



Capital Asset Realignment for
Enhanced Services (CARES)

Stage I Summary Report
Site: **Muskogee**

August 2005

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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 health care 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 one principal team to undertake healthcare options.

Specifically, the Muskogee study should seek to meet the healthcare needs of veterans in the Muskogee/Tulsa area while maximizing the use of VA resources.

Summary of Market

VISN 16 consists of 4 markets: the Central Lower, Central Southern, Eastern Southern and Upper Western market. Muskogee is in the Upper Western market.

The Muskogee VA Medical Center is in Veterans Integrated Service Network (VISN) 16 and is located in Muskogee, OK. It provides care to over 41,000 enrolled veterans for the 25 counties in its service area. The medical center consists of a hospital and outpatient clinic in Muskogee, a VA-staffed Community Based Outpatient Clinic (CBOC) in Tulsa and a contracted CBOC in McAlester. The Muskogee VAMC is a primary and secondary level medical center. It provides primary and consultative care in medicine, surgery and mental health. Health care is provided through primary care, medicine, surgery, psychiatry, physical medicine and rehabilitation, oncology, dentistry and geriatrics. The Tulsa CBOC is a VA staffed clinic located in Tulsa, OK offering primary care, ambulatory care and outpatient mental health services. The Tulsa CBOC occupies leased space and under current projections may experience capacity issues in the interim period (2013). The McAllister CBOC is a contracted facility located in McAlester, OK and offers veterans a variety of ambulatory care services.

Drive time guidelines at the market level have a threshold of 70% for primary care and 65% for acute hospital and tertiary care. For primary care services, none of the markets within VISN 16 achieve the drive time guidelines. Three (3) of the four (4) VISN 16 markets, including the Upper Western market, meet the threshold of 65 percent for access to acute care services. For tertiary care, all four (4) markets achieved the drive time guideline.

100% of the veterans residing within the Upper Western Market are within the Access Standard for tertiary care. Based on data furnished by the VA, 100% of the enrollees within the Upper Western Market meet the drive time guidelines for tertiary care. It should be noted that the current tertiary care data is based on 2001 figures, which is the same data used for the previous CARES study.

The Upper Western Market, which includes the Muskogee VAMC, falls short of the access guideline for primary care by 17% for 2003. For acute hospital, the Upper Western Market achieved the threshold with 65.2% of veterans meeting the criteria.

