

Capital Asset Realignment for Enhanced Services (CARES)

Business Plan Studies for Livermore Division (LVD)

Presentation for the Local Advisory Panel

September 14, 2005



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The VA has also contracted with another government contractor, S&S/ACG to develop re-use options for inclusion in this study. S&S/ACG issued its report, Enhanced Use Lease Property Re-use/Redevelopment Plan Phase One: Baseline Report, Veterans Affairs Medical Center, Livermore, California, and as directed by the VA, PricewaterhouseCoopers LLP has included information from their report the following sections in this report: Real Estate Market and Demographic Overview, Environment, Re-Use Options and Development and specific Re-Use options. PricewaterhouseCoopers LLP was not engaged to review and therefore makes no representation regarding the sufficiency of nor takes any responsibility for any of the information reported within this study by S&S/ACG.

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Recap of First Meeting



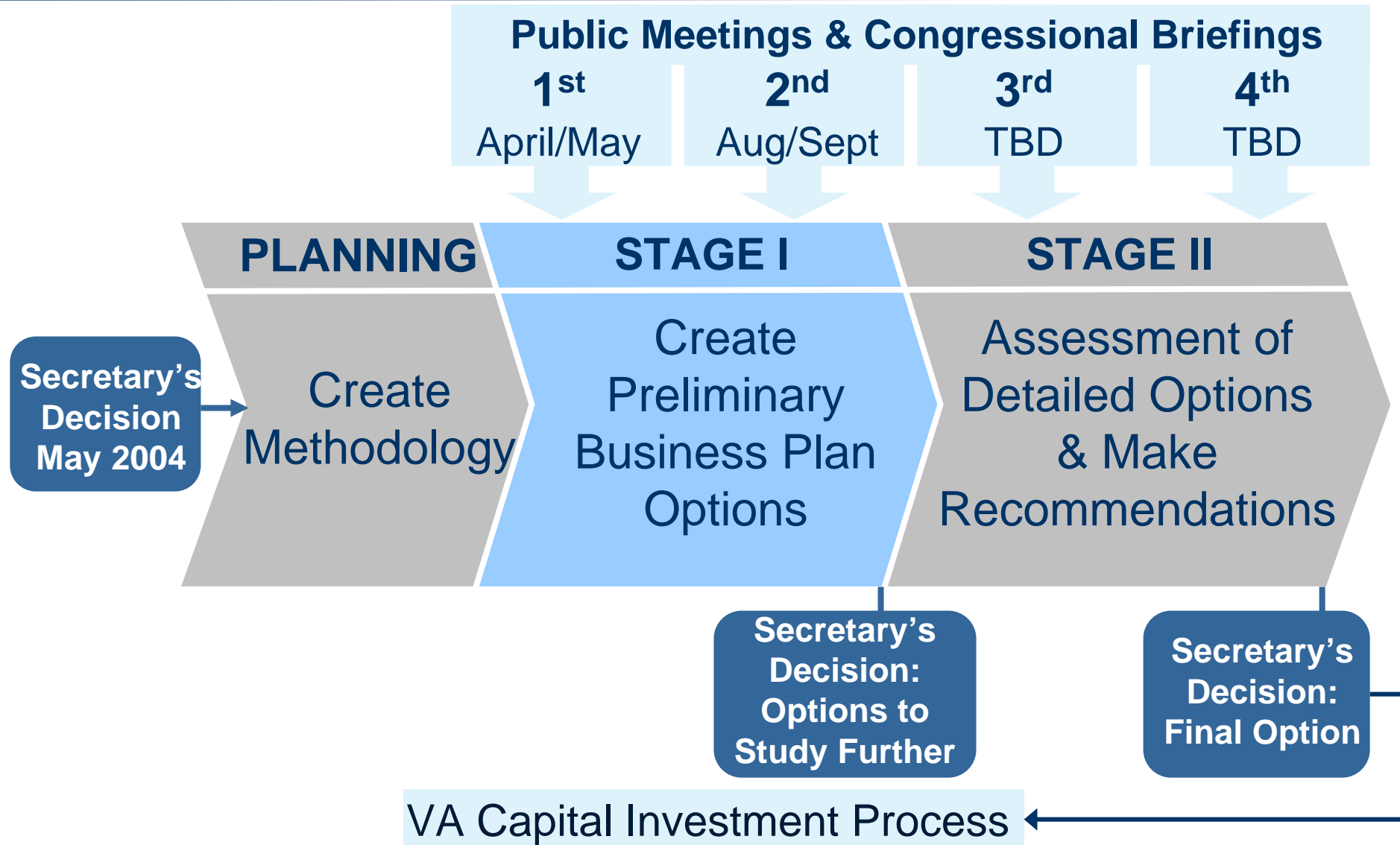
First Public Meeting Recap

- The Secretary's CARES Decision Document, May 2004, calls for additional studies to improve the previous analyses for eighteen sites including Livermore Division (LVD).
- Study Objective:

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

Access
Quality
Cost Effectiveness

Project Overview



2004 Secretary's Decision for Livermore

- VA will realign the Livermore campus to improve access to and quality of patient care by moving services closer to where patients live and by collocating care.
- The realignment will include transfer of outpatient care to an expanded Central Valley clinic and to a new East Bay clinic.
- The realignment also will move sub-acute and low-volume specialty services currently provided at Livermore to the Palo Alto VAMC where they will be colocated at a tertiary care facility.
- VA will maintain access to services locally by retaining a nursing home presence in Livermore through construction of a new facility. [Livermore is defined as LVD's catchment area – including East Bay and North Central Valley.]

2004 Secretary's Decision for Livermore – cont.

- Because this new facility will not be collocated with other VA care, VA will develop a referral agreement to ensure it is able to effectively respond to emergent situations.
- To ensure that this transition is managed effectively, VA will develop a Master Plan for the Livermore campus.
- It will include a careful study of the appropriate size and location of the new nursing home to include a cost-effectiveness analysis to ensure maximum effective use of VA resources.

What's Being Studied at Livermore

■ Capital Planning Study

A study to provide the best use of buildings and facilities for modern healthcare delivery, while maximizing the potential re-use of all or some of the property owned by the VA

■ Re-Use/Redevelopment

Identify options that maximize the potential re-use of all or some of the current VA property, if that property is not needed for VA or VA-related services

Purpose of this Meeting

- Review the options prepared by the contractor for the future use of this medical center.
- Present the options that the contractor believes will maintain or improve veterans' access to quality healthcare in a cost effective manner.
- Members of the LAP will ask questions so that each option is clear. Members of the public may also ask questions about the options during the public comment period.
- The LAP will recommend to the Secretary which options it believes should be studied further, but the Secretary is not required to adhere to this recommendation.

