



# Capital Asset Realignment for Enhanced Services (CARES)

## Business Plan Studies for Poplar Bluff, MO

### Presentation to the Local Advisory Panel



# Introduction and Background



- **The Secretary's CARES Decision Document, May 2004, calls for additional studies to improve the previous analyses for eighteen sites**
- **Poplar Bluff, MO is one of these study sites**
- **Team PricewaterhouseCoopers (PwC) was selected as the prime contractor to complete these studies**

# Study Objective



**Identify the optimal approach to provide veterans with healthcare equal to or better than is currently provided in terms of:**

- **Access**
- **Quality, and**
- **Cost Effectiveness**

# Study Scope for Poplar Bluff



**Consider Poplar Bluff's designation as a Veterans Rural Access Hospital (VRAH) and its defined scope of services**

**Conduct a Financial Analysis that includes**

- **An analysis of the costs for maintaining inpatient services at VAMC Poplar Bluff**
- **An analysis of the costs of contracting inpatient services to a local community provider**
- **An assessment of the impact on access**

**Capture the Public/Veterans' Opinions and Preferences**

# Study Considerations



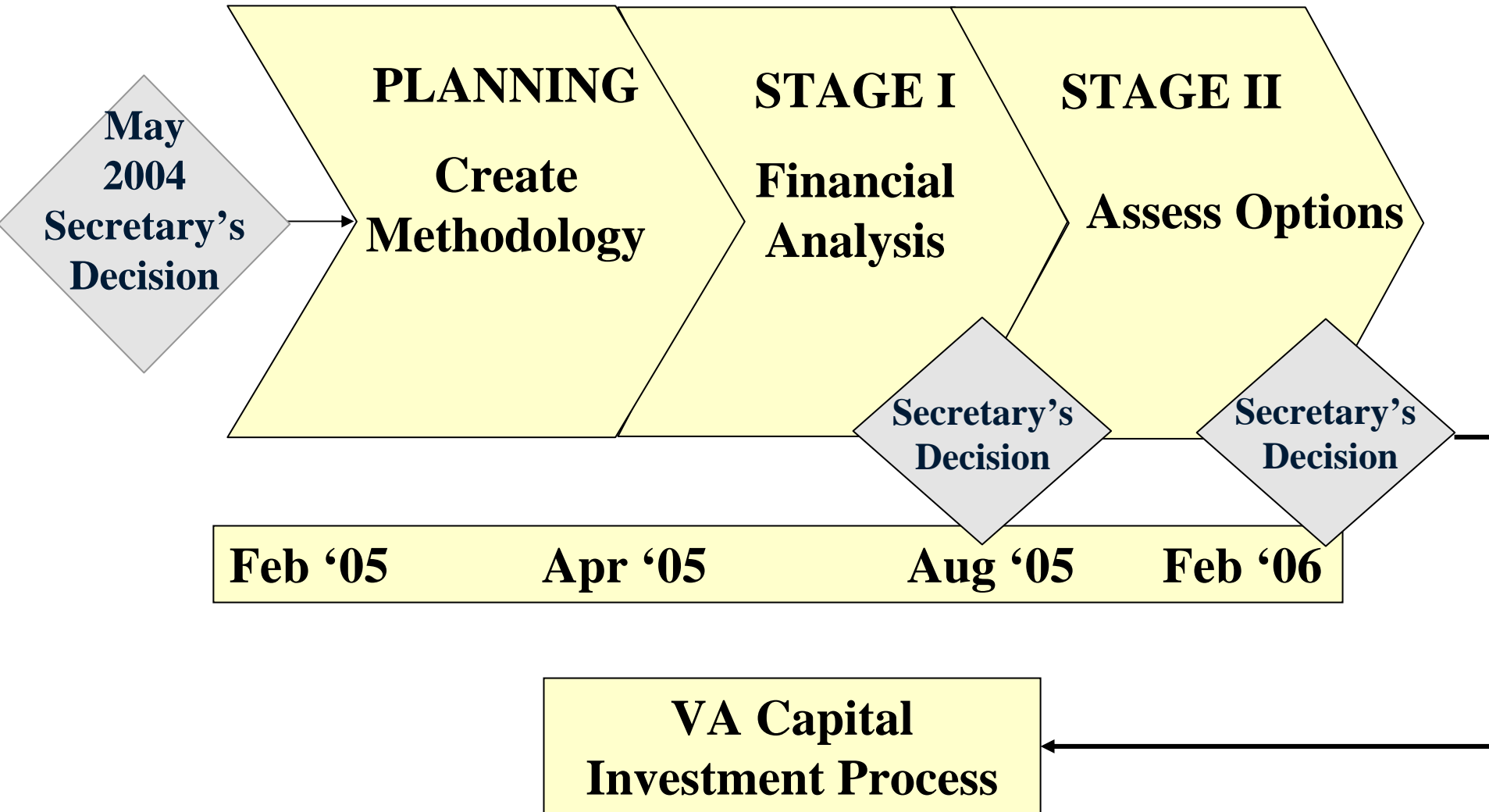
- **Demand for services based on VA forecasts including adjusted bed days of care per revised projected utilization**
- **Cost – operating and capital**
- **Impact on Access**
- **Veterans Rural Access Hospital Designation**

