

**Poplar Bluff VA Medical Center
(John J. Pershing VA Medical Center)
Local Advisory Panel Public Meeting
June 7, 2005
1500 North Westwood Boulevard
Building 1, Room 2009**

Start Time: 8:00 am

- **Participants:**
 - Local Advisory Panel members present: Peter Almenoff, MD, Director, Heartland Veterans Network (VISN 15); Ronald L. Taylor, Executive Director, Missouri Veterans Commission; Sherri Hinrichs, Executive Director, Southeastern Missouri Area Health Education Center; Sydney Wertenberger, Patient Care Services Director, John J. Pershing VA Medical Center; and Lee White, American Legion Assistant State Service Officer
 - PricewaterhouseCoopers (PwC) Consultant: Patrick Spoletini, Carolyn Fansler, and Lucy Nguyen
 - VAMC Support Team: Nancy Arnold, Director, John J. Pershing VAMC; Carlos Escobar, Director of Capital Assets, Heartland Veterans Network; Peggy Dochterman, Health Systems Specialist, Heartland Veterans Network; Dewayne Coleman, Public Affairs, John J. Pershing VAMC; Paul Seegraves, Training Instructor, John J. Pershing VAMC
 - Others: Allen Berkowitz, PhD., Assistant Director, Office of Strategic Initiatives, Department of Veterans Affairs
 - Public (estimated attendance): 20, excluding above and media

Opening Remarks and Introductions

- Welcome: Dr. Peter Almenoff, Local Advisory Panel Chair
 - Dr. Almenoff stated that Poplar Bluff is a shining example of how rural healthcare should be delivered.
 - Dr. Almenoff briefly explained the purpose of the meeting, the study that was going to be conducted, the role of the contractor, PricewaterhouseCoopers (PwC) and what the Local Advisory Panel and PwC were going to be doing over the next couple of months until the next meeting in August or September.
 - Dr. Almenoff stated that everyone in attendance would be invited to make statements for the record which will be recorded and documented.
- Pledge of Allegiance: Lee White, Local Advisory Panel Member
- Opening Remarks, Introductions and Overview of Meeting Agenda: (Dr. Almenoff)

- Dr. Almenoff asked that all cell phones be placed in the off or vibrating mode
 - Dr. Almenoff requested that everyone hold their questions until the end of the presentations. Blank cards have been provided in the packets that were distributed. These should be used to write down your questions. The questions will be collected and answered at the end of the presentations.
 - Dr. Almenoff introduced the Local Advisory Panel members, the VA Support Staff and PwC staff.
 - Dr. Almenoff discussed what occurred at yesterday's administrative meeting including:
 - The purpose of the meeting was to finalize the Standard Operating Procedures, the roles and responsibilities of the Local Advisory Panel, understand the CARES project objectives, methodology and tools, review the business plan and demand model presentations to be presented in the Public meeting and discuss the project timeline
 - All members of the panel acknowledged that they received ethics training
- Standard Operating Procedures: (Dr. Almenoff)
- Dr. Almenoff explained that two hours have been allotted during the public meetings for individual statements
 - Dr. Almenoff said that each speaker will be given four minutes
 - Dr. Almenoff pointed out that there is a comment box available where written comments may be placed
 - Dr. Almenoff said that the VA will continue to accept written comments for 14 calendar days after the public meetings
 - Dr. Almenoff stressed that all comments must be focused only on the CARES issue for Poplar Bluff and asked to please not make statements about issues outside the scope of work.

