

# Capital Asset Realignment for Enhanced Services (CARES)

Livermore Division of the VA  
Palo Alto Health Care System

Local Advisory Panel  
Public Meeting

September 8, 2006



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# Local Advisory Panel (LAP) Meeting Objectives

- Communicate Contractor Stage I recommended Business Plan Options and rationale
- Communicate the Secretary's Decision and rationale
- Communicate the Stage II study process
- Obtain feedback from the LAP and stakeholders regarding each option selected by the Secretary for further study

# 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

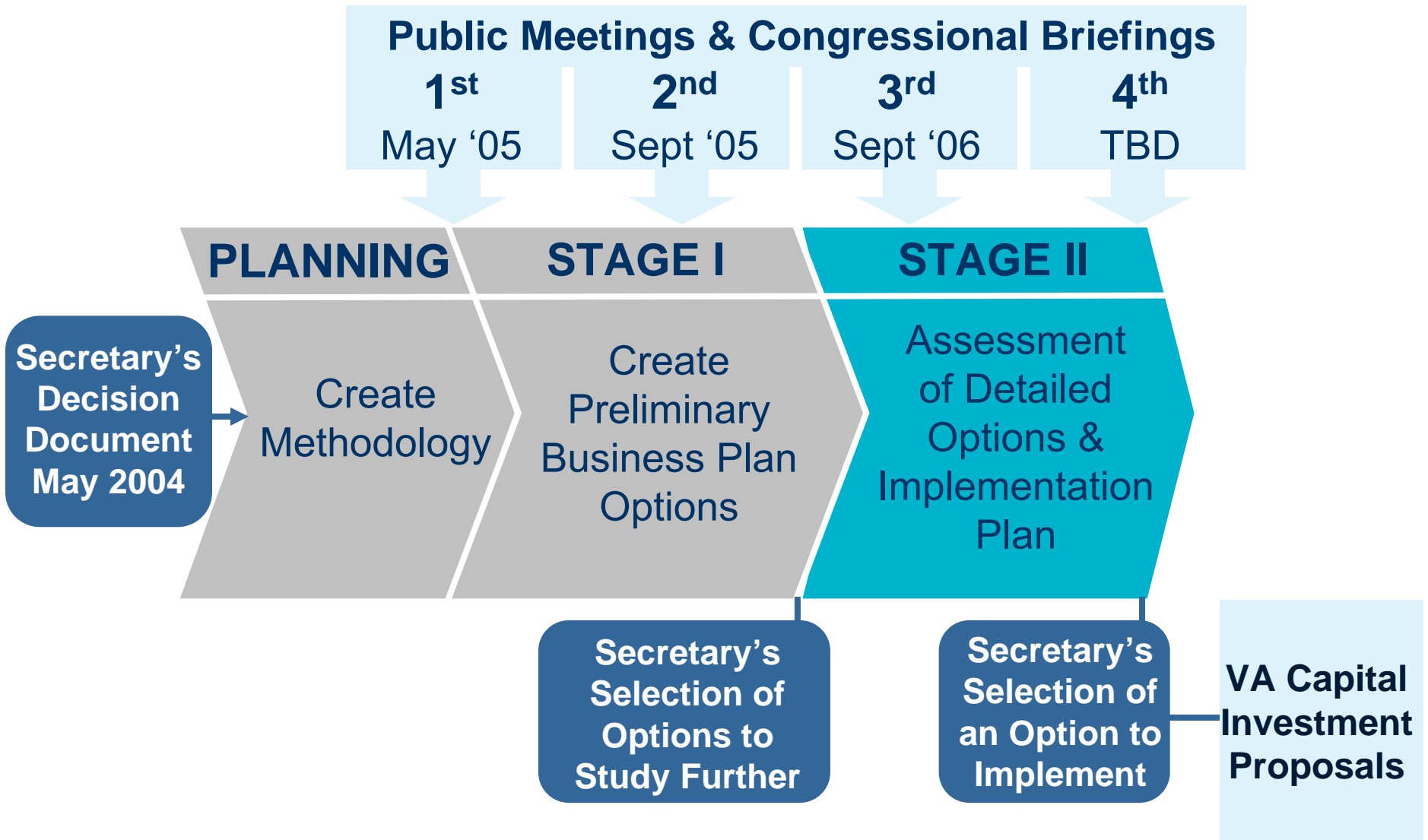
