



# Capital Asset Realignment for Enhanced Services

## Business Plan Studies

Congressional Briefing

April 18, 2005

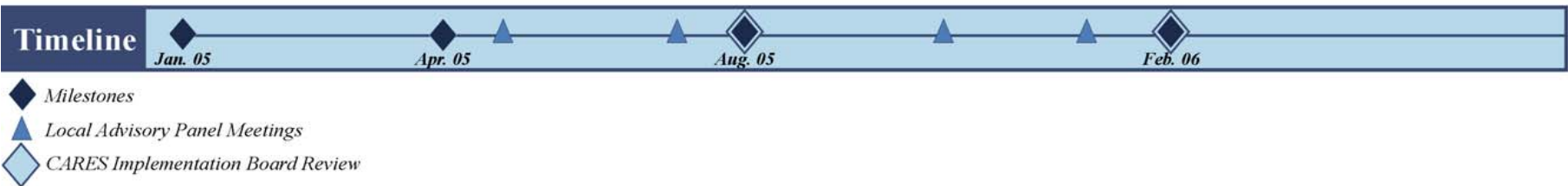
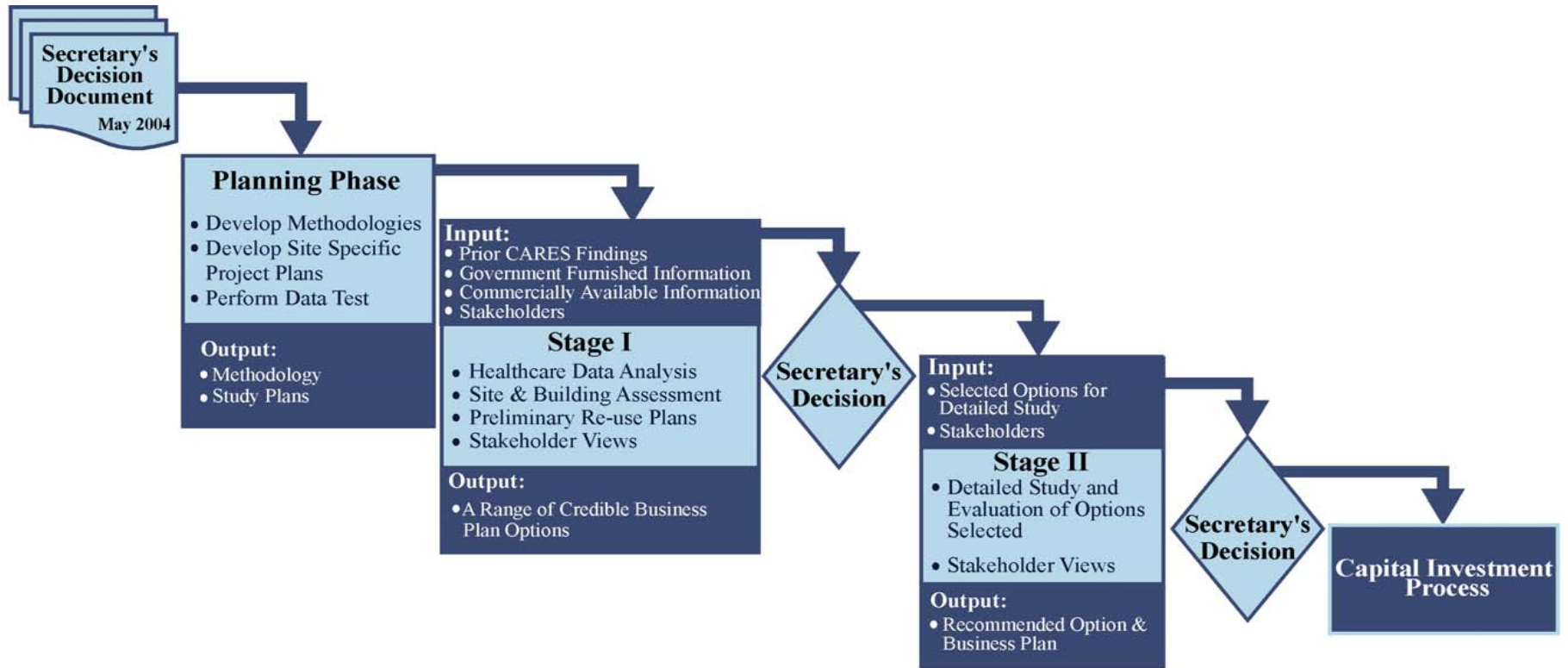


# Study Objectives and Outcomes



- 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 effectivenesswhile maximizing any potential re-use / redevelopment of all or portions of the current real property.
  
- As a result of this study, VA will receive:
  - ◆ A broad range of options that could be used to meet VA's current and forecast healthcare needs (the VA decides which options are to be studied further); and
  - ◆ A recommended option from the options selected by VA for further study.