Presentations

- CARES Background Presentation: (Dr. Almenoff)
- Dr. Almenoff stated that the Department of Veterans Affairs (VA) has an aging infrastructure; the average age of VA buildings is over 50 years.
 - Per Medicare's criteria for a Critical Access Hospital (CAH), Dr. Almenoff stated that Poplar Bluff meets all but one Medicare criteria for CAH – no other hospital within 30 miles.
 - Per the CARES Commission findings for Poplar Bluff, Dr. Almenoff reviewed the following:
 - Currently has 18 acute medicine beds; projected to decline to 11 in FY22.
 - No other VA hospitals within 60 minutes
 - One non-VA hospital in the community with excess capacity

- Have established relationships with community specialty care providers.
- Dr. Almenoff reviewed the CARES Commission recommendations for Poplar Bluff including that:
 - Did not concur that the medical center was operating as a CAH. VA needs to establish a clear definition and policy on CAH prior to a final decision on Poplar Bluff.
 - VA should conduct a full cost-benefit analysis on sustaining inpatient services vs. contracting into community.
- Dr. Almenoff discussed the Veterans Rural Access Hospital (VRAH) designation which is VA's term for CAH:
 - The policy was published Oct. 29, 2004
 - It was in response to the CARES Commission Report
 - Includes the following criteria:
 - Not more than 25 acute medical and/or surgical beds
 - Part of established referral system for tertiary or other specialized services
 - Part of a Primary Health System, such as community based outpatient clinics
 - Must be critical component of providing access to timely, appropriate and cost-effective healthcare to veterans
- Dr. Almenoff stated that any capital projects recommended will be assessed along with all other VA initiatives and funded accordingly.
- Dr. Almenoff discussed the key issues in the study:
 - Neither the contractor nor the Local Advisory Panel is to reconsider decisions already made in the Secretary's May 2004 Decision.
 - All final decisions are made by the Secretary.
- Demand Model Presentation: (Carlos Escobar and Peggy Dochterman)
 - Mr. Escobar stated that there will be a steady decline in the veteran population over the next 15 years
 - Mr. Escobar defined the following geographic areas:
 - Health care market area
 - Submarket
 - Sector
 - Mr. Escobar discussed how the Milliman model was adjusted for the VA
 - Mr. Escobar explained how actual workload for FY02-04 exceeded the CARES and Milliman model projections
 - Mr. Escobar explained that statistical significance under the Milliman model requires 100,000 lives in the market
 - Poplar Bluff has approximately 55,000 veterans in 2005; will decline to approximately 42,000 in 2023
 - Mr. Escobar compared actual figures for beds and bed days of care to the Milliman model

- Mr. Escobar explained that there is a change in referral patterns (workload change) due to the hiring of a cardiologist was not reflected in the Milliman model
- Mr. Escobar stated that PricewaterhouseCoopers will be using the adjusted demand data (25 beds), not the Milliman model in its study
- CARES Business Plan Studies Presentation: (Patrick Spoletini)
 - Mr. Spoletini stated his background and experience with Department of Veterans Affairs projects
 - Mr. Spoletini briefly reviewed the requirements of the contract
 - Mr. Spoletini discussed the objective of the study and the study scope
 - Poplar Bluff was recently designated as a VRAH and that PwC will examine its significance during our study
 - PricewaterhouseCoopers will conduct a financial study that includes an analysis of the costs for maintaining inpatient services and of contracting inpatient services to a local community provider
 - Mr. Spoletini described the study considerations including:
 - Demand for services including adjusted bed days of care
 - Operating and capital costs
 - Impact on access
 - VRAH designation
 - Mr. Spoletini discussed the study outcome: That PwC will present the Secretary with a financial analysis based on a 30-year cash flow analysis of the options
 - Mr. Spoletini described the project overview including:
 - PwC will analyze two options: the baseline option (maintaining care at the Poplar Bluff VAMC) and the alternative business plan option of contracting out inpatient care
 - Mr. Spoletini discussed how the study is performed, the inputs and outputs and the timeline
 - Mr. Spoletini provided a comprehensive explanation of how public input may be submitted for consideration

Questions Concerning the Presentations

- Questions from the Local Advisory Panel for Mr. Spoletini:
 - Dr. Almenoff: Are you going to look at the cost benefit analysis (cost of inpatient care vs. care in the community) that was done previously by the network office?
 - Response: We have already looked at it and will be looking at it again.
 - Dr. Almenoff: What are you going to be using for comparable rates?
 - Response: We intend to look at Medicare as a proxy or to look at VA's experience here in Poplar Bluff as well as VISN-wide experience.
 - Dr. Almenoff: The inpatient ward is purely one little ward of an entire medical center and can't be isolated from the main site and thus, if a decision was made to close that ward, we would still have to be able to

maintain the infrastructure. Will you take that into account in the cost/benefit analysis?