Livermore Public Input



Livermore Public Input

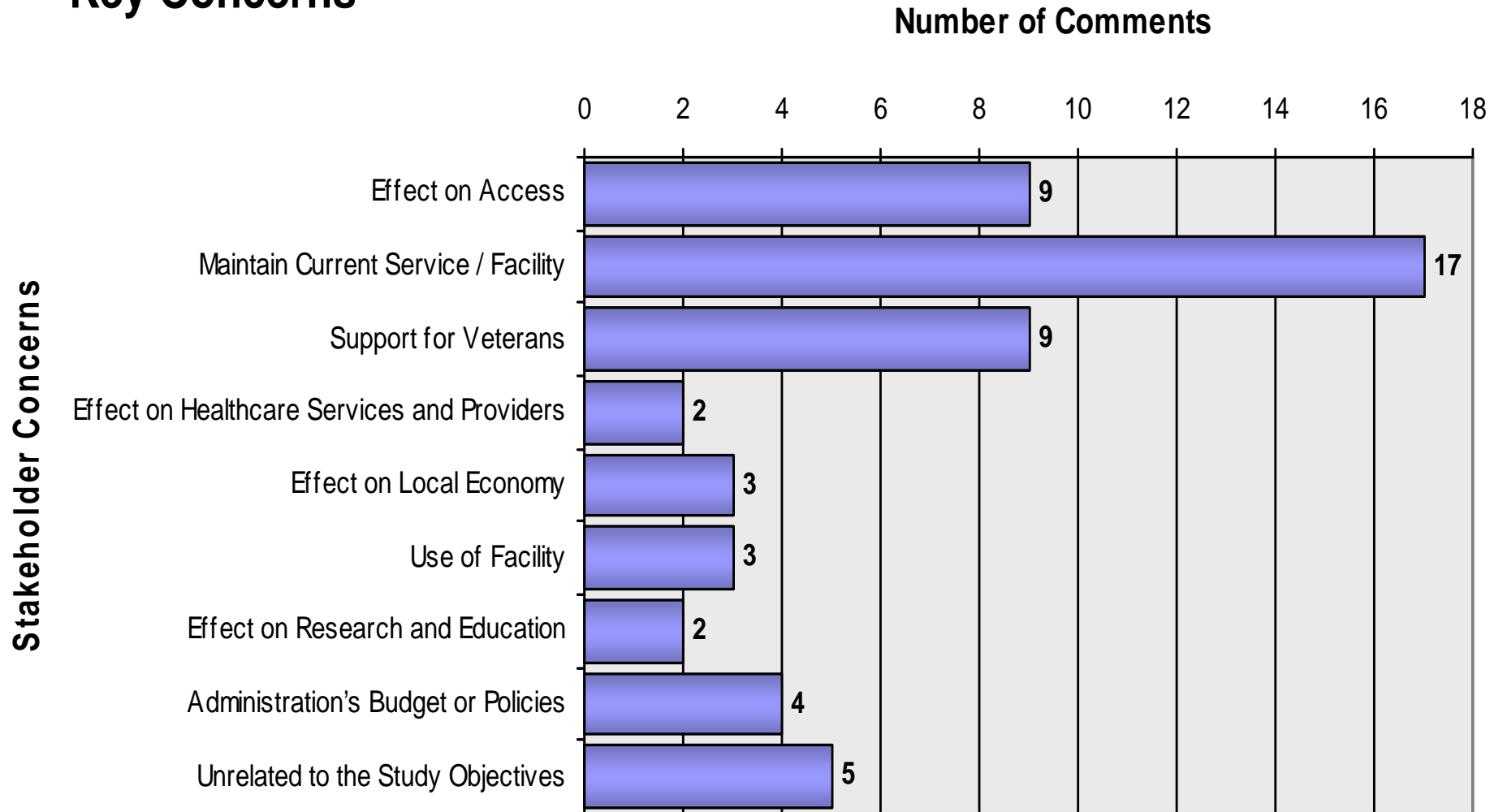
- 80 forms of stakeholder input were received between January 1, 2005 and June 30, 2005.
- The greatest source of written and electronic input was from veterans and VA employees.
- Top key concerns:
 - Keeping the facility open
 - Access to the facility
- Several stakeholders expressed the importance of the pastoral setting to patient well-being.

Categories of Stakeholder Concerns

- Effect on Access
- Maintain Current Service/Facility
- Support for Veterans
- Effect on Healthcare Services/ Providers
- Effect on Local Economy
- Use of Facility
- Effect on Research and Education
- Administration's Budget or Priorities
- Unrelated to the Study Objectives