# Project Overview



# Study Sites



Team PwC's scope of work is based on The Secretary's CARES Decision (May 2004)

Site	Healthcare Delivery Study	General Capital Plan	General Reuse Plan	Comprehensive Capital Plan	Comprehensive Reuse Plan
Boston	■	■	■		
Brooklyn/Manhattan	■	■	■		
Louisville	■	■	■		
Waco	■	■	■		
Big Spring	■	■	■		
Walla Walla	■	■	■		
Montgomery	■	■			
Muskogee	■				
Canandaigua			◆	■	◆
Montrose/Castle Point			◆	■	◆
St. Albans			◆	■	◆
Lexington			◆	■	◆
Livermore			◆	■	◆
White City			◆	■	◆
Perry Point			◆	■	◆
Gulfport/Biloxi			◆	■	◆
West LA			◆	■	◆
Poplar Bluff *					

■ Team PwC ◆ Other Government Contractor  
\* Financial Analysis

**Healthcare Study** – Determination of the type and volume of services needed in 2013 and 2023 and the best location for providing these services.

**General Capital Plan** – Determination of the best use of VA's assets and the best configuration of these assets. General plans identify options as part of overall healthcare provision.

**General Re-use Plan** – Determination of the real estate potential for each campus considering under utilized and vacant space.

**Comprehensive Capital Plan** – Provides a further level of detail by each department.

**Comprehensive Re-use Plan** – Provides further level of analysis related to real estate value and specific opportunities.

**Stakeholder Engagement and Financial Analysis** – conducted at all sites.

# What is Team PwC's role?



- The previous decisions made by the Secretary determined which type of study will occur at each site:
  - ◆ Healthcare
  - ◆ Capital Planning
  - ◆ Re-use / Redevelopment
- PwC's role is to develop a broad range of viable options (STAGE I)
- PwC will gather stakeholder input
- PwC will develop business plans based on a limited number of selected options (STAGE II)
- The Secretary will decide on the business plan option for implementation
- Funding for these plans will need to be prioritized with other VA capital needs

# Team PwC



## ■ PricewaterhouseCoopers LLP

- ◆ Overall program management / QA
  - ◆ Healthcare studies
  - ◆ Financial analysis / Business planning
  - ◆ Stakeholder relations
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## ■ Perkins + Will

- ◆ Capital planning
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## ■ Economics Research Associates

- ◆ Re-Use / Redevelopment planning on 6 sites

## ■ Davis Langdon

- ◆ Capital cost estimates
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## ■ Widmeyer

- ◆ Communications
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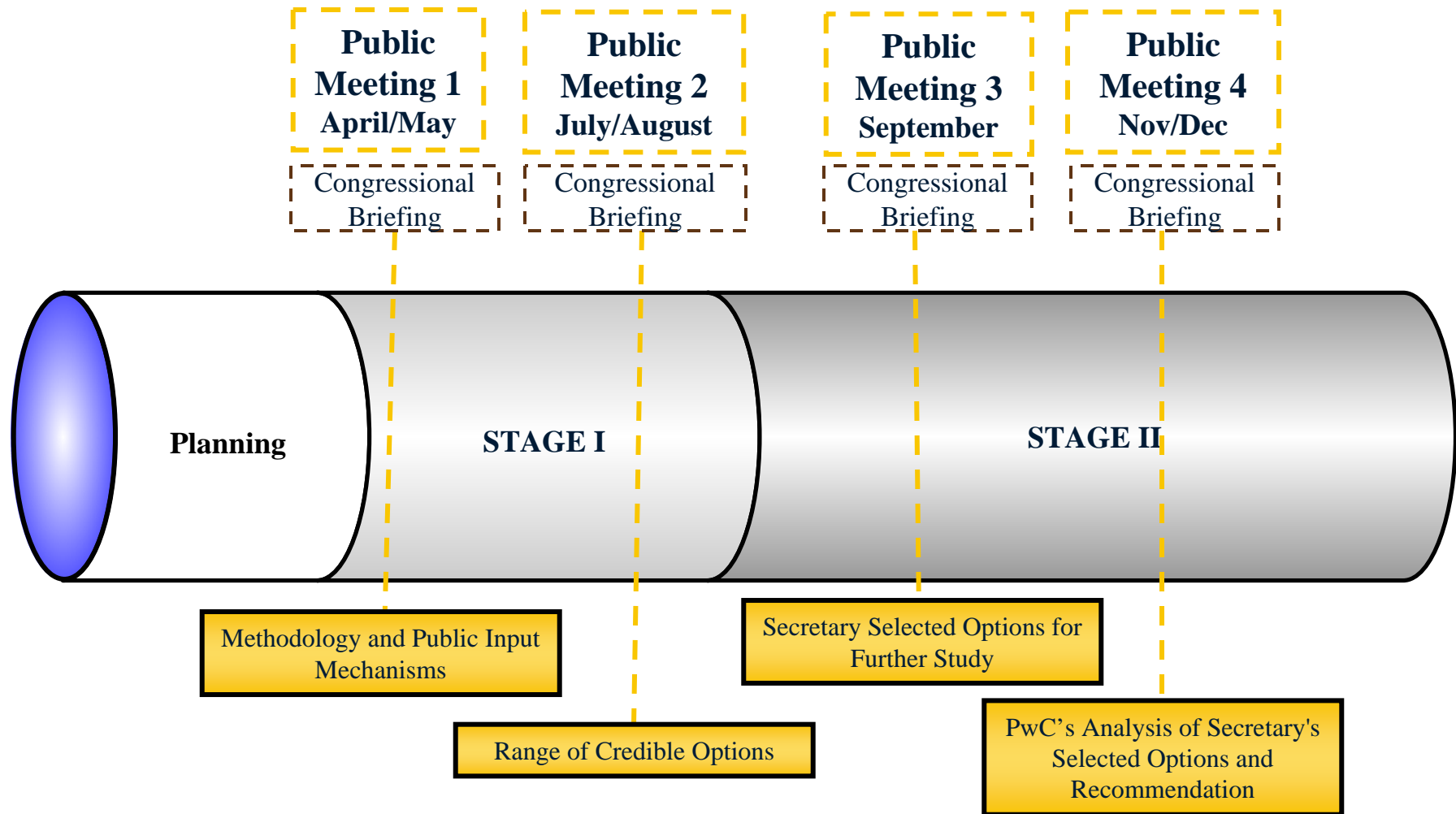
## ■ Horne Engineering