- Response: We will look at each project individually. The CARES Commission report stated that no matter what the decision, you will have outpatient care, etc. So you will have to have that infrastructure. You will have to have it either way.
- Dr. Almenoff: There are some specialists who are currently in the medical center. In the event of closure, there would probably be the flight of some of these specialists. Will you take that into account and in addition as a part of expenditures that you will have to fee out the cost of this specialized care?
 - Response: Yes, if you lose providers and those services have to be contracted out, those costs will be looked at and impact our model.
- Dr. Almenoff: In the demand model, has PwC reset the capacity at 25 beds?
 - Response: Yes.
- Ms. Wertenberger: In looking at the option of closure and realizing that we have one potential facility that has had multiple owners, how are you going to address quality as well as safety?
 - Response. We have a methodology we use to assess quality. I have also visited the local community hospital and will be doing research on the owners. We will also look at whether they are JCAHO accredited, and whether they look at the same quality issues as the VA does.

➤ Questions from the audience:

- The hospital in the local community has gone through multiple owners though the last couple of years. Their financial ability appears to be unstable. How do you address that?
 - Response by Mr. Spoletini: That is a part of our sensitivity analysis; although we are focusing on certain outputs, we will run several scenarios. It would be run through our sensitivity analysis portion of our comparison model.
 - Per Dr. Almenoff's review of this LAP meeting summary, the local community medical center has been through multiple owners and Poplar Bluff VAMC has never been able to receive reasonable rates or even a commitment to receive services in the Poplar Bluff or Cape Girardeau area.
- In the cost analysis, are you referring to enrollment fees and copays?
 - Response by Mr. Spoletini: The data we use is provided by VA. If that is built into the unit cost of care, yes we are.
 - Further response by Dr. Almenoff: The co-pay would still apply in both scenarios.
- You were commenting a lot about the statistics of aging veterans. Are we going to address the new veterans that are going to be coming in as a result of the war? In the model are you going to take that into account?

- Response by Mr. Escobar: The model right now has accounted for the changes up to the Desert Storm war. The projections for the Iraqi war are still in flux. We do not have that data actualized for the instance of the current war at this point, but that will be considered in the future. The projected demand model does not include the discharges from the current war.

Brief Description of Testimony/Public Statements

- Dr. Almenoff thanked everyone for attending today and the Local Advisory Panel members for volunteering. He announced that the meeting was now going to open up for public comment. Each person will have 4 minutes to speak and all statements must be related to the CARES decision.
- Testimony 1
 - This person stated that he been an inpatient on three or four occasions. He stated that he received care at a non-VA facility and was sent home with a diagnosis of bronchitis. Three days later, he had to be brought to the Poplar Bluff VAMC, where he was tested, stabilized and transferred to the St. Louis facility. He had to have an emergency angioplasty and bypass surgery. Had he not come back here to the VA, he would not alive to address us today.
- Testimony 2
 - This person stated that he had no problem with treatment received at Poplar Bluff.
 - This person requested information about a proposed \$500 enrollment payment.
- Testimony 3, Norman Cole, VA Representative for the American Legion for the Poplar Bluff Catchment area.
 - Mr. Cowe said that he has held the post for 15 years and been a close observer of the medical center. He stated that he is knowledgeable about whether the workload and the number of veterans are going to increase.
 - Mr. Cowe stated that we need these inpatient beds so our outpatient clinics can have someplace to send veterans on short notice so they can be stabilized even if they have care somewhere else.
- Testimony 4, member of the local Disabled American Veterans Association, the American Legion and the Veterans of Foreign Wars
 - This person stated that we need all the medical services currently at Poplar Bluff and actually need more.
 - This person stated that Orthopedics is no longer available at Poplar Bluff and as result he has had to go somewhere else. He doesn't like going to St. Louis. So, he goes to the community hospital. He stated that most specialists won't accept Tricare.