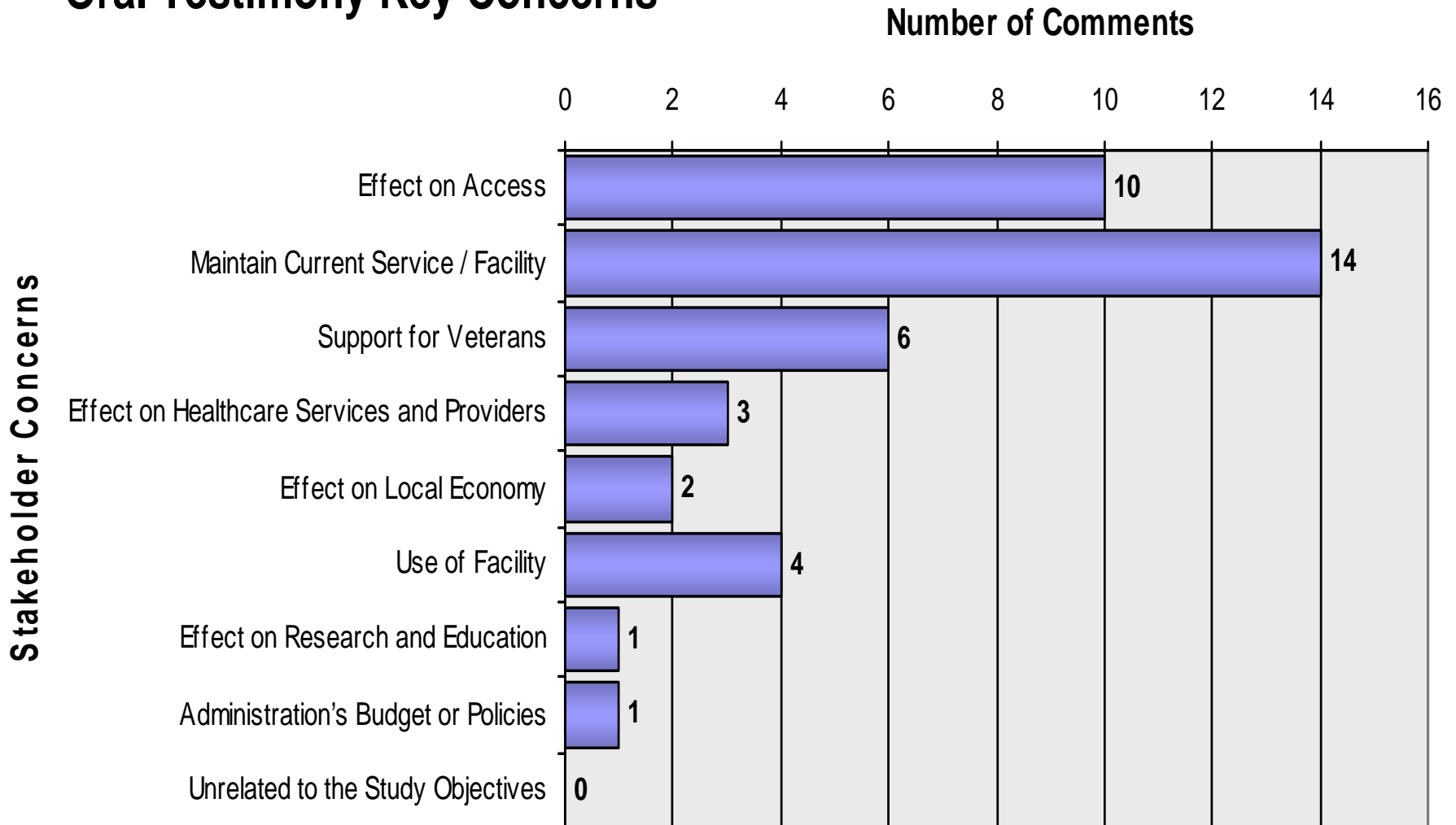
Key Concerns – Written and Electronic Input

Key Concerns



Key Concerns – Oral Testimony

Oral Testimony Key Concerns



Current Status and Business Plan Options

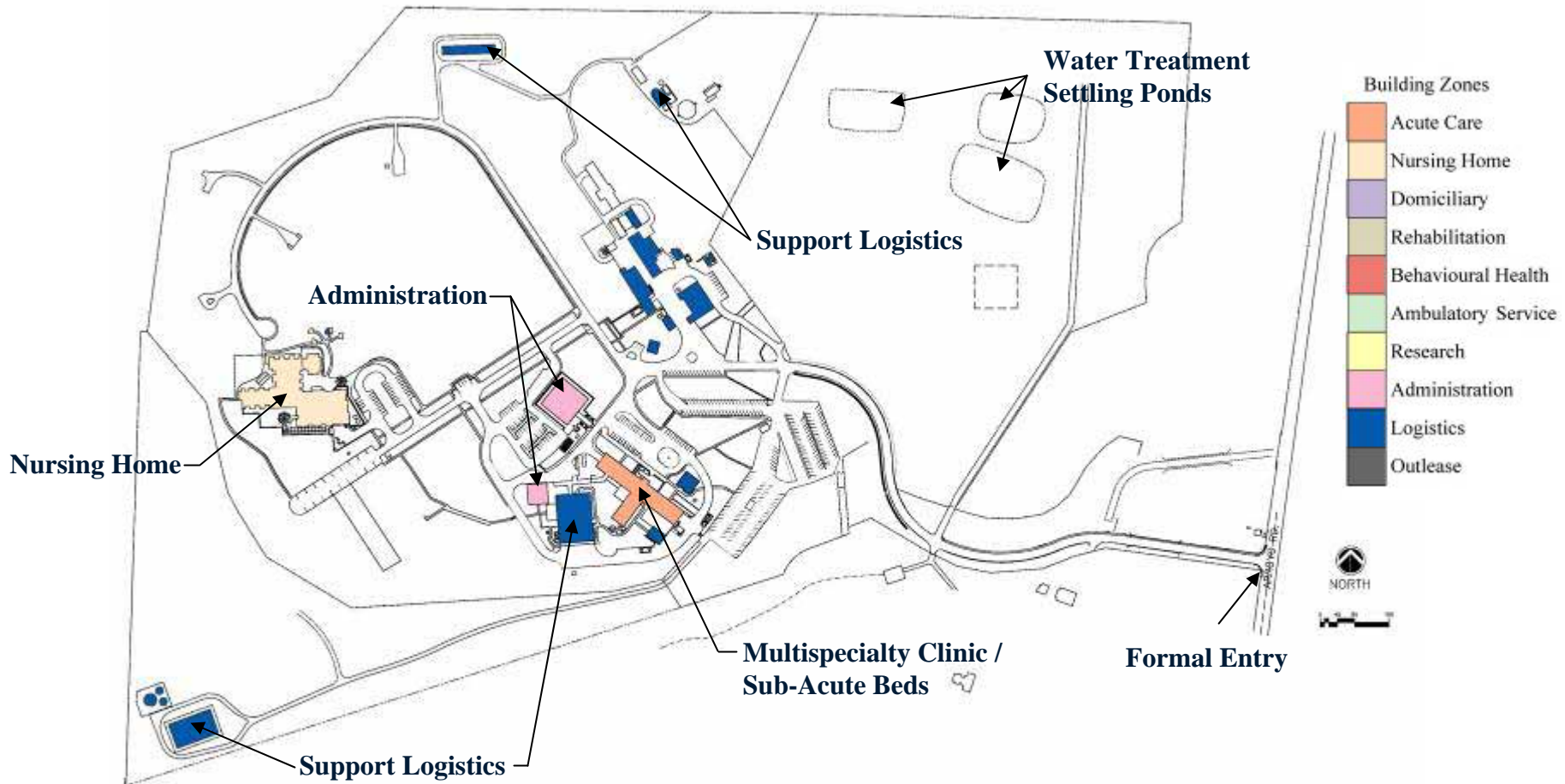


Stage I Study Findings for Livermore

Livermore Division (LVD)



Livermore Current Site Map



Livermore Site Overview

- ◆ LVD began operations in 1929 as a tuberculosis hospital; now division of VA Palo Alto Health Care System (VAPAHCS).
- ◆ Serves veterans in Southern Alameda County and North Central Valley.
- ◆ Located on 112 acres (only 80 of which are considered usable) in a high-income, rural setting south of the city of Livermore, California -- approximately 50 miles southeast of San Francisco.
- ◆ Has 17 structures -- 11 permanent buildings and six temporary structures -- ranging in age of 81 -15 years old; campus is arranged in a park-like rural setting and buildings appear well maintained.
 - Nursing home (Building 90) was opened in 1982.