- ◆ Environmental assessment
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## ■ Other Government Contractors

- ◆ Re-Use / Redevelopment planning on 9 sites
- ◆ To be appointed by the VA

# Project Timeline



# How Will Options Be Developed?



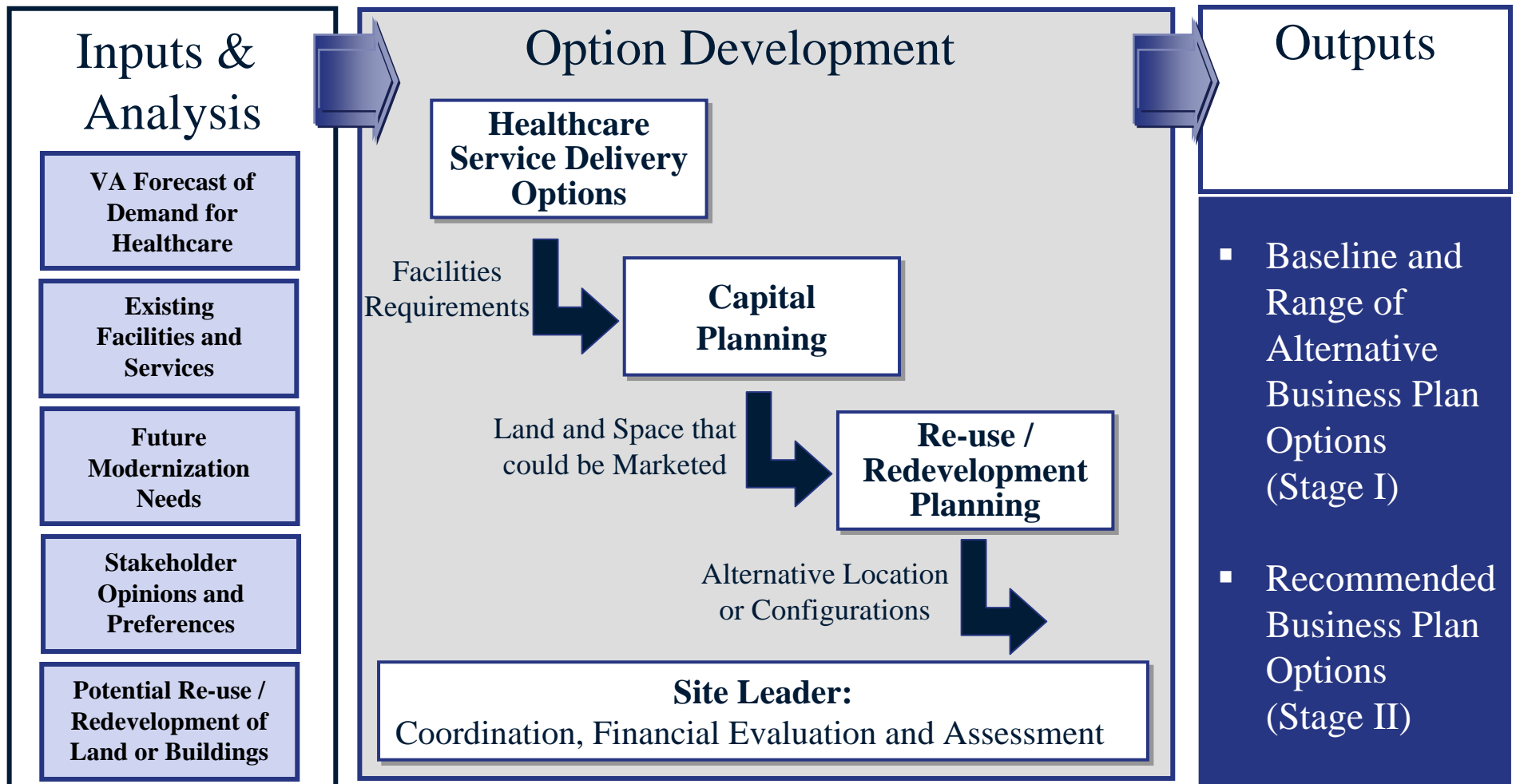
- On behalf of VA, Team PwC will create a range of viable options that meet or exceed current standards for access, quality, and cost by:
  - Examining VA forecast of demand for healthcare
  - Examining existing facilities and future modernization needs
  - Considering stakeholder opinions and preferences
  - Projecting potential re-use / redevelopment of excess land or buildings
  - Considering whether VA should own or lease the delivery site
  - Considering whether VA should deliver the care or use community healthcare providers



