing Manhattan and Brooklyn services at the Manhattan VAMC Site. *Exception:* develop a new Queens CBOC and a new Borough Hall CBOC. The CBOCs would each offer ambulatory Eye Clinic, Primary Care, X-ray, and Mental Health. Brooklyn: Vacate the Brooklyn VAMC completely. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to high. New construction of a 345,000 square foot building would be required to	▪ By consolidating the VAMCs, the size of the support square footage can be reduced. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow. This affiliation provides the VA with quality faculty and staff. The Centers include Cardiac Surgery, Rehab Medicine, Dialysis, HIV/AIDS. Manhattan also has the largest AIDS program in the VA system.. ▪ The Brooklyn VAMC will be available for re-use/redevelopment. ▪ The Manhattan VAMC is easily reached via public transportation by veterans throughout the New York metropolitan area and throughout the VISN. Veterans are referred

BPO Designation	Label	Description	Support for BPO
		accommodate all services on this VAMC. Demolition of Buildings 2 (Engineering) and 3 (Quarters) required. CBOCs: Construct or lease a CBOC (43,000 square feet) in Queens and a CBOC (70,000 square feet) at Borough Hall in Brooklyn.	to the Manhattan VAMC from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ The Borough Hall area is easily reached via public transportation throughout the New York metropolitan area.
BPO 4 **Comprising: HC-2K/CP-B3/RU-2**	Consolidate Inpatient and limited Ambulatory at Manhattan VAMC; retain Brooklyn Ambulatory; develop a new Queens CBOC and a new Borough Hall CBOC.	Consolidate all existing inpatient services from Manhattan and Brooklyn services at the Manhattan VAMC Site plus two major clinical service lines (Cardiology and Oncology). *Exceptions:* other ambulatory services would be distributed to existing CBOCs plus a new Queens CBOC and a new Borough Hall CBOC. The new CBOCs would each offer ambulatory Eye Clinic, Primary Care, X-ray, and Mental Health. Brooklyn: Vacate the Brooklyn VAMC completely with the exception of the Ambulatory Services pavilion. Manhattan: Phased renovation of the existing buildings on the Manhattan VAMC would be required. The level of complexity required would be low to high. No new construction would be required for this option. CBOCs: Construct or lease a CBOC (43,000 square feet) in Queens and a CBOC (70,000 square feet) at Borough Hall in Brooklyn.	▪ By consolidating the VAMCs, the size of the support square footage can be reduced. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow. This affiliation provides the VA with quality faculty and staff. The Centers of Excellence and key specialties are dependent on the affiliate relationship. The Centers include Cardiac Surgery, Rehab Medicine, Dialysis, HIV/AIDS. Manhattan also has the largest AIDS program in the VA system. ▪ The majority of the Brooklyn VAMC will be available for re-use/redevelopment. ▪ The Manhattan VAMC is easily reached via public transportation by veterans throughout the New York metropolitan area and throughout the VISN. Veterans are referred to the Manhattan VAMC from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ A significant ambulatory service presence is retained in Brooklyn, using the most modern facilities on the site. ▪ The Borough Hall area is easily reached via public transportation throughout the New York Metropolitan area.

BPO 5 **Comprising:** **HC-3B/CP-C1B**	Convert Manhattan VAMC to Medical/Surgical Only, Brooklyn VAMC to Psychiatric/Behavioral Health.	Convert Manhattan to Medical/Surgical only; convert Brooklyn to Psychiatric/Behavioral Health. Brooklyn: Phased renovations of the existing buildings. There will be 471,000 square feet of unused space at the Brooklyn VAMC. Building 3 on the Brooklyn VAMC will need to be demolished for the Fisher House. Building 2 would be vacated or demolished as it would be surplus space. Manhattan: Phased renovation of the existing buildings. There will be 22,000 square feet of unused space at the Manhattan VAMC. Buildings 2 and 3 would need to be demolished for new VA medical facilities.	▪ Services will fit in their respective VAMC without the need for new construction. However, phased renovations from low to high complexity will be required on both VAMCs. ▪ The split in services would allow the VAMCs to be specialized in enhancing or creating Specialty Centers. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow – except for Psychiatry, which would be significantly impacted. This affiliation provides the VA with quality faculty and staff. The Centers of Excellence are dependent on the affiliate relationship. ▪ The Center of Excellence for Cardiac Surgery would stay in Manhattan. The program would continue its affiliation with NYU, which currently includes shared staff, training, and research. The program is the referral center for cardiology services throughout the VISN and from other VA facilities, including ones in Pennsylvania. ▪ The Manhattan VAMC is easily reached via public transportation by veterans throughout the New York metropolitan area and throughout the VISN. Veterans are referred to the Manhattan VAMC from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ The Specialty Centers of Cancer Care and Non-Invasive Cardiology would move to the Manhattan VAMC. ▪ The remainder of the Manhattan and Brooklyn VAMCs will be available for lease
BPO 6	Service Line Consolidation	Service Line Consolidation – Inpatient and Ambulatory Cardiology / Orthopedics / Surgery / Women's Health to Manhattan VAMC. Inpatient	▪ This option is more cost effective because the consolidation in services would fit in the respective VAMC without the need for new