Baseline Summary of Drive Times for VISN 16 Market and Sector Levels

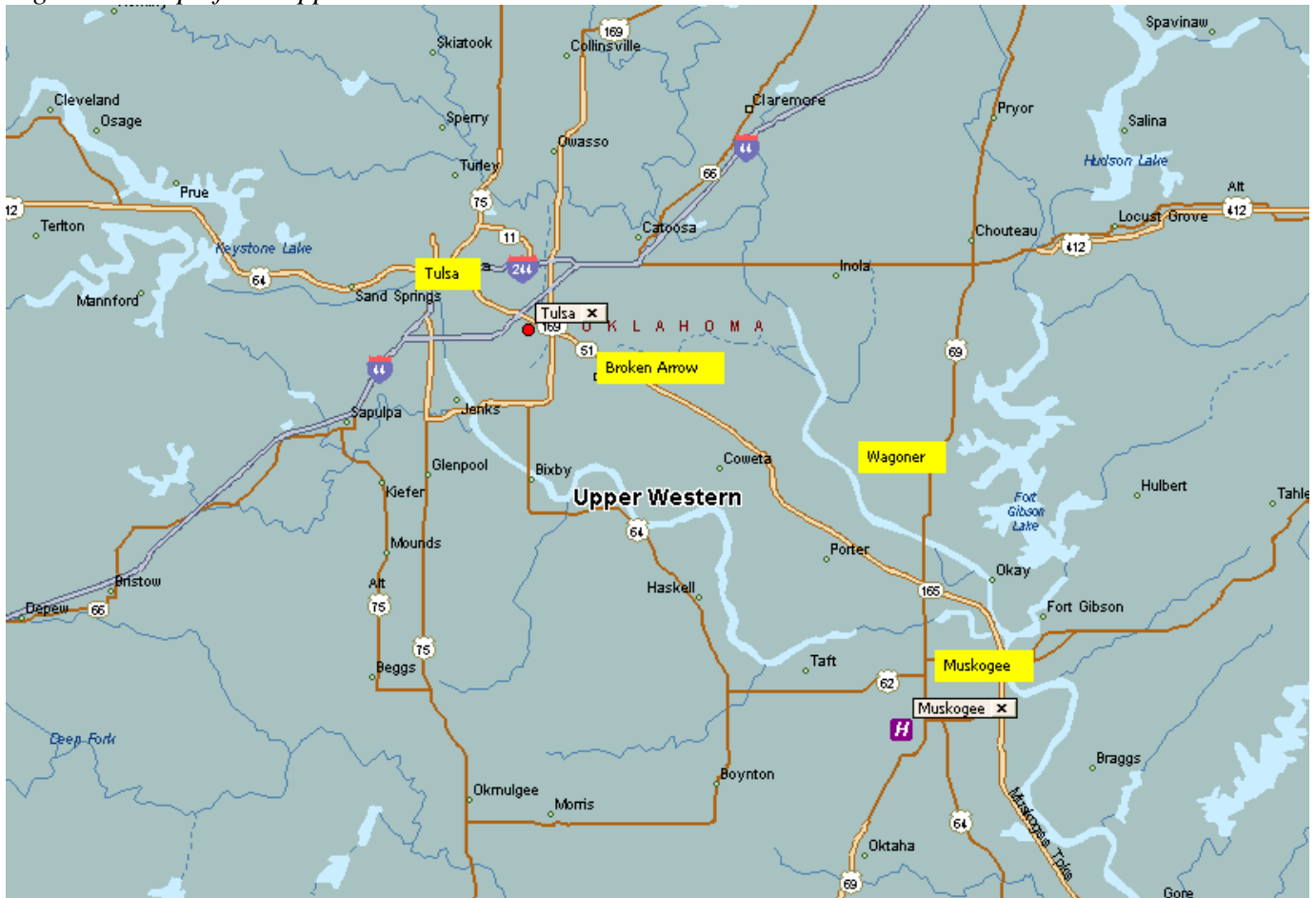
% of Enrollees meeting VA Access Standard Drive Times (2003)

VISN 16 Market Areas		VA Drive Time Guidelines					
		Primary Care		Acute Hospital		Tertiary Care*	
Market ID	Market Name	Baseline	Mets Threshold	Baseline	Mets Threshold	Baseline	Mets Threshold
16-d	Upper Western	53.3%	No	65.2%	Yes	100%	Yes

* Tertiary care data is based on 2001 figures.

The following map is of the Upper Western market within VISN 16.

Figure 1: Map of the Upper Western market



Summary of Current Services Provided

The Muskogee VAMC houses 51 inpatient beds including forty two (42) for medicine and observation , eight (8) for surgery and one (1) for psychiatric and substance abuse.

Ambulatory services available at the Muskogee campus include medicine, surgery, mental health, physical medicine and rehabilitation. There is an urgent care center onsite but no emergency department.

The Tulsa CBOC is an outpatient clinic that provides the following ambulatory care services: cardiology, eye clinic, non-surgical and related specialties, primary care, surgical and related specialties, pathology, radiology, urology, mental health and rehabilitation.

COMMUNITY INFORMATION

Healthcare Market Assessment

There are no Veterans Affairs (VA), Department of Defense (DOD) or Indian Health Service (IHS) facilities located within the drive time guidelines for the Muskogee/Tulsa area. There are a number of private health care facilities located in the area but only two were deemed able to potentially meet or perhaps exceed the healthcare needs of veterans in terms of access, quality and best use of VA resources. These facilities are located in Wagoner and Broken Arrow, OK.

The facility in Wagoner, OK is a medium sized facility located relatively equidistant between the cities of Tulsa and Muskogee. It is an approximately 100 bed acute care facility offering services ranging from inpatient medicine and surgery to radiology, orthopedics, physical therapy and other ambulatory care services.