Livermore Services Overview

- 150 total operating beds, including sub-acute and specialty care programs, and free-standing 120-bed nursing home unit (NHCU).
- LVD currently provides:
 - ◆ Outpatient primary, specialty care
 - ◆ Outpatient mental health services
 - ◆ Inpatient long-term care (NHCU)
 - ◆ Inpatient sub-acute care

Options Development

“Universe” of Considered Options

**Stakeholder
Input**

**Capital Planning
Options**

**Re-Use
Options**

Initial Screening Criteria:

ACCESS

Would maintain or improve overall access to primary and acute hospital healthcare

QUALITY OF CARE

Would maintain or improve overall quality of healthcare:

- *Capability to Provide Care*
- *Workload at each facility*
- *Modern, Safe, Secure*

COST

Would offer a cost-effective use of VA resources (cost assessment in Stage II)

Team PwC developed Comprehensive Options for Stage 1

Discriminating Criteria:

- **Healthcare Quality**
- **Healthcare Access**
- **Making the best use of VA resources**

- **Ease of Implementation**
- **Ability to Support wider VA programs**
- **Impact of Option on VA and Local Community**

Options Overview

“Universe” of Considered Options

Capital Planning Options

TOTAL = 8

Re-Use Parcel Options

TOTAL = 4

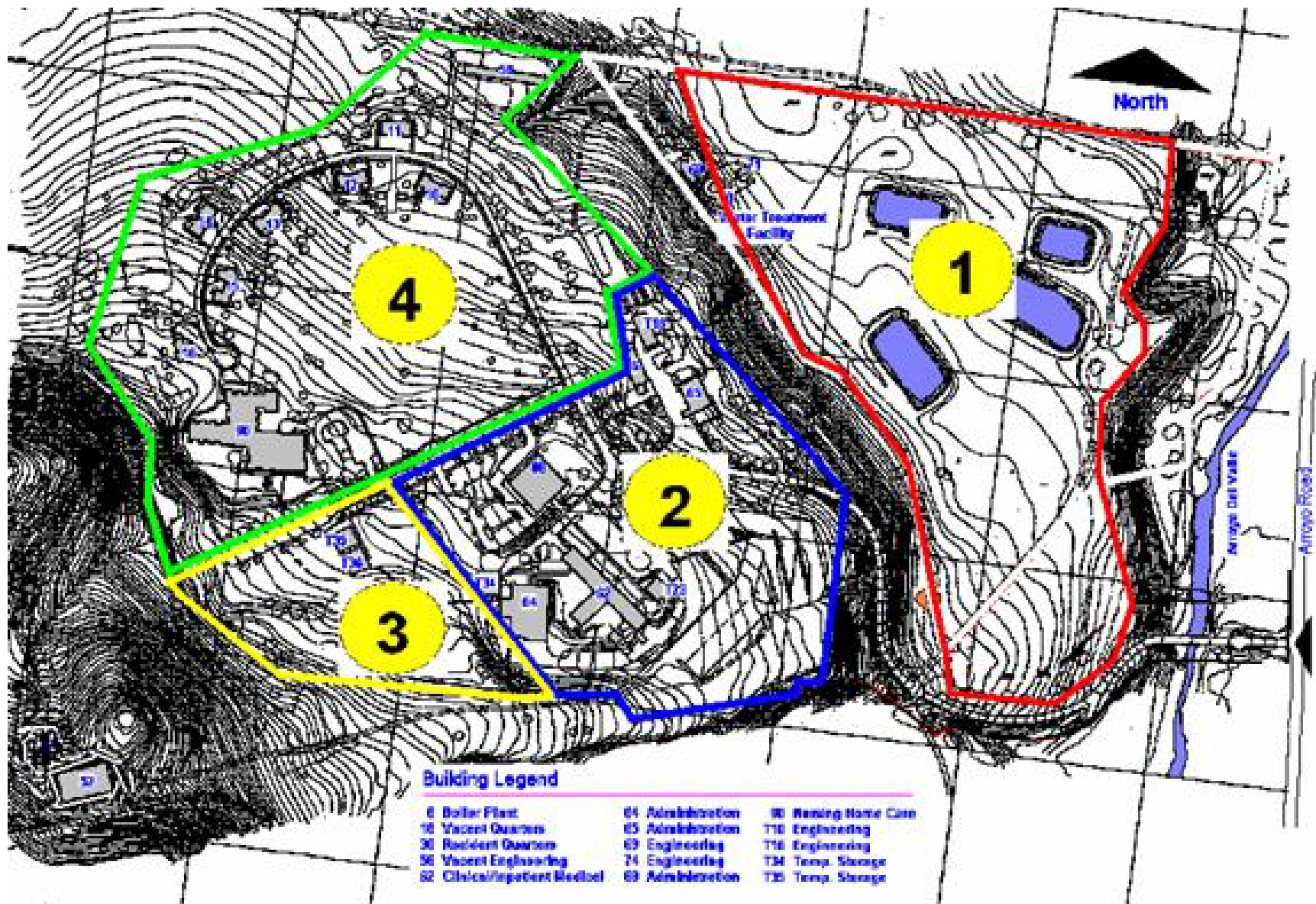
Initial Screening for Access, Quality, Cost

Business Planning Options (BPOs)

TOTAL = 5

Assessed for Stage I Report

Livermore – Parcels for Re-Use/Redevelopment



Summary of Business Plan Options: Livermore

- **Baseline:** Maintain current facilities with improvements as necessary to accommodate workload and create a safe, secure, and modern patient care environment.
- Two of the options involve building a new nursing home on either Parcel 1 or 3 on the existing campus.
- One option is to move nursing home services to an off-campus location with ambulatory services.
- One option is to build a new nursing home off-campus on a stand-alone site.