Comprising: **HC-4A/CP -D1**		and Ambulatory Oncology Health to Brooklyn VAMC. Brooklyn: Phased renovation of the existing buildings. There will be 315,000 square feet of unused space at the Brooklyn VAMC. Building 3 on the Brooklyn VAMC will need to be demolished for the Fisher House. Building 2 would be vacated or demolished as it would be surplus space. Manhattan: Phased renovation of the existing buildings. There will be 161,000 square feet of unused space at the Manhattan VAMC. Buildings 2 and 3 would need to be demolished for new VA medical facilities.	construction. ▪ The consolidation of services would allow the VAMCs to specialize in enhancing or creating Specialty Centers. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow. This affiliation provides the VA with quality faculty and staff. The Centers of Excellence are dependent on the affiliate relationship. ▪ The Manhattan VAMC is easily reached via public transportation by veterans throughout the New York Metropolitan area and throughout the VISN. Veterans are referred to the Manhattan VAMC from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ The Specialty Centers of Cancer Care and Non-Invasive Cardiology would move to the Manhattan VAMC. ▪ Portions of the Brooklyn and Manhattan VAMCs would be available for re-use/redevelopment. ▪ Preserves synergy of specialty services and maintains relationships.
BPO 7 **Comprising:** **HC-6B/CP-F2**	Incremental Realignment	Incremental Realignment with CBOC Expansions. Continue historic path of incremental change with consolidations of services where critical mass of volume exists. However, also embark on an expansion of CBOC locations with new facilities in Queens and Brooklyn and expansions of service offerings at Harlem and Chapel Street locations. Brooklyn: Phased renovation of the existing buildings. There will be 221,000 square feet of unused space at the Brooklyn VAMC. Building 3 on the Brooklyn VAMC will need to be demolished for the Fisher House. Building 2 would be vacated or demolished as it would be surplus space.	▪ Services will fit in their respective VAMC without the need for new construction. However, phased renovations from low to high complexity will be required on both VAMCs. ▪ The split in services would allow the VAMCs to specialize in enhancing or creating Specialty Centers. ▪ The affiliation of the Manhattan VAMC with NYU would continue and grow. This affiliation provides the VA with quality faculty and staff. The Centers of Excellence are dependent on the affiliate relationship. ▪ Adequate square footage exists within the current VAMC to accommodate future

		Manhattan: Phased renovation of the existing buildings. There will be 375,000 square feet of unused space at the Manhattan VAMC. Buildings 2 and 3 would need to be demolished for new VA medical facilities. CBOCs: Construct or lease a CBOC (43,000 square feet) in Queens and a CBOC (70,000 square feet) at Borough Hall in Brooklyn.	volumes for this option on the Brooklyn and Manhattan VAMCs through the year 2023. There is no significant change to service at these VAMCs. ▪ The Manhattan VAMC is easily reached via public transportation by veterans throughout the New York Metropolitan area and throughout the VISN. Veterans are referred to the Manhattan VAMC from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ The affiliation of the Brooklyn VAMC with SUNY would continue and grow. This affiliation provides the VA with quality faculty and staff. Specifically, the Specialty Centers of Cancer Care and Non-Invasive Cardiology is an important relationship with SUNY.
BPO 8 **Comprising: HC-7A/CP-G1A/RU-3**	New Consolidated VAMC in Queens	Consolidate all existing Manhattan and Brooklyn services at a new VAMC in Queens. Brooklyn: Completely vacate VAMC. Manhattan: Completely vacate VAMC. Queens: Construct a new 1,456,000 square foot building on a new site to accommodate all services.	▪ The new VAMC would need to be carefully located to provide easy access via public transportation for veterans throughout the New York Metropolitan area and throughout the VISN. Veterans are currently referred to the Manhattan and Brooklyn VAMCs from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ At least 20 acres would be needed. ▪ Similarly, the location would need to be carefully located to attempt to sustain the affiliations with NYU and SUNY. ▪ The entirety of the current Manhattan and Brooklyn VAMCs will be available for re-use/redevelopment.
BPO 9 **Comprising:**	New Consolidated VAMC in Brooklyn	Consolidate all existing Manhattan and Brooklyn services at a new VAMC site in Brooklyn. In addition new CBOCs would be created in Brooklyn (Borough Hall) and Queens. The new	▪ The new VAMC would need to be carefully located to provide easy access via public transportation for veterans throughout the New York Metropolitan area and throughout