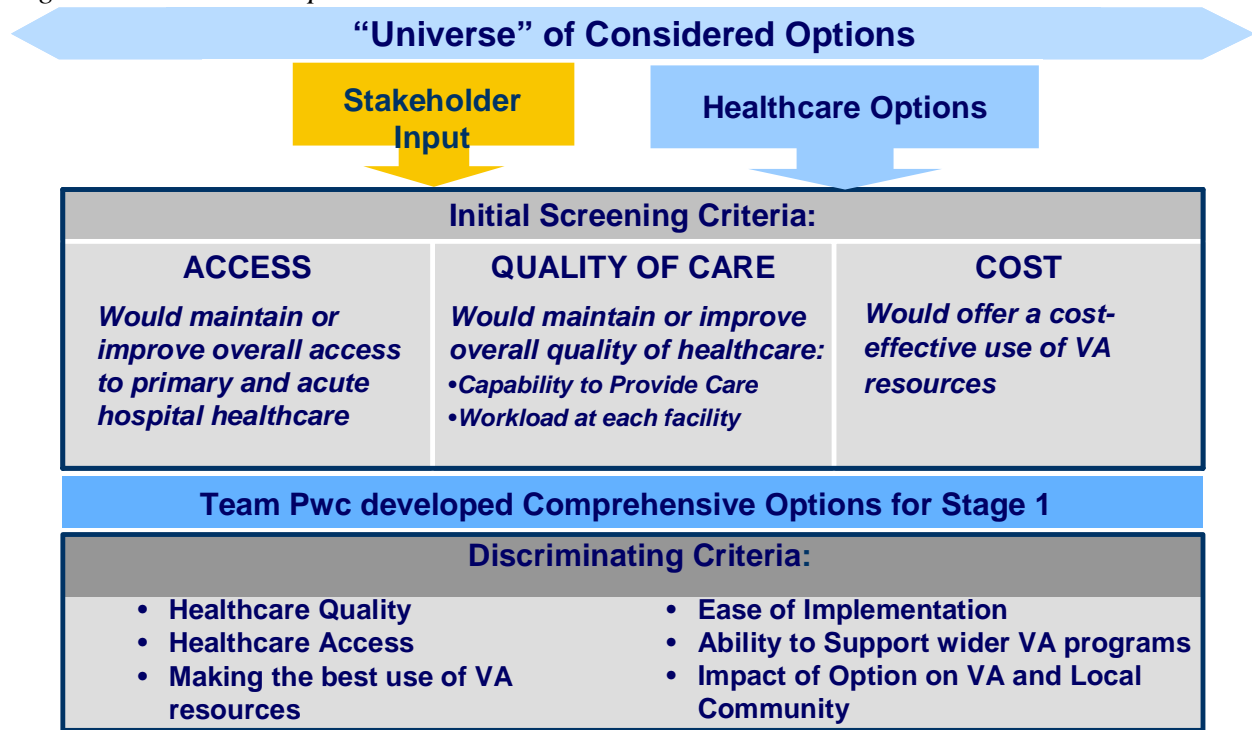
The facility in Broken Arrow, OK is also located relatively equidistant between both communities. The Broken Arrow facility is a 36 bed acute care facility offering services ranging from inpatient medicine and surgery to a variety of ambulatory care services.

BUSINESS PLAN OPTION DEVELOPMENT

Option Development Process

Team PwC developed a set of comprehensive business plan option (BPOs) to be considered for the Muskogee VAMC. These options were tested against the agreed-upon initial screening criteria of access, quality and cost effectiveness. The BPOs passing this initial screening were then further assessed at a more detailed level according to set of discriminating criteria.

Figure 2: BPO Development Process



Stakeholder Concern

For the Muskogee CARES Study Site, a limited amount of input was received between January 1, 2005 and June 30, 2005.

Stakeholders who submitted written and electronic input indicated that their key concerns were:

- Maintaining current level of access to VA services
- Maintaining service delivery at the Muskogee campus
- Maintaining the current level of quality of healthcare services and healthcare professionals providing such services

Table 1: Definitions of Stakeholder Concerns

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.

There was limited oral testimony received during the Muskogee Management Assistance Council (MAC) meeting held on June 16, 2005. Comments received by members of the MAC were directed towards the timing and methodology of the Muskogee study.

COMPREHENSIVE BUSINESS PLANNING 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. Specifically, the Baseline BPO for the Muskogee study 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.

BPO 1 (HC-1) or the Baseline, would retain inpatient medicine and observation and psychiatric services at the Muskogee VAMC. Existing ambulatory and outpatient mental health services would also continue to be provided at the Muskogee VAMC.