# Study Outcomes

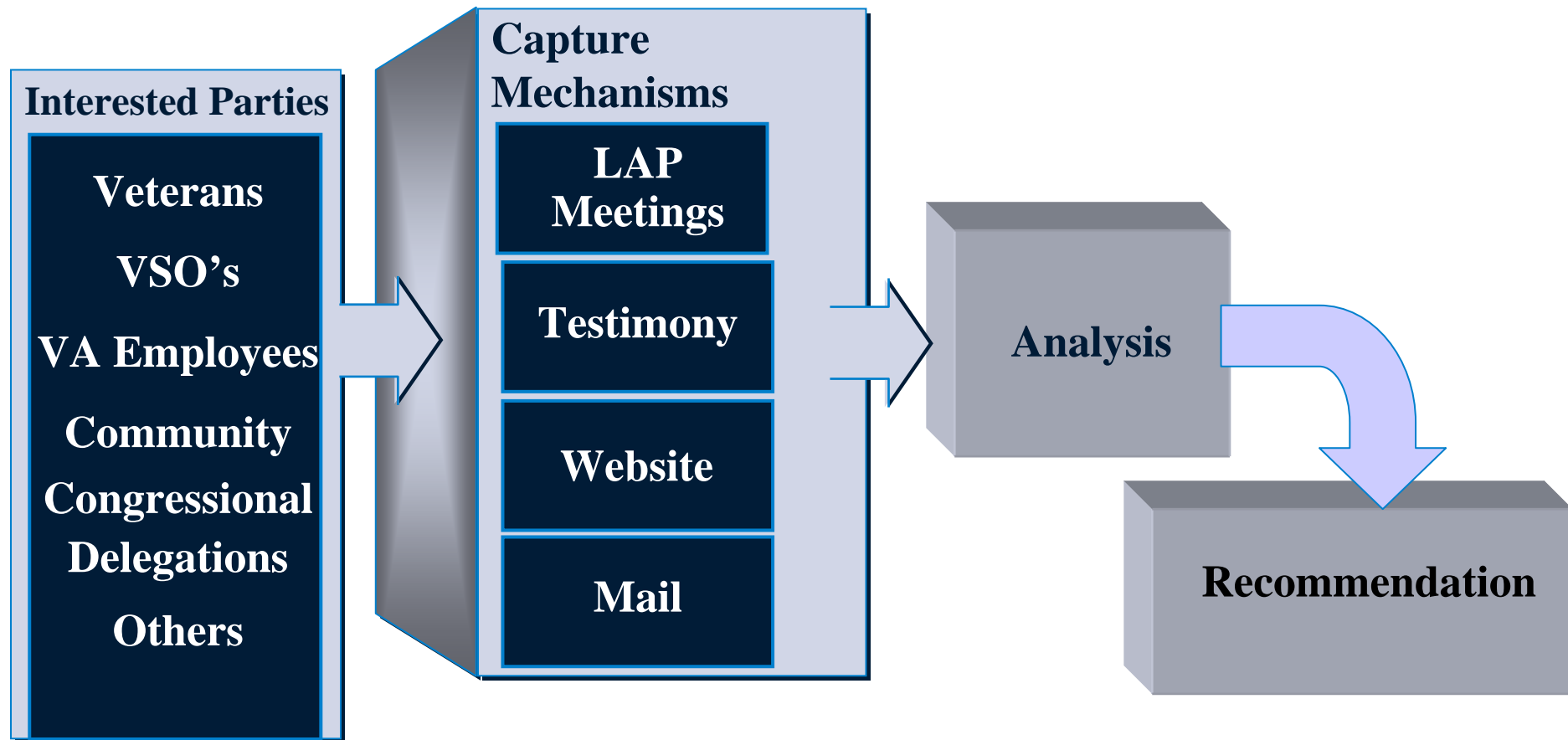


**As a result of this study, the VA will receive a financial analysis, based on a 30 year life cycle analysis, of contracting out *Inpatient* care to a local community provider versus maintaining such care at the Poplar Bluff VAMC. The results of this study, coupled with input from the community and other interested parties, will be presented to the VA for review of PricewaterhouseCoopers recommended options.**