HC-8C/CP-H1C/RU-3		CBOCs would offer ambulatory Cardiology, Eye Clinic, Diabetes, Dermatology, Oncology, Pain Clinic, Primary Care, X-ray, Podiatry, Plastic Surgery, Neurosurgery, Urology, Mental Health Clinic, Homeless Mental Health, Methadone Treatment, and Work Therapy. Brooklyn: Completely vacate VAMC and relocate to a new VAMC and construct a 1,456,000 square foot building on a new site to accommodate all services. Manhattan: Completely vacate VAMC. CBOCs: Construct or lease a CBOC (121,000 square feet) in Queens and a CBOC (77,000 square feet) at Borough Hall in Brooklyn.	the VISN. Veterans are currently referred to the Manhattan and Brooklyn VAMCs from Brooklyn, St. Albans, the Bronx, and other VA facilities, including ones in Pennsylvania. ▪ At least 20 acres would be needed ▪ Similarly, the location would need to be carefully located to attempt to sustain the affiliations with NYU and SUNY. ▪ The entirety of the current Manhattan and Brooklyn VAMCs will be available for re-use/redevelopment

ASSESSMENT SUMMARY

Table 6: BPO Assessment Summary

	BPO Designation							
	BPO 2	**BPO 3**	**BPO 4**	**BPO 5**	**BPO 6**	**BPO 7**	**BPO 8**	**BPO 9**
Assessment Summary	**HC-2D / CP-B1D / RU-1**	**HC-2J/ CP-B2F / RU-2**	**HC-2K / CP-B3 / RU-2**	**HC-3B / CP-C1B**	**HC-4A / CP-D1**	**HC-6B / CP-F2**	**HC-7A / CP-G1A / RU-3**	**HC-8C/ CP-H1C / RU-3**
Healthcare Access								
Primary	↔	↔	↔	↔	↔	↔	↔	↔
Acute	↔	↔	↔	↔	↔	↔	↔	↔
Tertiary	↔	↔	↔	↔	↔	↔	↔	↔
Healthcare Quality								
Quality of medical services	↔	↔	↔	↔	↔	↔	↔	↔
Modern, safe, and secure environment	↑	↑	↑	↑	↑	↑	↑	↑
Meets forecasted need	↔	↔	↔	↔	↔	↔	↔	↔
Impact on VA and Local Community								
Human Resources:								
FTEE need (based on volume)	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease
Recruitment / retention	↓	↓	↓	↔	↔	↔	↓	↔
Research	↓	↔	↔	↔	↔	↔	↓	↓
Education and Academic Affiliations	↓	↓	↔	↔	↔	↔	↓	↓
Local Community	↓	↓	↓	↔	↔	↔	↓	↓
Cost Effectiveness								
Operating cost effectiveness	↑	-	-	-	↑	↑	↑	↑
Level of capital expenditure anticipated	-	↓↓	↓↓	-	-	↓↓	↓↓	↓↓
Level of re-use proceeds	↑↑↑	↑	↑	-	-	-	↑↑↑	↑↑↑
Cost avoidance opportunities	-	-	-	-	-	-	↑↑	↑↑