Options Not Selected for Assessment

Table 2: Options not selected for assessment

Label	Description	Screening Results
Alternative VAMC or VA CBOC		
Transfer ambulatory care to the Tulsa CBOC in Tulsa, OK	Ambulatory care services (primary and specialty care services) to the Tulsa CBOC	This option did not pass the initial screening criteria test for access to primary care services
Transfer inpatient medicine to Oklahoma City, OK VAMC	Inpatient medicine care services to be provided at Oklahoma City VAMC. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Transfer inpatient medicine to Little Rock, AR VAMC	Inpatient medicine care services to be provided at Little Rock, AR VAMC. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Transfer ambulatory care to McAlester CBOC (McAlester, OK)	Ambulatory primary care services to be provided at McAlester CBOC. All other inpatient and outpatient care services remain at the Muskogee VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Muskogee/Tulsa area to McAlester CBOC resulted in a 2% and 7% decrease respectively in the percentage of veterans meeting the VA's primary care access guidelines.
Sharing Agreements with DOD or IHS Facilities		
Sharing agreement with an Air Force base clinic in the Altus Air Force Base, OK area for outpatient care services	Outpatient care services to be provided at an Air Force base clinic in the Altus Air Force Base, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Muskogee/Tulsa area to Altus Air Force Base resulted in a 1% and 8% decrease respectively in the percentage of veterans meeting the VA's primary care access guidelines.
Sharing agreement with a Department of Defense medical hospital in the Fort Still, OK area for inpatient medicine and other outpatient care services	Inpatient medicine and other outpatient care services to be provided at a Department of Defense medical hospital in the Fort Still, OK area. All other inpatient and outpatient surgery remain at the Muskogee VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Muskogee/Tulsa area to the DOD medical hospital in Fort Still, OK resulted in a 2% and 8% decrease respectively in the percentage of veterans meeting the VA's primary care access guidelines.

Label	Description	Screening Results
Sharing agreement with an Air Force base clinic in the Tinker Air Force Base, OK area for ambulatory care services	Outpatient care services to be provided at an Air Force base clinic in the Tinker Air Force Base, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Muskogee/Tulsa area to Tinker Air Force Base resulted in a 2% and 8% decrease respectively in the percentage of veterans meeting the VA's primary care access guidelines.
Sharing agreement with an Air Force base clinic in the Vance Air Force Base, OK area for ambulatory care services	Ambulatory care services to be provided at an Air Force base clinic in the Vance Air Force Base, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Muskogee/Tulsa area to Vance Air Force Base resulted in a 2% and 8% decrease respectively in the percentage of veterans meeting the VA's primary care access guidelines.
Sharing agreement with an Indian Health Service Medical Center in the Tahlequah, OK area for inpatient medicine care services	Inpatient medicine care services to be provided at an Indian Health Service Medical Center in the Tahlequah, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option fails Quality of Care. This is a small facility which poses the issue of whether this facility is able to absorb the additional volume.
Contract Care to Local Community Provider		
Contract care to local community provider in the Muskogee, OK area	Inpatient medicine care services to be provided at a local community provider in the Muskogee, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Contract care to a local community provider in the Eufaula, OK area	Inpatient medicine and/ or inpatient surgery care services to be provided at a local community provider in the Eufaula, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Contract care to a local community provider in the Tulsa, OK area	Inpatient medicine and/ or inpatient surgery care services to be provided at a local community provider in the Tulsa, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Contract care to a local	Inpatient medicine to be provided at a	This option did not pass the initial screening

Label	Description	Screening Results
community provider in the Okmulgee, OK area	local community provider in the Okmulgee, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	test for access to acute care services.
Contract care to a local community provider in the Stigler, OK area	Inpatient medicine to be provided at a local community provider in the Stigler, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.
Contract care to a local community provider in the Pryor, OK area	Inpatient medicine to be provided at a local community provider in the Pryor, OK area. All other inpatient and outpatient care services remain at the Muskogee VAMC.	This option did not pass the initial screening test for access to acute care services.

Comprehensive BPOs to Be Assessed in Stage I

The CARES commission report directed the VA to seek solutions to the disparity of excess capacity at the Muskogee VA while expected growth in population is in the Tulsa area. In order to accomplish this task, the forecasted demand for care in the Tulsa/Muskogee area was analyzed to determine how to best provide accessible quality care while utilizing to the extent feasible the capital invested in the Muskogee VAMC.