# Project Overview



# Public and Interest Group Input Process





# Veteran and Public Input



## Public Meetings

**First  
May/June**

**Congressional  
Briefing**

**Second  
August/Sept**

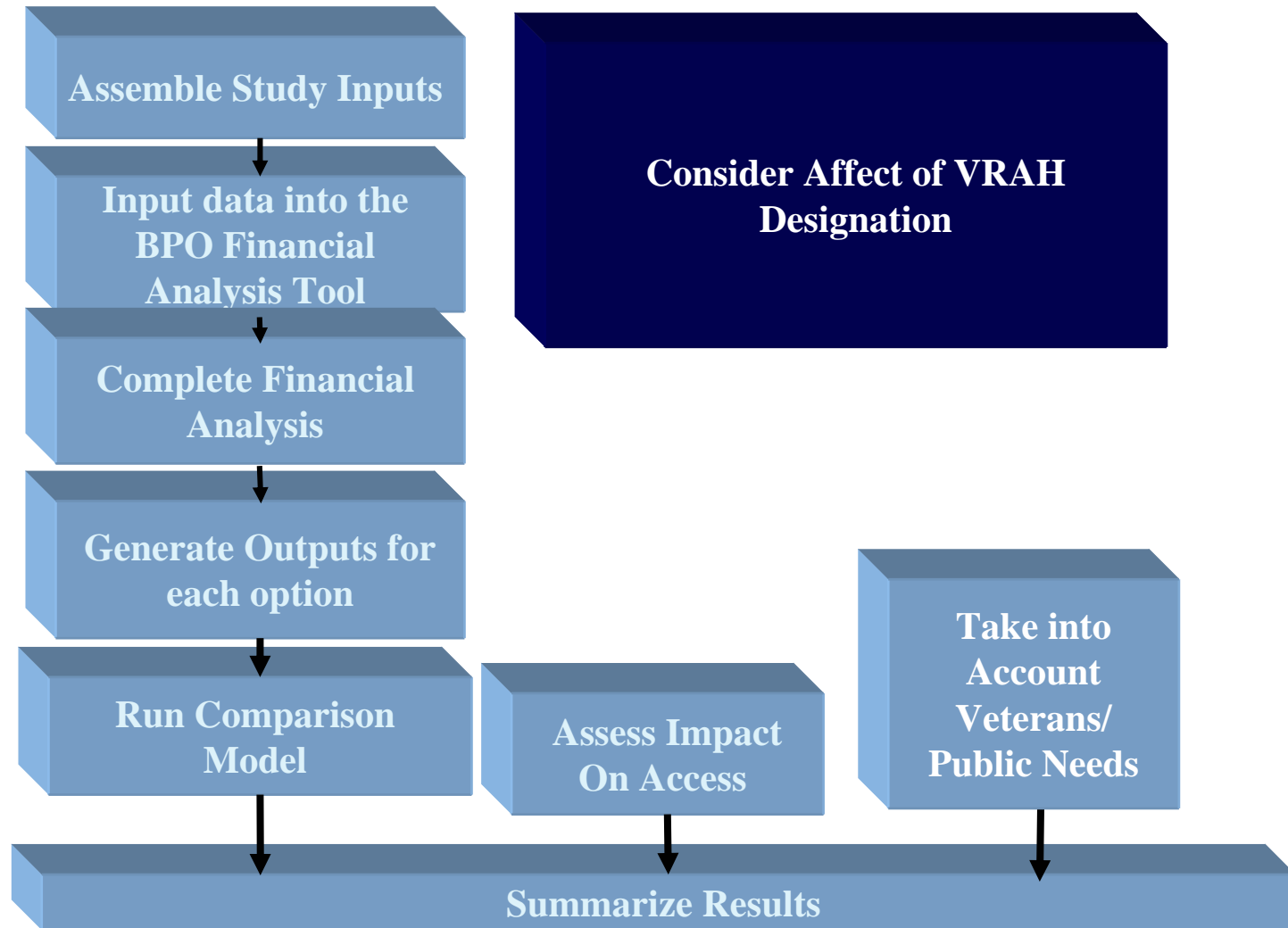
**Congressional  
Briefing**

**PLANNING**

**Methodology  
and Public Input  
Mechanisms**

**Financial  
Analysis**

# Financial Analysis



# Financial Analysis



## Inputs

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- Current and forecasted services to be provided