# Overview of Team PwC's Approach



How do we create a range of viable options that meet or exceed current levels of access, quality, and cost?



# The Baseline Option



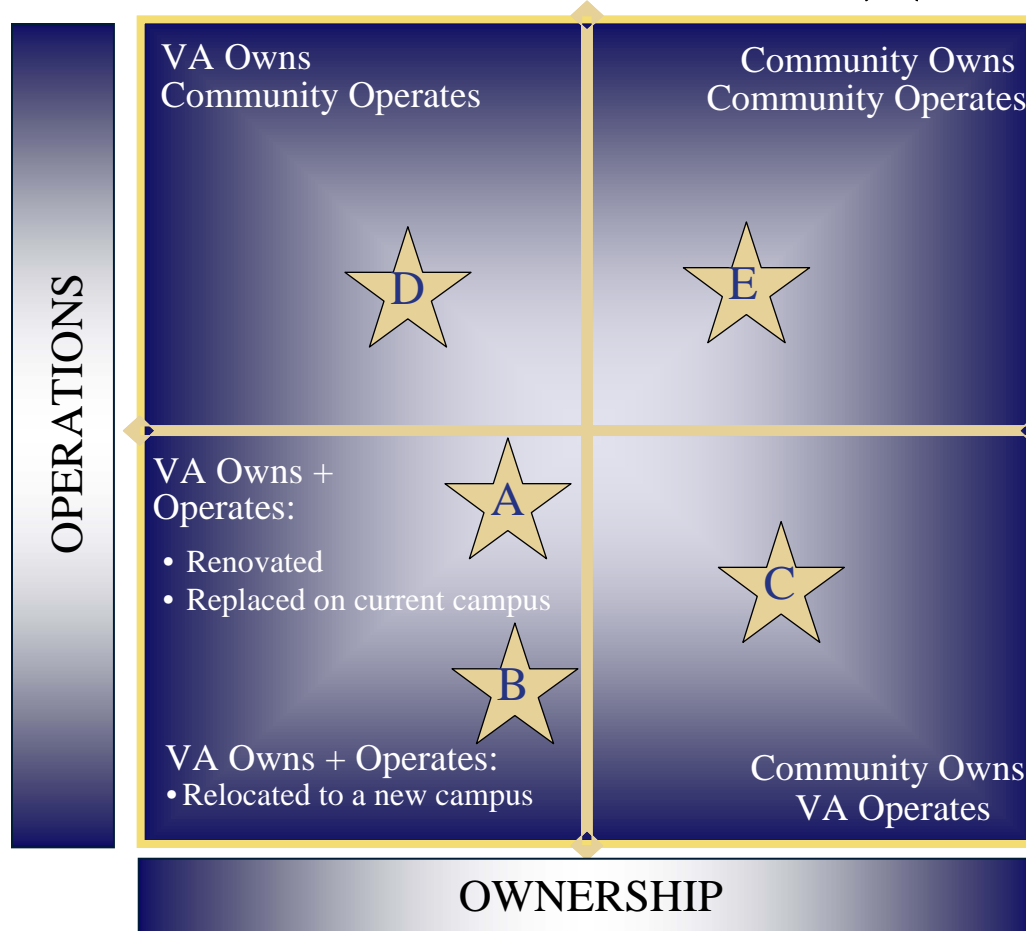
- No significant change either to the location or type of services provided in the study site
- Taking account of:
  - ◆ Projected changes in healthcare volume for particular procedures
  - ◆ Ongoing preventative maintenance of buildings
  - ◆ Capital investment required to maintain a safe healthcare delivery environment