BPO 1. Baseline Option

[CP-1]

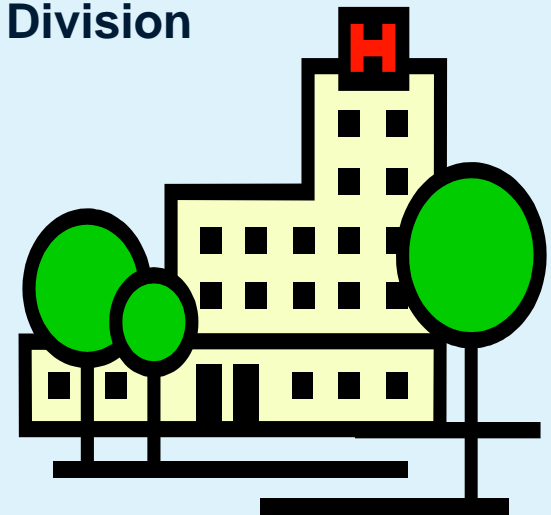
A Baseline option reflects:

Current state projected out to 2013 and 2023 without any changes to Nursing Home facilities or programs, but accounting for projected utilization changes (no change in NHCU workload), and assumes same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment.

LVD currently provides outpatient primary care, specialty care, mental health services, long-term care and sub-acute care. *Under Baseline, specialty care and sub-acute relocate to Palo Alto VAMC and off-campus clinics.*

This BPO is inconsistent with the Secretary's Decision of May 2004.