- Current and forecasted workload
- VA current unit costs of care
- Estimated future unit costs of care
- Forecast facility and equipment investment requirements
- Alternative medical care options
- Revenues generated from real property and sharing agreements
- Other costs and savings that can be quantified

## Outputs

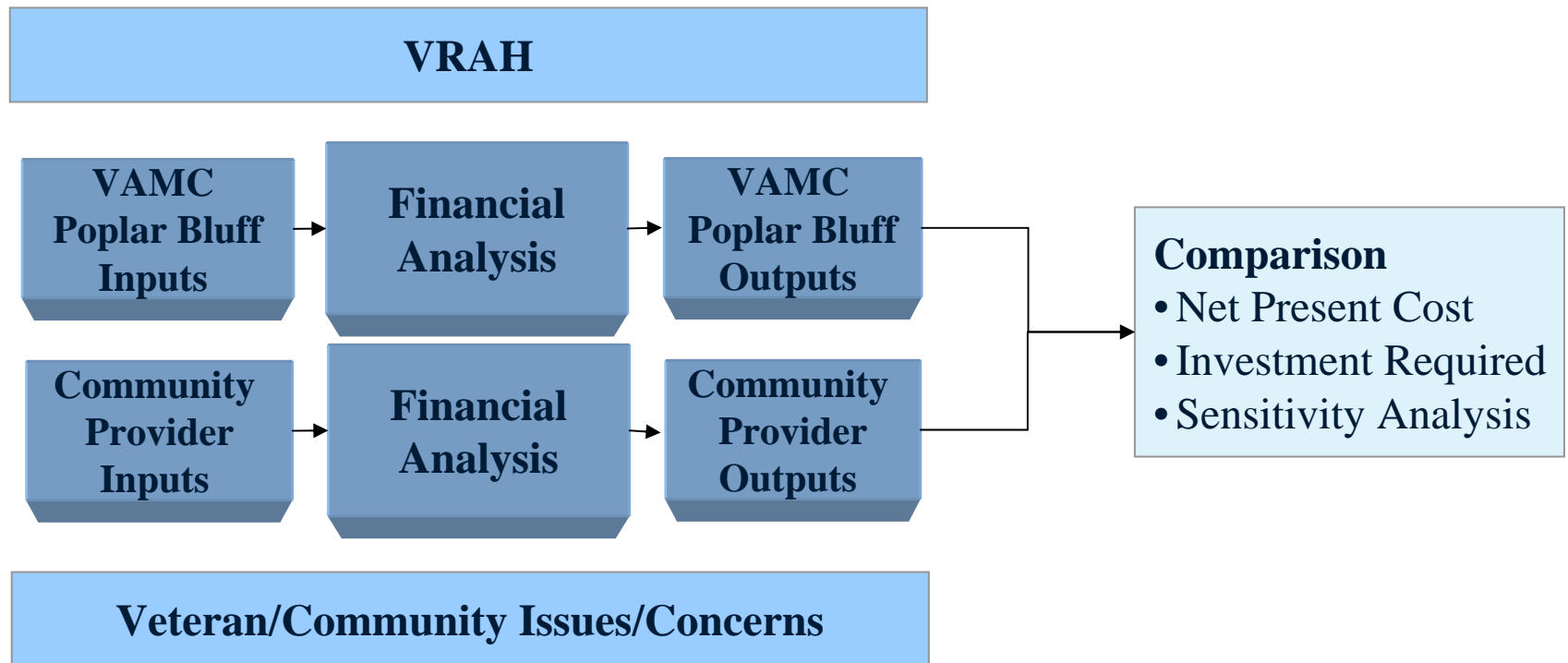
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- 30 year annual cash flow estimate
- Net present cost