# What Are Potential Alternate Options?



## Two Sample Dimensions:

★ Option Type



# Decision Criteria

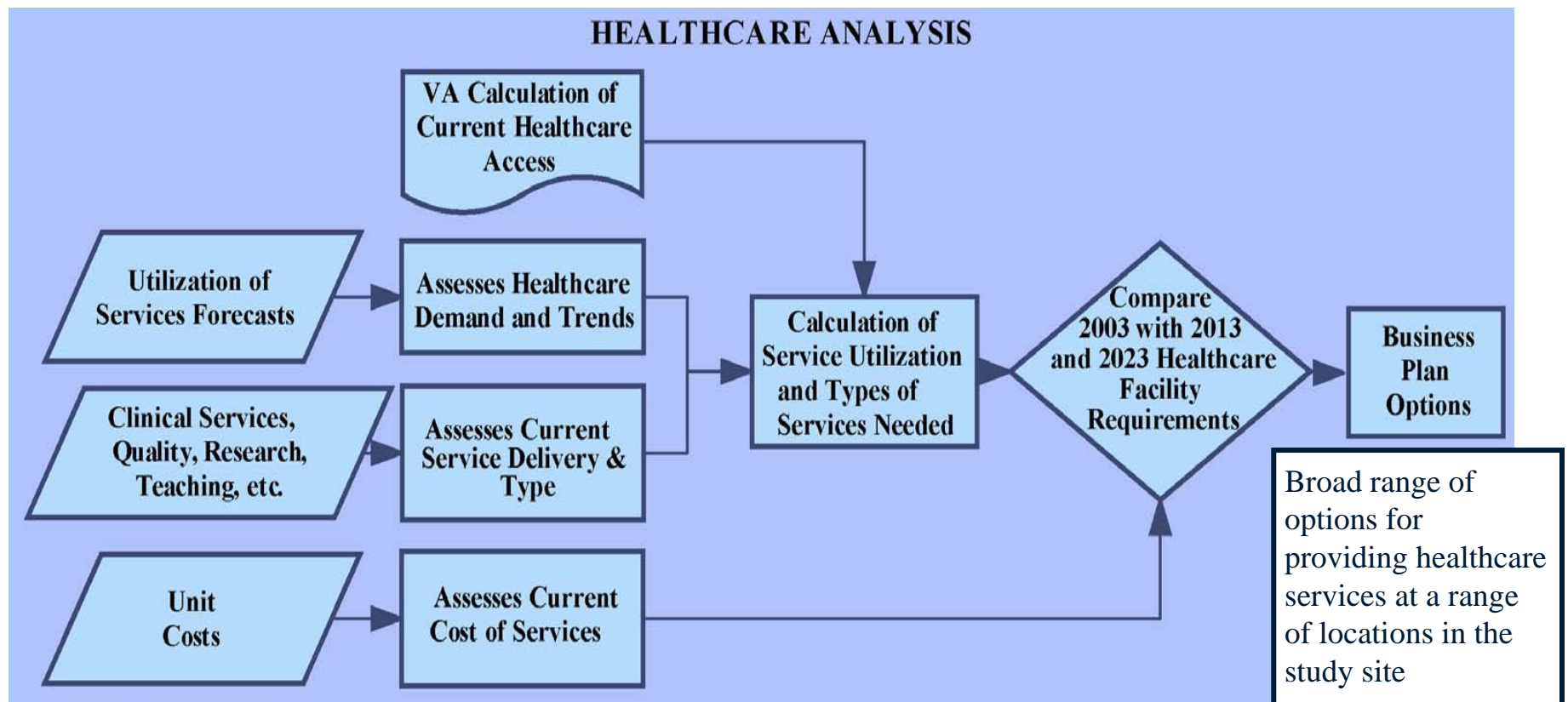


- Each acceptable Business Plan Option (BPO) should:
  - ◆ Maintain or improve overall healthcare quality
  - ◆ Maintain or improve veterans' access to care
  - ◆ Result in a cost effective configuration of VA physical and operational resources
  - ◆ Result in a modernized, safe, healthcare delivery environment
  - ◆ Maximize the reuse / redevelopment potential of VA-owned sites
- These objectives are applied as screening criteria that all BPOs must pass
- Options are evaluated using these and other agreed upon criteria