Team PwC assessed several scenarios for addressing excess capacity at the Muskogee VAMC. This included analyzing options that would result in collocating services or collaborating in some manner with other VA, Department of Defense (DoD) or Indian Health Service (IHS) medical facilities in the area. Assuming such facilities existed in the area, arrangements (e.g. sharing agreements) could be established that might result in increased patient workload at the Muskogee VAMC and therefore help to address excess capacity. However, PwC found that except for the Tulsa and McAlester CBOCs, the next closest VA, DoD or IHS facility was more than two hours away in terms of drive time. Using the VA’s national guidelines for drive time requirements, Team PwC determined that all VA, DoD and IHS facilities significantly exceed access requirements for ambulatory and acute care services and would therefore fail as potential options to address excess capacity.

Further complicating the ability to address excess capacity at the Muskogee VAMC is that little to no vacant space remains. At the time that the Secretary’s CARES decision was issued in May of 2004, the Muskogee facility contained vacant space that might have been used to accommodate extra patient workload in the event that a sharing agreement (or some similar arrangement) could be established. Since the time that the CARES report was issued, the Muskogee VAMC received approval from the VA to expand inpatient rehabilitation and inpatient psychiatry. Construction is almost complete on the inpatient rehabilitation unit and

construction on the inpatient psychiatry unit begins in the fall of 2005. Consequently, there will be little, if any, vacant space available for expansion or re-use of the existing facility should the need arise. Additionally, the Muskogee study did not include a capital planning or a re-use planning study that would have permitted Team PwC to conduct detailed cost estimates for any option that would require construction of a new facility, expansion of an existing one or the re-use of existing infrastructure.

In assessing demand for healthcare services, Team PwC analyzed patient enrollment, patient utilization and patient origin data for both the Tulsa and Muskogee area. Team PwC found that while there are more veterans located in the Tulsa area, significantly more veterans from the Muskogee area actually access the Muskogee VAMC for healthcare services (12.9% of enrolled veterans versus 48% of enrolled veterans, respectively). As discussed above, while the Muskogee VAMC falls short of access requirements for ambulatory care services (i.e. 17% below the threshold requirement for drive time), less than adequate access to primary care alone cannot explain the significant difference in the number of Tulsa area enrolled veterans who access the Muskogee VAMC versus the number of Muskogee area veterans who access the Muskogee VAMC. Among other reasons, veterans in Tulsa have many more options in terms of healthcare providers (e.g. local community providers) and are more likely to be employed by medium to large sized employers who offer alternative sources of healthcare coverage (i.e. private health insurance). Therefore, any option that envisions moving services closer to the Tulsa area (e.g. contracting with a local community provider, collocating with another federal government provider, transferring care to another VAMC, etc.) would negatively impact veterans in the Muskogee area in terms of access.

Because of the lack of potential options to collocate services, collaborate with another federal government provider or transfer care from another VAMC, Team PwC explored options that focused on contracting with a local community provider equidistant between Tulsa and Muskogee. While contracting with such a provider does not address the issue of excess capacity at the Muskogee VAMC, it does address the demand for healthcare in the Tulsa/Muskogee area. Therefore, all options that passed initial screening criteria and discussed within this document have the condition that they do not address excess capacity. Team PwC noted this deficiency in the “Cons” section of each BPO’s “Pros and Cons” table.

The BPOs included in the table below passed all of the initial screening criteria. They will be more thoroughly assessed according to the discriminating criteria in the subsequent sections.

Several of the options consider moving some of the services to facilities in Wagoner and Broken Arrow, OK that are relatively equidistant between Tulsa and Muskogee. Facilities in these areas were chosen because they are geographically accessible for both communities.