	BPO Designation							
	BPO 2	**BPO 3**	**BPO 4**	**BPO 5**	**BPO 6**	**BPO 7**	**BPO 8**	**BPO 9**
Assessment Summary	**HC-2D / CP-B1D / RU-1**	**HC-2J/ CP-B2F / RU-2**	**HC-2K / CP-B3 / RU-2**	**HC-3B / CP-C1B**	**HC-4A / CP-D1**	**HC-6B / CP-F2**	**HC-7A / CP-G1A / RU-3**	**HC-8C/ CP-H1C / RU-3**
Overall cost effectiveness	↑↑	-	-	-	-	-	↑	↑
Ease of Implementation								
Ability to maintain uninterrupted care	↔	↔	↔	↔	↔	↔	↑	↑
Riskiness of BPO implementation	↓	↓	↓	↔	↔	↔	↓	↓
Wider VA Program Support								
DoD sharing	↔	↓	↓	↔	↔	↔	↓	↔
One-VA Integration	↔	↔	↔	↔	↔	↔	↔	↔
Special Considerations	↔	↔	↔	↔	↔	↔	↔	↔

Evaluation System

The evaluation system below is used to compare BPOs to the Baseline BPO.

Rating for all categories except cost and overall evaluation	
↑	The BPO has the potential to provide a slightly improved state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc.)
↔	The BPO has the potential to provide materially the state as the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc.)
↓	The BPO has the potential to provide a slightly lower or reduced state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc.).
Operating cost effectiveness (based on results of initial healthcare/operating costs)	
↑↑↑	The BPO has the potential to provide significant recurring operating cost savings compared to the Baseline BPO (>15%)
↑↑	The BPO has the potential to provide significant recurring operating cost savings compared to the Baseline BPO (>10%)
↑	The BPO has the potential to provide some recurring operating cost savings compared to the Baseline BPO (5%)
-	The BPO has the potential to require materially the same operating costs as the Baseline BPO (+/- 5%)
↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>5%)
↓↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>10%)
↓↓↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>15%)
Level of capital expenditure anticipated (based on results of initial capital planning costs)	
↓↓↓↓	Very significant investment required relative to the Baseline BPO (≥ 200%)
↓↓	Significant investment required relative to the Baseline BPO (121% to 199%)
-	Similar level of investment required relative to the Baseline BPO (80% to 120% of Baseline)
↑↑	Reduced level of investment required relative to the Baseline BPO (40%-80%)
↑↑↑↑	Almost no investment required (≤ 39%)
Cost avoidance (based on comparison to Baseline BPO)	
-	No cost avoidance opportunity
↑↑	Significant savings in necessary capital investment in the Baseline BPO
↑↑↑↑	Very significant savings in essential capital investment in the Baseline BPO
Overall Cost effectiveness (based on initial NPC calculations)	
↓↓↓↓	Very significantly higher Net Present Cost relative to the Baseline BPO (>1.15 times)
↓↓	Significantly higher Net Present Cost relative to the Baseline BPO (1.10 – 1.15 times)
↓	Higher Net Present Cost relative to the Baseline BPO (1.05 – 1.09 times)
-	Similar level of Net Present Cost compared to the baseline (+/- 5% of Baseline)
↑	Lower Net Present Cost relative to the baseline (90-95% of Baseline)
↑↑	Significantly lower Net Present Cost relative to the Baseline BPO (85-90% of Baseline)
↑↑↑↑	Very significantly lower Net Present Cost relative to the Baseline BPO (<85% of Baseline)

Acronyms

AMB	Ambulatory
BPO	Business Plan Option
CBOC	Community Based Outpatient Clinic
CIC	CARES Implementation Category
DoD	Department of Defense
IP	Inpatient
LAP	Local Advisory Panel
OP	Outpatient
MH	Mental Health
VA	Department of Veterans Affairs
VACO	VA Central Office
VAMC	Veterans Affairs Medical Center
VISN	Veterans Integrated Service Network

Definitions

Access Guidelines – Minimum percentage of enrollees living within a specific travel time to obtain VA care. For the CARES process, guidelines were defined as follows:

> *Access to Primary Care*: 70 percent of veterans in urban and rural communities must be within 30 minutes of primary care; for highly rural areas, this requirement is within 60 minutes.
>
> *Access to Hospital Care*: 65 percent of veterans in urban communities must be within 60 minutes of hospital care; for rural areas, this requirement is within 90 minutes; and for highly rural areas, this requirement is within 120 minutes.
>
> *Access to Tertiary Care*: 65 percent of veterans in urban and rural communities must be within 4 hours of tertiary care; for highly rural areas, this requirement is within the VISN.

CARES (Capital Asset Realignment for Enhanced Services) – a planning process that evaluates future demand for veterans' healthcare services against current supply and realigns VHA capital assets in a way that results in more accessible, high quality healthcare for veterans.