- He stated that we really need local rheumatology and that the community hospital won't accept medical payments for rheumatology, so he has to go to St. Louis.
 - He said that he sometimes goes to the Scott Air Force Base emergency room and that the majority of veterans do not have this capability because they are not retirees.
 - He stated that a lot of veterans do not have insurance. He stated that Veterans here are in a unique rural area and need to be listened to and that Computer models do not reflect reality.
 - He encouraged the panel to look out for the veterans.
- Testimony 5, wife of a veteran.
 - She spoke about the need for psychiatric counseling.
 - The Chair reminded her that comments should be related to the study.
 - She stated that we need this facility, but we that we need to be sure that there are other options when veterans need other care.
 - Testimony 6
 - This person stated that he has been in the VA system since 1955 and has had three different surgeries at Poplar Bluff.
 - He stated that he has never heard anything bad said about this hospital.
 - He requested that the inpatient beds remain at Poplar Bluff.
 - Testimony 7, Fred Bradley, representing the Paralyzed Veterans of America
 - Mr. Bradley stated that his concern would be losing the referral mechanism to the spinal cord injury unit. He requested that when the contractor looks at the modeling, that it keep that concern in mind.

Note: At this point, Dewayne Coleman recognized the following staff in attendance from Congressional offices: Kristi Nische, representative for Congresswoman Jo Ann Emerson; Tom Shulte, representative for Senator Kit Bond; and Kelly Atchely, representative for Congressman Marion Berry.

- Testimony 8, member of the local American Legion Post.
 - This person stated that you have to consider that the civilian doctors are not familiar with the special needs of veterans.
 - He requested that when considering cost, the contractor keep in mind that many of the doctors and nurses pull double duty at Poplar Bluff. Some of their cost isn't exclusively for hospital beds.
 - He stated he would like to see more funding and that he missed their patient representative.
- Testimony 9
 - This person stated that he believes that the data presented as he interprets it supports and validates the reason that we need to keep the 18 to 25 beds. He has seen no data that would change his mind.

- He asked that the study consider what happens to Poplar Bluff's physician staff with 18 beds gone. Will they be terminated? Will they terminate half of the food service people, pharmacies, and housekeeping? He stated that every service here would be affected if we lost the 18 beds, not just the service of the 18 beds which is vitally needed.
- Testimony 10
 - This person stated that Poplar Bluff is a very good, clean hospital.
 - He stated that he has been to John Cochran two or three times and doesn't like it.
 - He stated that he uses this hospital often and that the doctors here know him, know his symptoms and have been very good to him.
 - He stated that we need to work harder to keep this hospital and put more money in this hospital.
- Testimony 11
 - This person stated that he is here on behalf of Korean ex -PoWs.
 - He explained that he has worked at Poplar Bluff as a nurse assistant. He stated that he wants to see everything done that can be done to keep this facility here. Stated that we have good representatives who will do the best they can for veterans.
 - He stated that he has had excellent care at all facilities, but wants to keep the one here.

Closing Remarks by Dr. Almenoff

- Dr. Almenoff stated that a VAMC staff member with a microphone and recorder will be available until 2 o'clock this afternoon if anyone comes in to make a statement after this meeting is adjourned.
- He then said that the Local Advisory Panel will be waiting for the financial analysis to be done by PwC and that the panel will get the results of the study in advance of the next meeting.
- He stated that the next meeting will be held in late August/early September, and that a notice will be put in the newspaper. He explained that anyone who wants to make a written comment may go to the CARES website. He explained that written comments may also be mailed in to the specified address. He pointed out that there is also a box here on the table for comment sheets or written statements.
- He thanked everyone for their time and attention.

Meeting was adjourned at 9:55 a.m.