Livermore
Division

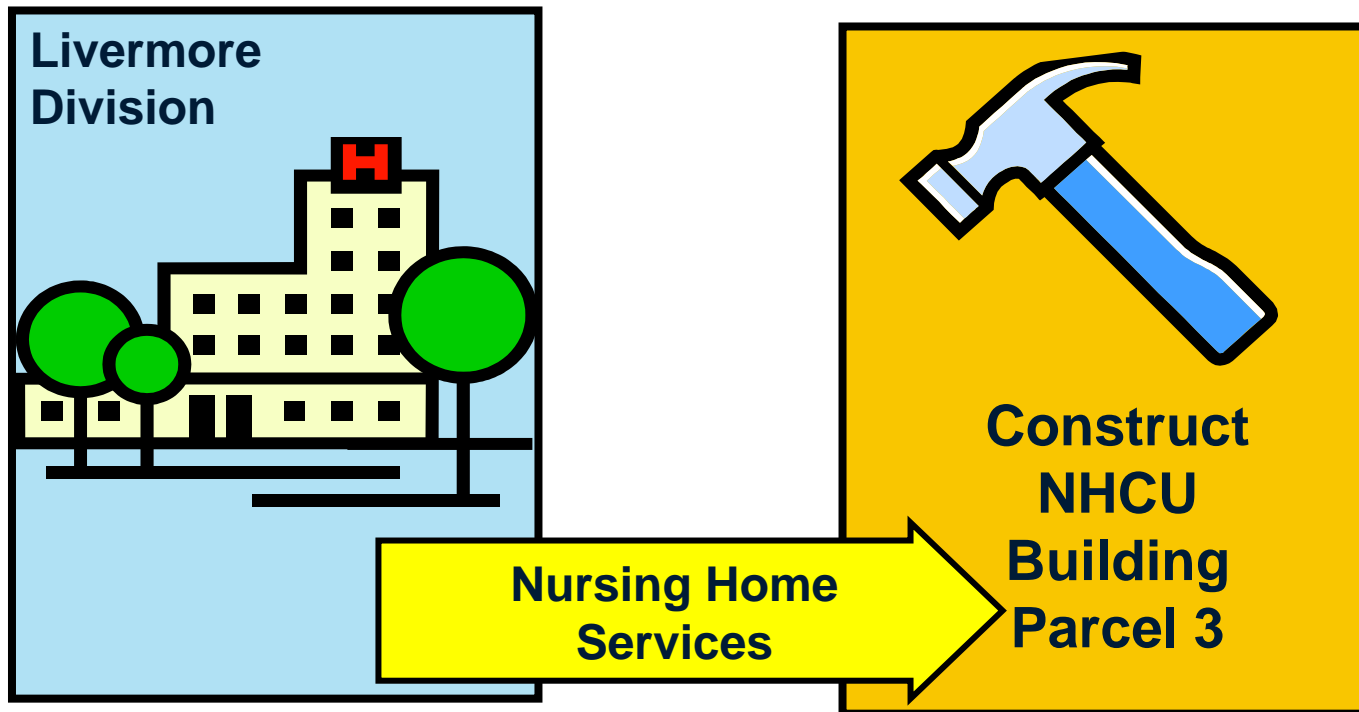


BPO 1. Assessment - Baseline

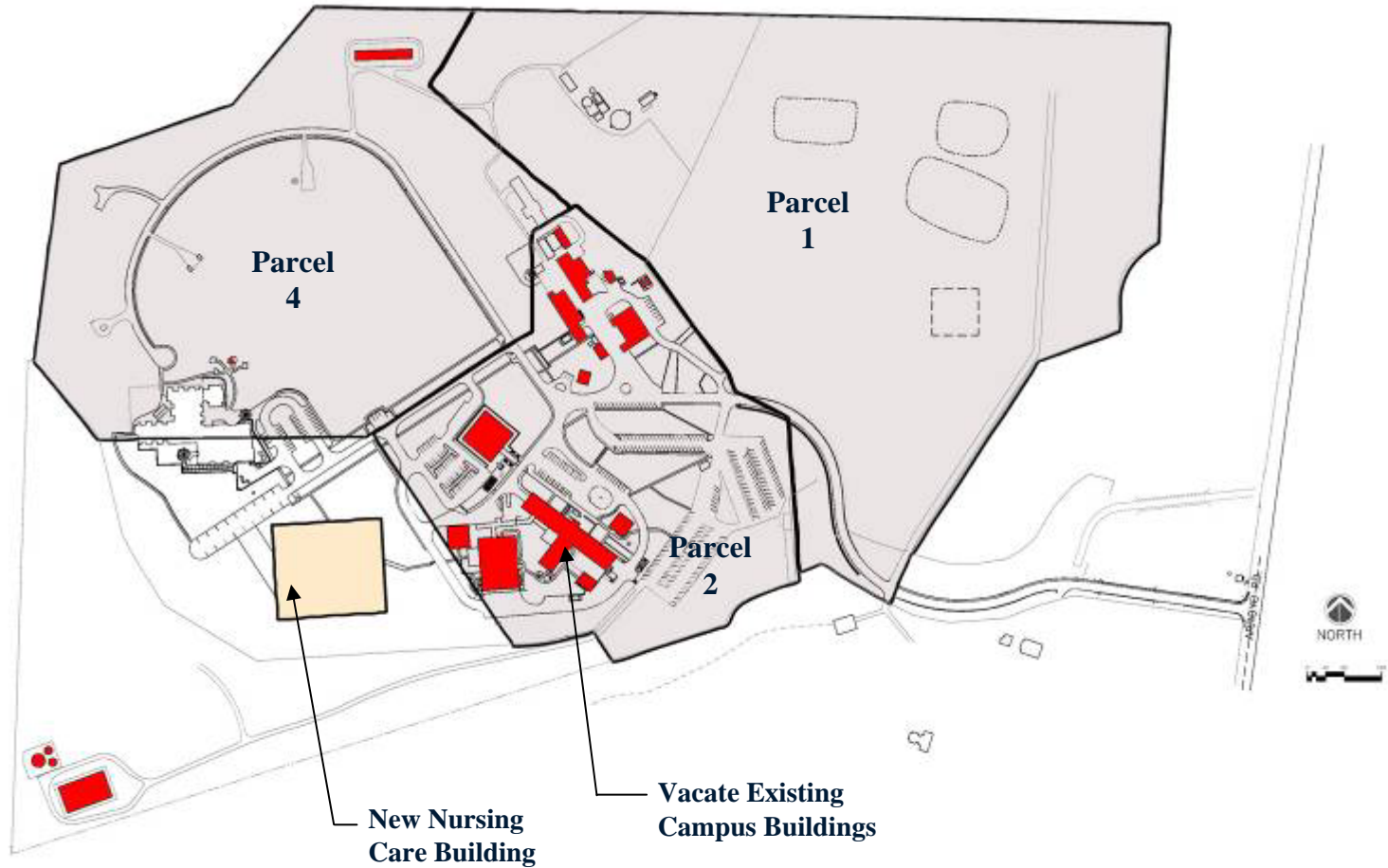
Healthcare Access	Maintains current drive-time access; no change for Nursing Home patients.
Healthcare Quality	Improves site safety by upgrading existing buildings to be in compliance with prevailing codes, though facility is <u>not renovated to current VA facility standards</u> . Facility is appropriately sized to meet projected demand.
Cost Effectiveness	Assessment of cost effectiveness not applicable for baseline.
Ease of Implementation	Impact no more material than an extensive and extended set of renovation.
Wider VA Program Support	No change.

BPO 2. New NHCU on site in Parcel 3 (Upper Campus) [CP-2A/RU-1,2&4]

NHCU will remain on LVD campus. Consolidation of the campus footprint into a more efficient, stand-alone NHCU Building on Parcel 3. Re-use of Parcels 1, 2, 4.



BPO 2 – Proposed Site Plan



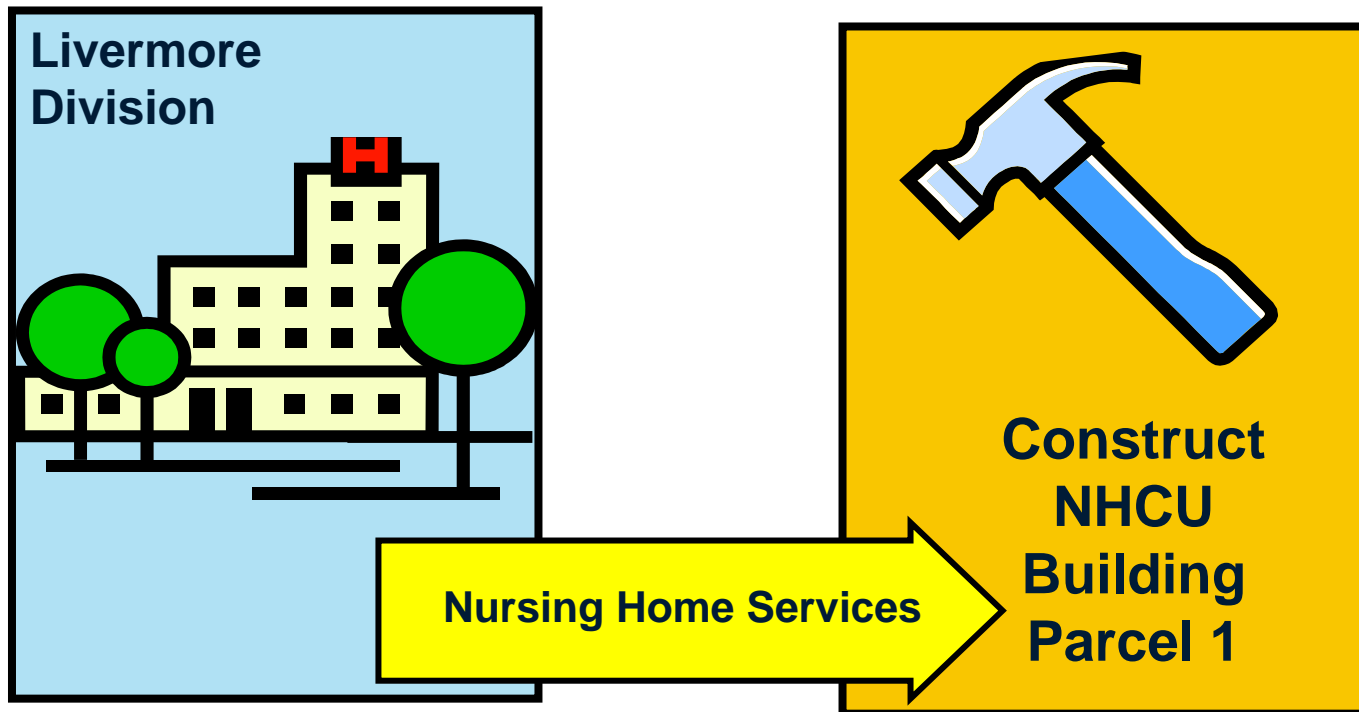
BPO 2. Assessment - New NHCU on site in Parcel 3

[CP-2A/RU-1,2&4]