# Financial Analysis



## Comparing the Options



# Overview of the Option Development Process



## Inputs & Analysis

**VA Forecast of Demand Healthcare**

**Existing Facilities and Services**

**Future Modernization Needs**

**Public/Veteran Opinions and Preferences**

**Review of Cost Data**

**Financial Analysis**

**Option Assessment**

# Stage I Business Plan Options and Decisions



## Stage I

- **Perform Financial Analysis**
- **Take into account veteran/public needs and concerns**
- **Both options will be presented and then further studied in Stage II**

## Stage II

**Further  
Assessment  
Of Both  
Options**

# Stage II Business Plan Options and Decisions



## Stage II

- **Assessment by Team PwC of both options including a review of each option's potential to meet or exceed the CARES objectives**
- **Provide opportunity for veteran/public input**
- **Take into account veteran/public needs and concerns**
- **Prepare a draft business plan for the recommended option**

## VA Decision

**Approval of a recommended business plan option for implementation**

# The Baseline Option



**No significant change either to the location or type of services provided in the study site, taking account of:**

- Projected changes in healthcare volume for particular procedures**
- Ongoing preventative maintenance of buildings**
- Capital investment required to maintain a safe healthcare delivery environment**



# Alternative Business Plan Option



Per the Secretary's CARES Decision Document (May 2004), the study will also include a financial analysis of contracting services to a local community provider.

- Limited choices for contracting care locally
- Study to examine the potential for savings that a local community hospital might provide
- The study will shed light on the efficiency of providing care at the Poplar Bluff VAMC

# Business Plan Option Decision Criteria



**An acceptable Business Plan Option (BPO) will meet or exceed the following screening criteria:**

- **Maintain or improve overall healthcare quality**
- **Result in a cost effective configuration of VA physical and operational resources**
- **Result in a modernized, safe and secure healthcare delivery environment**

# The VA's Role



## Oversight of Contract

- **Review of all deliverables**
- **Evaluation of feedback from Local Advisory Panels**

## VA Provided Information

- **Local site team assistance**
- **Demand forecasts**
- **Baseline operating costs**
- **Facility plans and facility quality assessments**
- **Collaboration opportunities**
- **Environmental hazards**

# Team PwC



## **PricewaterhouseCoopers LLP**

- **Overall Program Management**
- **Overall Quality Assurance**
- **Financial Analysis / Business Planning**
- **Public/Veteran Relations**

## **Widmeyer -Communications**

# How Can You Provide Feedback?



## **Local Advisory Panel Meetings**

- **Provide testimony at the public meetings**

## **CARES Project Website –**

**<http://www.va.gov/cares>**

- **Information on each of the 18 study sites**
- **An electronic comments form is available to share your views and opinions. This is available for two weeks after each Local Advisory Panel meeting**
- **Website provides public meeting information, agendas, meeting summaries, and links to background documents**

# How Can You Provide Feedback?



- **Written comments can be sent to:**

**Poplar Bluff Study**

**VA CARES Studies**

**P.O. Box 1427**

**Washington Grove, MD 20880-1427**

*You may send letters or paper comment forms to this address*

- **Summaries of oral and written feedback will analyzed and provided to the Local Advisory Panel for review.**
- **The paper and electronic comment forms are the same and should only be completed once**