Table 3: *Comprehensive BPOs*

BPO Designation	Label	Description	Support for BPO Selection
BPO 1 Comprising: HC-1	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.	<ul style="list-style-type: none"> Based on the input received from stakeholders, BPO HC-1 is a popular option. Stakeholders cited a variety of reasons they prefer the Muskogee VAMC including access to care, quality of the care they received and relationships created with the VAMC Muskogee providers and staff.
BPO 2 Comprising: HC-3C	Contract inpatient surgery to a local community provider in Wagoner, OK	Inpatient surgery provided by the local community provider. OP surgery, IP medicine, IP Psychiatric and ambulatory care services provided by the Muskogee VAMC.	<ul style="list-style-type: none"> None noted
BPO 3 Comprising: HC-3D	Contract inpatient surgery to a local community provider in Broken Arrow, OK	Inpatient surgery provided by the local community provider. OP surgery, IP medicine, IP Psychiatric and ambulatory care services provided by the Muskogee VAMC.	<ul style="list-style-type: none"> None noted
BPO 4 Comprising: HC-3E	Contract ambulatory care (including outpatient mental health) to a local community provider in Wagoner, OK	Ambulatory care (including outpatient mental health) services provided by the local community provider. IP medicine, IP psychiatric, IP surgery and OP surgery provided by the Muskogee VAMC.	<ul style="list-style-type: none"> HC-3E may result in improved access to primary care services for veterans living in the Tulsa area since the commute from Tulsa to the local community provider in Wagoner, OK falls within the VA’s guideline for drive time access.
BPO 5 Comprising: HC-3F	Contract ambulatory care (including outpatient mental health) to a local community provider in Broken Arrow, OK	Ambulatory care (including outpatient mental health) services provided by the local community provider. IP medicine, IP psychiatric, IP surgery and OP surgery provided by the Muskogee VAMC.	<ul style="list-style-type: none"> HC-3F may result in improved access to primary care services for veterans living in the Tulsa area since the commute from Tulsa to the local community provider in Broken Arrow, OK falls within the VA’s guideline for drive time access.
BPO 6 Comprising: HC-3G	Contract inpatient medicine and inpatient surgery to a local community provider in Wagoner, OK	IP medicine and IP surgery to be provided by the local community provider. IP psychiatric, OP surgery and Ambulatory care services to be provided by the Muskogee VAMC.	<ul style="list-style-type: none"> None noted
BPO 7 Comprising:	Contract inpatient medicine and inpatient surgery to a local	IP medicine and IP surgery to be provided by the local community provider. IP psychiatric, OP	<ul style="list-style-type: none"> None noted

BPO Designation	Label	Description	Support for BPO Selection
HC-3H	community provider in Broken Arrow, OK	surgery and Ambulatory care services to be provided by the Muskogee VAMC.	
BPO 8 Comprising: HC-3I	Contract inpatient surgery and ambulatory care (including outpatient mental health) to a local community provider in Wagoner, OK	IP surgery and ambulatory care (including outpatient mental health) services provided by the local community provider. IP Medicine, IP psychiatric and OP surgery provided by Muskogee VAMC.	<ul style="list-style-type: none"> • HC-3I may result in improved access to primary care services for veterans living in the Tulsa area since the commute from Tulsa to the local community provider in Wagoner, OK falls within the VA’s required access drive time.
BPO 9 Comprising: HC-3J	Contract inpatient surgery and ambulatory care (including outpatient mental health) to a local community provider in Broken Arrow, OK	IP surgery and ambulatory care (including outpatient mental health) services provided by the local community provider. IP Medicine, IP psychiatric and OP surgery provided by Muskogee VAMC.	<ul style="list-style-type: none"> • HC-3J may result in improved access to primary care services for veterans living in the Tulsa area since the commute from Tulsa to the local community provider in Broken Arrow, OK falls within the VA’s required access drive time.
BPO 10 Comprising: HC-3K	Contract inpatient medicine, inpatient surgery and ambulatory care (including outpatient mental health) to a local community provider in Wagoner, OK	IP medicine, IP surgery and ambulatory care (including outpatient mental health) services to be provided by the local community provider. IP psychiatric and OP surgery to be provided at Muskogee VAMC.	<ul style="list-style-type: none"> • HC-3K may result in improved access to primary care services for veterans living in the Tulsa area as the commute from Tulsa to the local community provider in Wagoner, OK falls within a short distance.
BPO 11 Comprising: HC-3L	Contract inpatient medicine, inpatient surgery and ambulatory care (including outpatient mental health) to a local community provider in Broken Arrow, OK	IP medicine, IP surgery and ambulatory care (including outpatient mental health) services to be provided by the local community provider. IP psychiatric and OP surgery to be provided at Muskogee VAMC.	<ul style="list-style-type: none"> • HC-3L may result in improved access to primary care services for veterans living in the Tulsa area as the commute from Tulsa to the local community provider in Broken Arrow, OK falls within a short distance.