# Healthcare Analysis



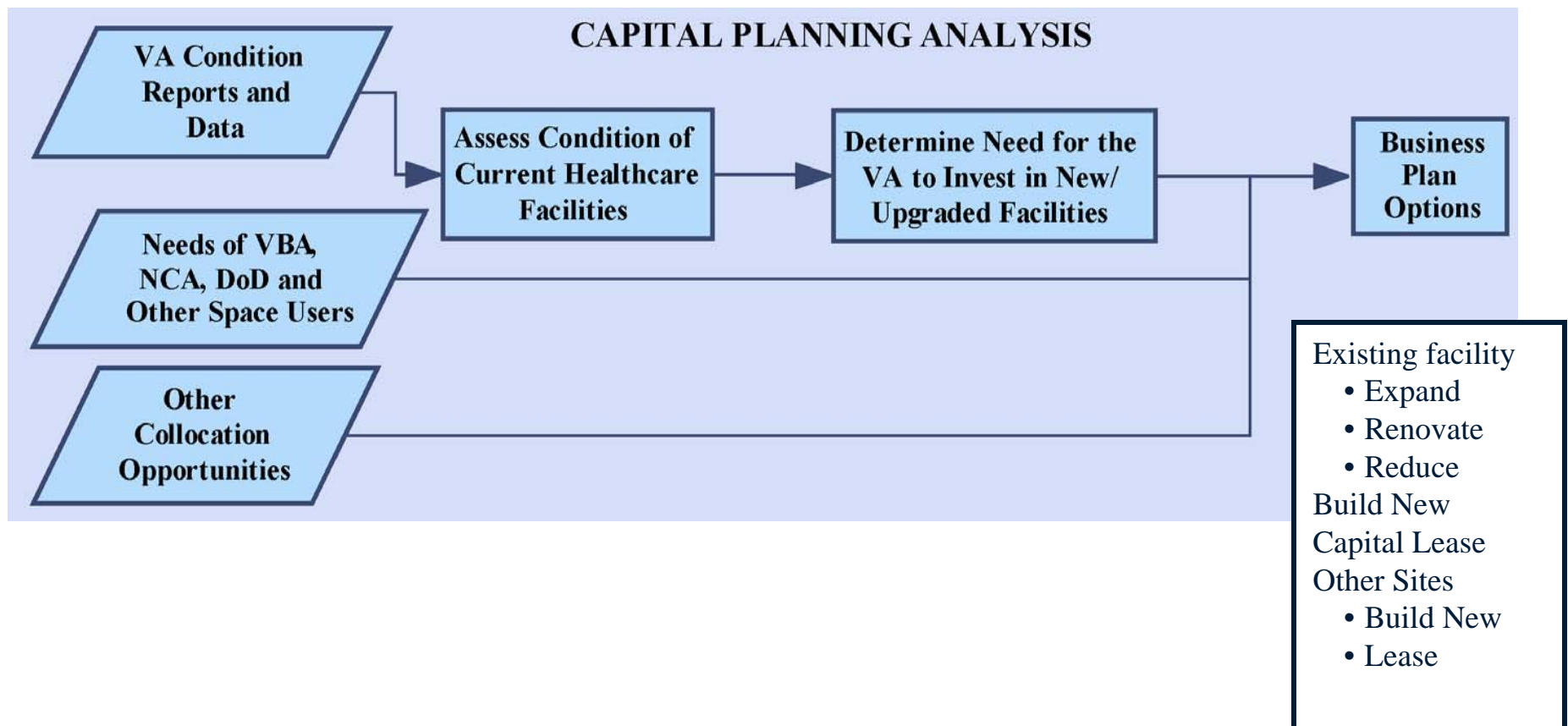
**Objective:** to identify the optimal approach to provide current and future users with healthcare equal to or better than is currently provided.