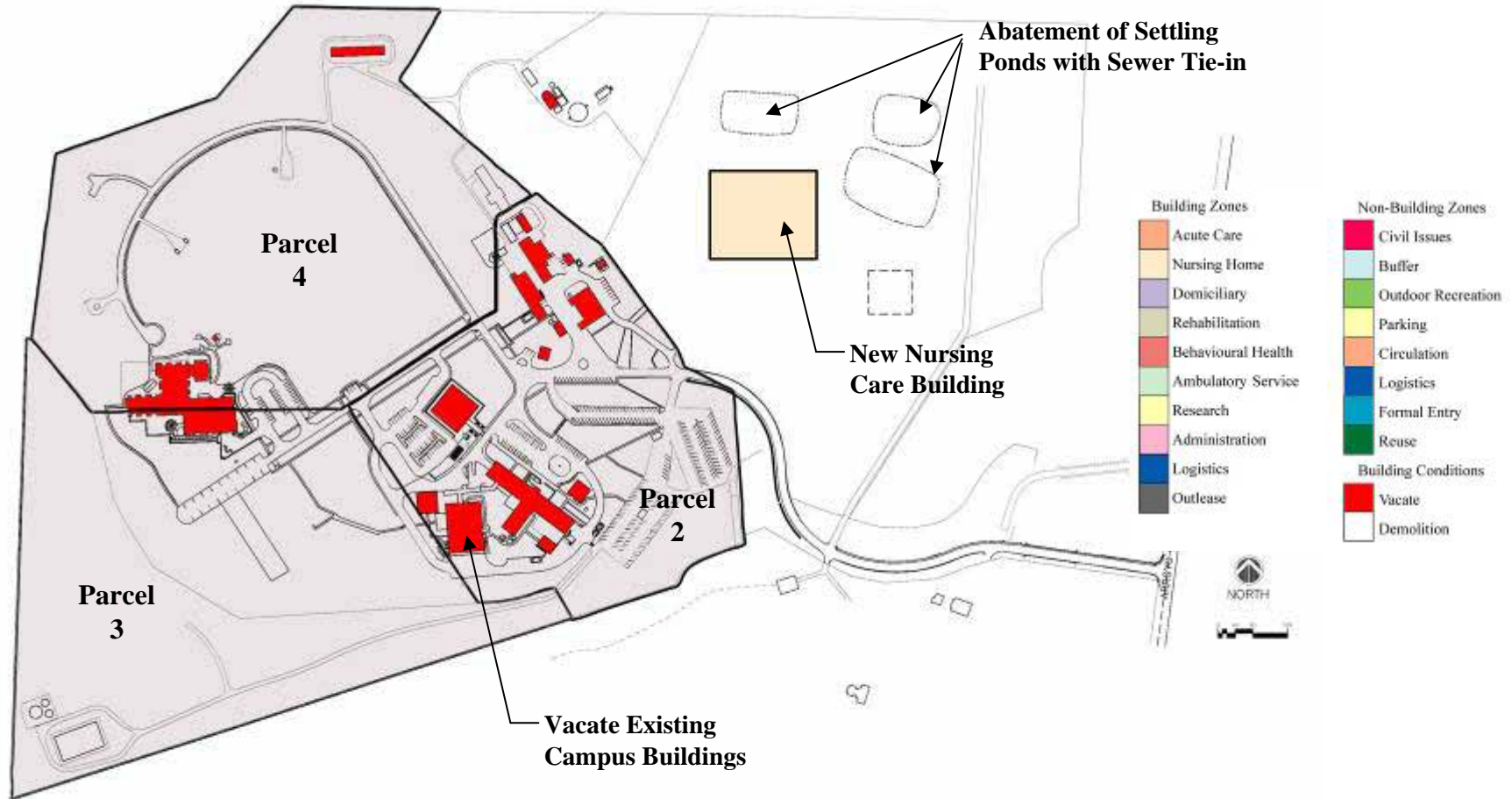
Healthcare Access	Maintains current drive-time access for NHCU patients.
Healthcare Quality	Improves site safety by bringing buildings in compliance with prevailing codes. New NHCU constructed and appropriately sized to meet projected demand (120 beds).
Cost Effectiveness	Potential re-use of vacated land for a variety of uses (remaining site Parcels 1, 2 and 4).
Ease of Implementation	Simple relocation of services. Facilities are activated when completed.
Wider VA Program Support	Geographic separation of other VA services (Palo Alto VAMC, East Bay, and Central Valley Clinics).

BPO 3. New NHCU on site in Parcel 1 (Lower Campus) [CP-2B/RU-2,3&4]

NHCU will remain on LVD campus. Consolidation of the campus footprint into a more efficient, stand alone NHCU Building on Parcel 1. Re-use of Parcels 2, 3, 4 – upper campus.



BPO 3 – Proposed Site Plan



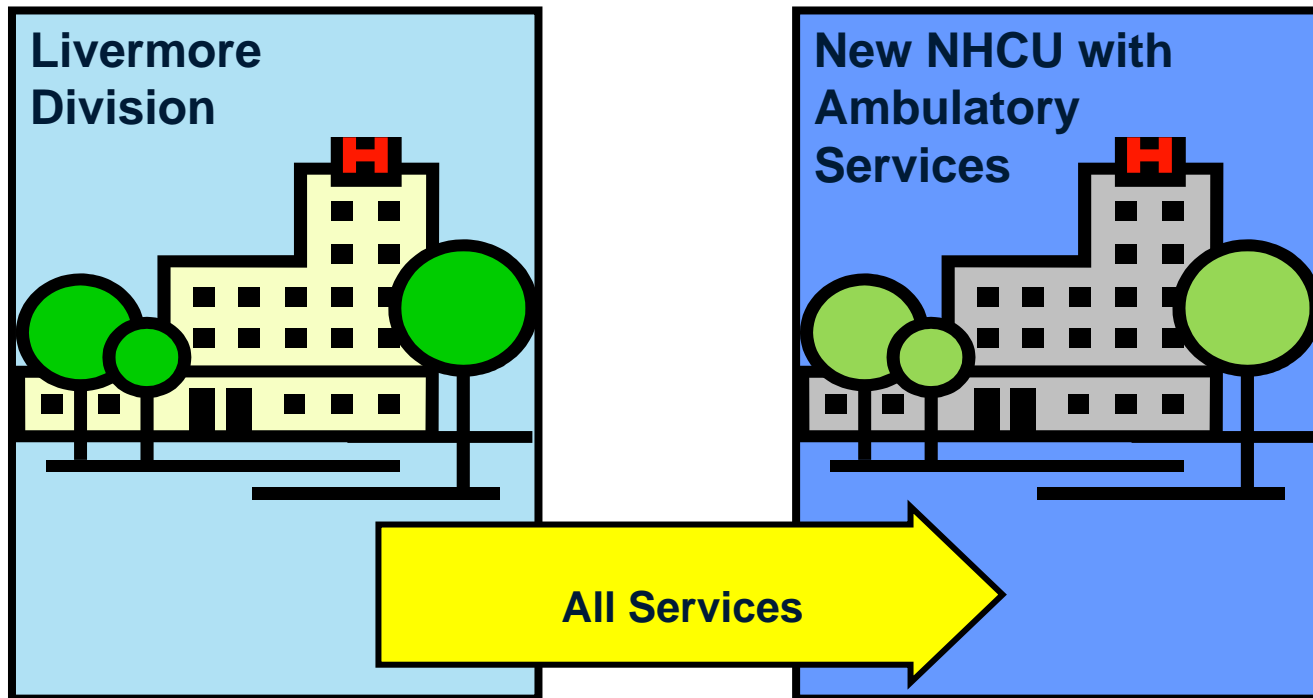
BPO 3. Assessment- New NHCU on site in Parcel