ASSESSMENT SUMMARY

Table 4: BPO Assessment Summary

Assessment Summary	BPO 2 (HC-3C)	BPO 3 (HC-3D)	BPO 4 (HC-3E)	BPO 5 (HC-3F)	BPO 6 (HC-3G)	BPO 7 (HC-3H)	BPO 8 (HC-3I)	BPO 9 (HC-3J)	BPO 10 (HC-3K)	BPO 11 (HC-3L)
Healthcare Access										
Primary	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔

Assessment Summary	BPO 2 (HC-3C)	BPO 3 (HC-3D)	BPO 4 (HC-3E)	BPO 5 (HC-3F)	BPO 6 (HC-3G)	BPO 7 (HC-3H)	BPO 8 (HC-3I)	BPO 9 (HC-3J)	BPO 10 (HC-3K)	BPO 11 (HC-3L)
Acute	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Tertiary	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Healthcare Quality										
Quality of medical services	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Modern, safe, and secure environment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Meets forecasted need	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Impact on Local Community										
Human Resources: FTEE need (based on volume)	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease
Recruitment / retention	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Research	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Education and Academic Affiliations	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Cost Effectiveness										
Operating cost effectiveness	-	-	-	-	-	-	-	-	-	-
Level of Capital Expenditures Anticipated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Level of re-use proceeds	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Assessment Summary	BPO 2 (HC-3C)	BPO 3 (HC-3D)	BPO 4 (HC-3E)	BPO 5 (HC-3F)	BPO 6 (HC-3G)	BPO 7 (HC-3H)	BPO 8 (HC-3I)	BPO 9 (HC-3J)	BPO 10 (HC-3K)	BPO 11 (HC-3L)
Cost avoidance opportunities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall cost effectiveness	-	-	-	-	-	-	-	-	-	-
Ease of Implementation										
Riskiness of BPO implementation	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Wider VA Program Support										
DoD sharing	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
One-VA Integration	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔
Special Considerations	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔

Evaluation System

The evaluation system below is used to measure the impact on the Baseline BPO for all discriminating criteria in the BPOs that follow.

Table 5: Evaluation System for BPOs

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.).

Use Operating Cost Line in Real Cash Flow	
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 (>10%)
↓↓↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>15%)
Use Operating Costs - Investment Required Line Plus any large Expenditures from Life Cycle between 2003 and 2019	
Level of expenditure anticipated (based on results of initial capital planning costs)	
↓↓↓↓↓	Very significant investment required relative to the Baseline BPO (e.g. 2 or more times)
↓↓↓	Significant investment required relative to the Baseline BPO (e.g. 1-2 times)
-	Similar level of investment required relative to the Baseline BPO (+/- 20% of Baseline)
↑↑	Reduced level of investment required relative to the Baseline BPO (40-80% of Baseline)
↑↑↑↑↑	Almost no investment required
Use Reuse Line	
Level of Re-use proceeds relative to Baseline BPO (based on results of initial Re-use study)	
↓↓↓	High demolition/clean-up costs, with little return anticipated from Re-use
-	No material Re-use proceeds available
↑	Similar level of Re-use proceeds compared to Baseline (+/- 20% of Baseline)
↑↑	Higher level of Re-use proceeds compared to Baseline (e.g. 1-2 times)
↑↑↑↑	Significantly higher level of Re-use proceeds compared to Baseline (e.g. 2 or more times)
Compare option to Baseline Investment Expense. IF Baseline Investment requires large expense that option does not require then an avoidance exists. (For now, use 0-25%, 25 to 50% and more than 50%)	
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
Use Total \$	

Overall Cost effectiveness	
↓↓↓↓	Very significantly higher relative to the Baseline BPO
↓↓	Significantly higher relative to the Baseline BPO
↓	Higher relative to the Baseline BPO
-	Similar level compared to the baseline
↑	Lower relative to the baseline
↑↑	Significantly lower relative to the Baseline BPO
↑↑↑↑	Very significantly lower relative to the Baseline BPO

Acronyms

AMB	Ambulatory
BPO	Business Plan Option
CBOC	Community Based Outpatient Clinic
CIC	CARES Implementation Category
DoD	Department of Defense
FTEE	Full-time employee equivalents
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.