# Capital Planning Analysis



**Objective:** to provide the best configuration of capital assets for modern health care delivery.

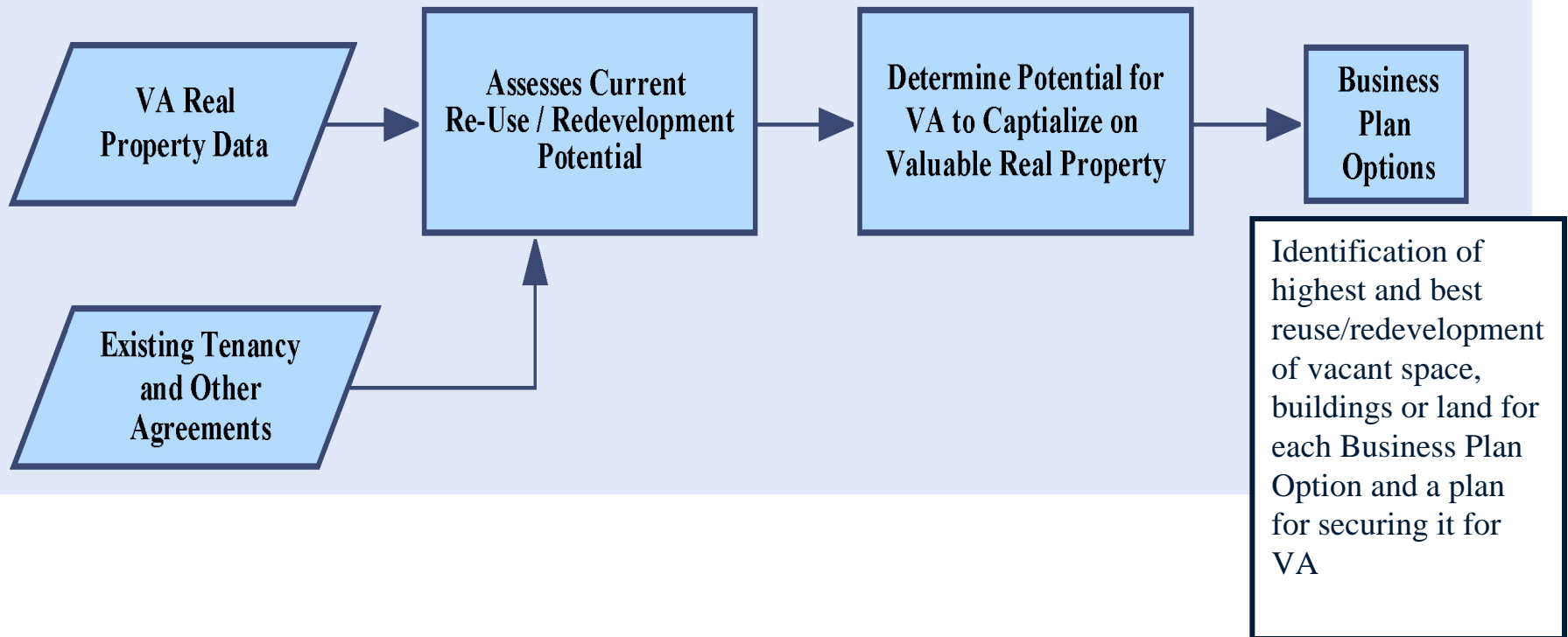


# Re-Use / Redevelopment Planning Analysis



**Objective:** to identify options that maximize the potential re-use / redevelopment of all or portions of the current real property inventory.

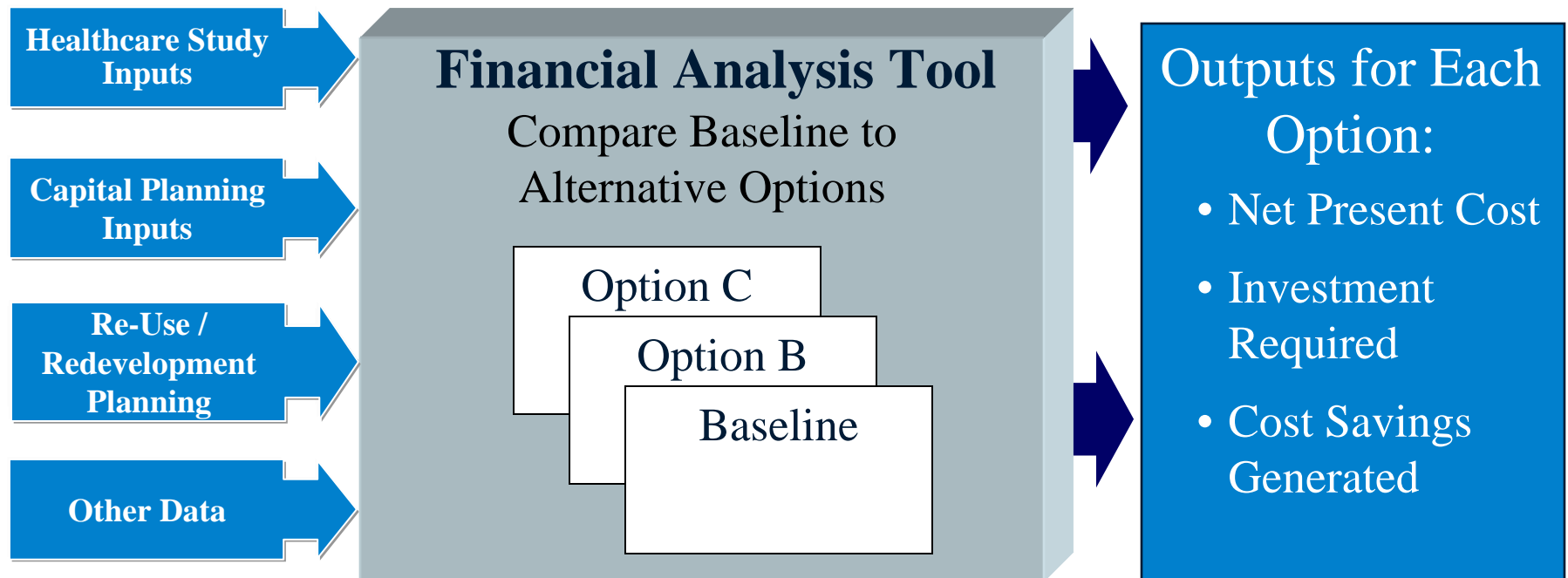
## RE-USE / REDEVELOPMENT PLANNING ANALYSIS