1 [CP-2B/RU-2,3&4]

Healthcare Access	Maintains current drive-time access and on site access of NHCU.
Healthcare Quality	Improves site safety by bringing buildings in compliance with prevailing codes. NHCU is appropriately sized to meet projected demand .
Cost Effectiveness	Potential re-use of vacant land on this site for a variety of uses (remaining site Parcels 2, 3, and 4).
Ease of Implementation	Relocation of services to this parcel more involved than on Parcel 3 (upon remediation of water treatment pools/excavation of foundation and sewer tie-in).
Wider VA Program Support	Geographic separation of other VA services (Palo Alto VAMC, East Bay and Central Valley Clinics).

BPO 4. New NHCU collocated with CBOC [CP-3A/RU-1-4]

All services will relocate off LVD's campus; NHCU on a site to be collocated with ambulatory services. Re-use of LVD campus.



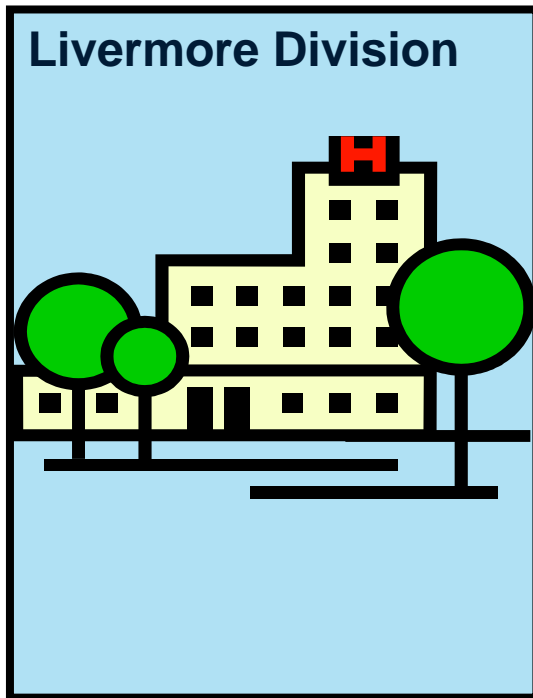
BPO 4. Assessment- New NHCUCollocated with CBOC

[CP-3A/RU-1-4]

Healthcare Access	NHCUC service continuing in 'Livermore area' – improved by collocating in center of higher density veteran population with CBOC.
Healthcare Quality	Improves site safety by bringing buildings in compliance with prevailing codes with new NHCUC. Facility is appropriately sized to meet projected demand.
Cost Effectiveness	Potential re-use of vacated LVD parcels for a variety of uses.
Ease of Implementation	Simple relocation of services.
Wider VA Program Support	Geographic separation of other VA inpatient services (Palo Alto VAMC) but adjacent to ambulatory services

BPO 5. New NHCU on Undeveloped Site, off LVD campus [CP-3B/RU-1, 2, 3 & 4]

All services will relocate off-campus. A new stand-alone NHCU facility will be constructed on an undeveloped site. Re-use of LVD site.



BPO 5. Assessment - New NHCU on New Undeveloped Site, off LVD campus [CP-3B/RU-1, 2, 3 & 4]

Healthcare Access	<p>NHCU service continuing in ‘Livermore area’ – improved access by relocating to higher density veteran population center with stand-alone NHCU.</p>
Healthcare Quality	<p>Improves site safety by bringing buildings up to code. Improves site security due to new construction. Facility is sized to meet projected demand.</p>
Cost Effectiveness	<p>Potential re-use of vacated LVD site for a variety of uses. More investment required for new construction though overall cost effectiveness is expected to be enhanced.</p>
Ease of Implementation	<p>Simple relocation of services.</p>
Wider VA Program Support	<p>Geographic separation of other VA inpatient services with stand-alone NHCU.</p>

Re-Use/Redevelopment of Livermore campus

Potential Reuse Criteria:

- **Enhance the VA mission or complement services to veterans**
- **Reuse potential, opportunities, proceeds**
- **Compatibility with local governance**
- **Environmental considerations**
- **Infrastructure**

Re-Use/Redevelopment of Livermore campus – cont.

BPO 1 - Baseline	<ul style="list-style-type: none"> ■ No re-use potential
BPO 2 – NHCU on Parcel 3	<ul style="list-style-type: none"> ■ Upper campus: VA use (NHCU), plus Senior Living, Institutional (e.g. educational, other). ■ Lower campus: Senior Living, Institutional, Destination Hospitality, Recreational
BPO 3 – NHCU on Parcel 1	<ul style="list-style-type: none"> ■ Upper campus: Senior Living, Institutional, Destination Hospitality ■ Lower campus: Exclusive VA use (NHCU)
BPO 4 – NHCU collocated with CBOC	<ul style="list-style-type: none"> ■ All campus: Senior Living, Institutional, Destination Hospitality
BPO 5 – Stand-alone NHCU	<ul style="list-style-type: none"> ■ All campus: Senior Living, Institutional, Destination Hospitality

Next Steps

- The Local Advisory Panel will review the Business Plan Options and recommend:
 - ◆ Which options should be further studied
 - ◆ Proposing additional options
 - ◆ Specific concerns to be addressed
- Responses and comments to the Business Plan Options will be collected for 10 business days following the LAP meeting
 - ◆ Deadline for stakeholder response is September 28.
- The next public meeting will review options selected by the Secretary for further study and discuss key issues.
- The fourth and final public meeting will present detailed analysis of the options and recommendations by Team PwC.

How Can You Provide Feedback?

Local Advisory Panel Meeting

- ◆ Provide testimony at the public meetings
- ◆ Fill out a comments form at the public meetings

CARES Project Website

<http://www.va.gov/CARES>

- ◆ An **electronic comments form** is available to share your views and opinions on the options presented
- ◆ Website provides public meeting information, agendas, meeting summaries, and links to background documents

CARES Central Mailstop

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