# Financial Analysis Framework



**Objective:** Develop a detailed **cost effectiveness analysis** for each business plan option.



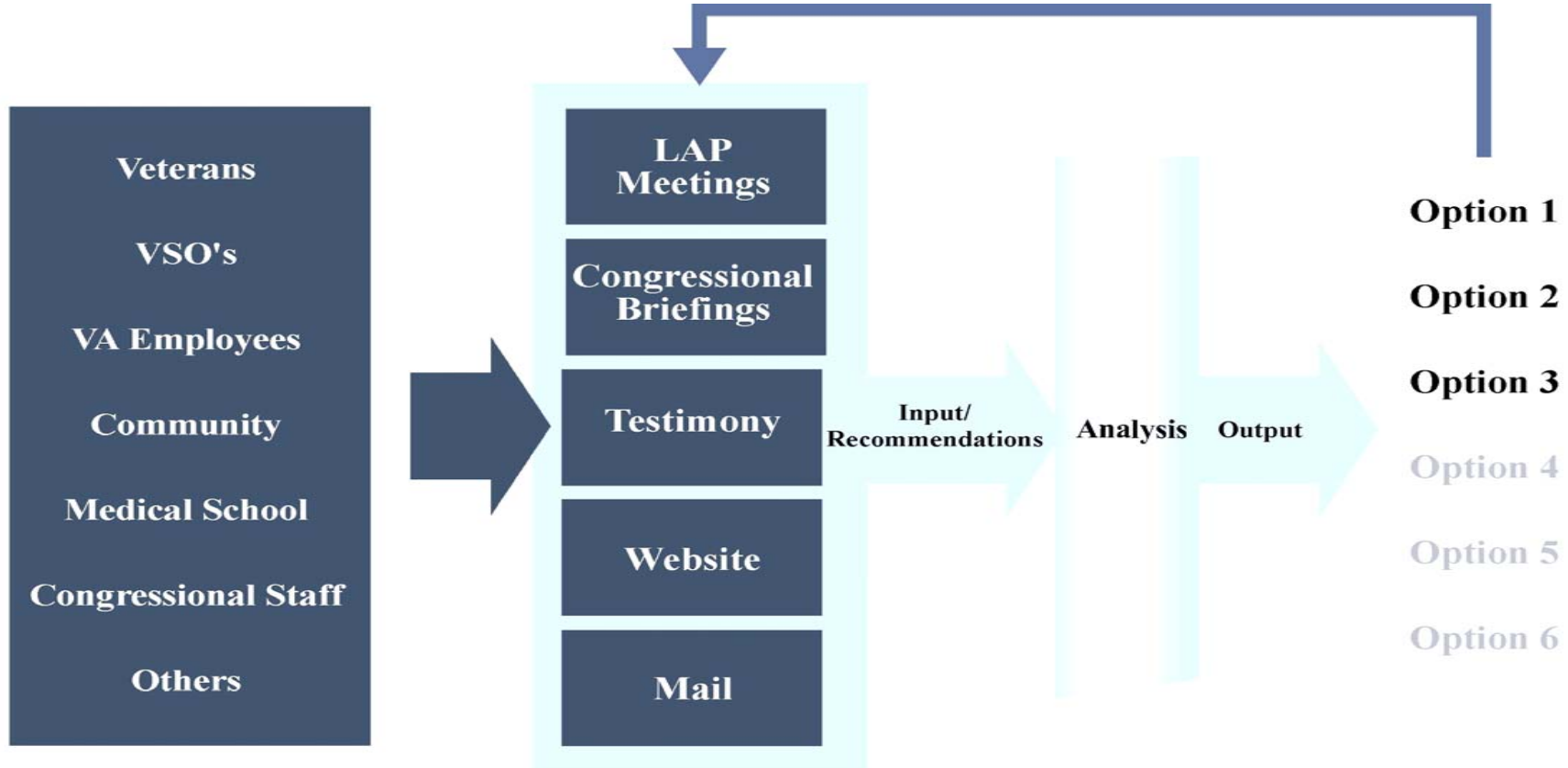


# Public and Interest Group Input



**Objective:** Provide mechanisms to capture the views and concerns of veterans, employees and others to be considered in Team PwC's analysis and shared with the Secretary.

Multiple communication channels will be utilized to solicit input from the public:



# How Can Stakeholders Provide Feedback?



- The website address is www:
  - ◆ Information will be available about each of the 18 sites being studied by Team PwC
  - ◆ There is an electronic survey/comments form available for you to fill out and share your views and opinions
  - ◆ Website will also provide public meeting information, agendas, meeting summaries, and links to background documents
  
- The mailing address for any written comments is:
  - <Site Name>
  - VA Cares Studies
  - PO Box 1427
  - Washington Grove, MD 20880-1427
  - ◆ You may send letters or paper comment forms to this address
  - ◆ All paper surveys will also go through this process and be analyzed and provided to members of the Local Advisory Panel and considered during option development
  - ◆ The paper survey is the same as the electronic survey and should only be completed once

# Upcoming Public Meetings



Site	Date of First Public Meeting
Canandaigua	April 20
Louisville	April 29
Perry Point	May 3
St Albans	May 5
Waco	May 3
Montgomery	May 4
Walla Walla	May 4
Brooklyn / Manhattan	May 3
West LA	May 6
Boston	May 13
White City	May 10
Montrose / Castle Point	May 11
Lexington	May 12
Big Spring	May 13
Livermore	May 13
Poplar Bluff	June 7
Gulfport / Biloxi	May 12
Muskogee	N/A

# Questions