- Re-Use/Redevelopment

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

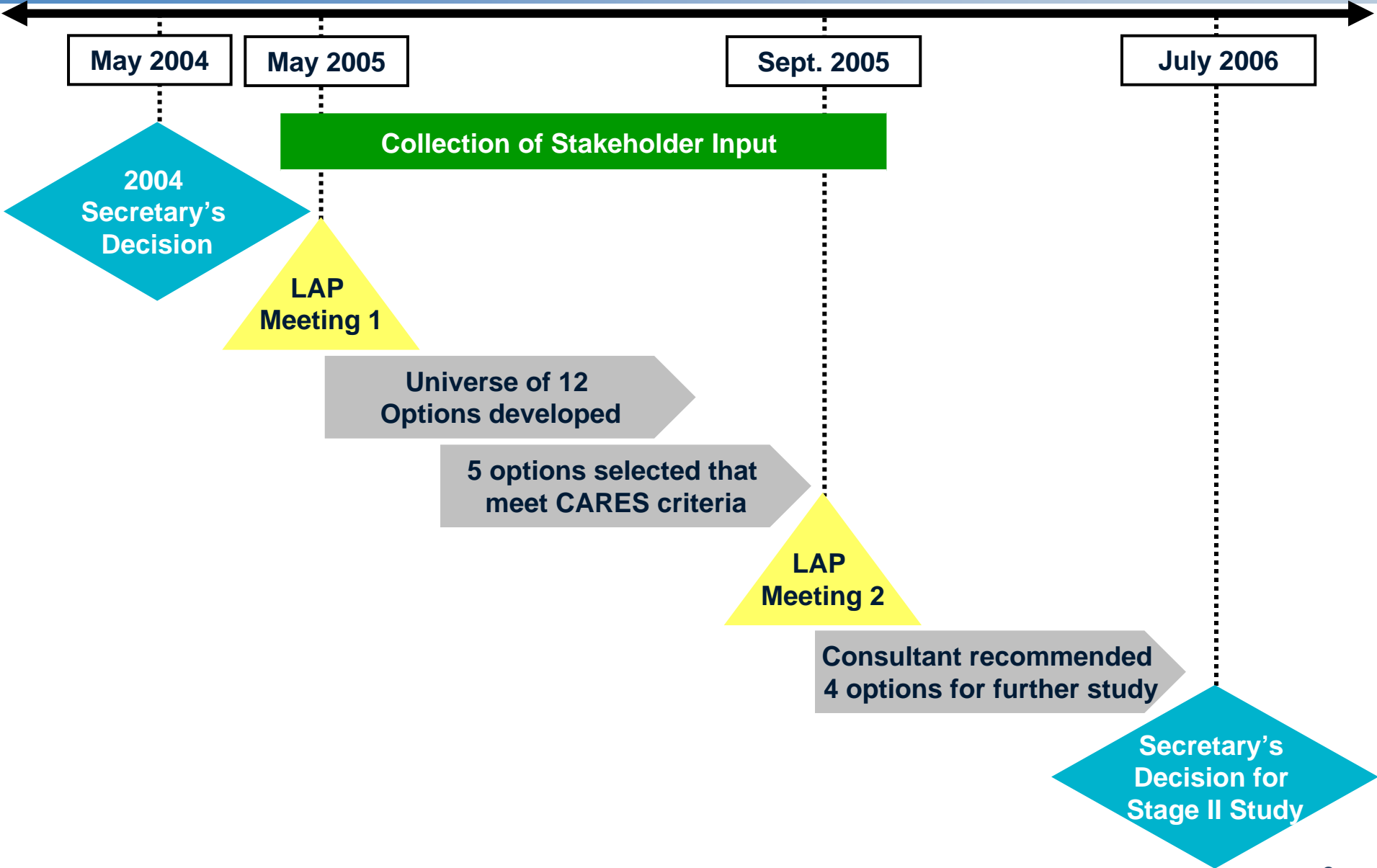
## Background -- 2004 Secretary's Decision Document

- 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 co-locating care.
- VA will maintain access to services locally by retaining a Nursing Home presence in Livermore through construction of a new facility.
- Execute 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.

# CARES Project Overview



# Stage I – Developed a Set of Potential Options



## The Following Factors Were Considered in Developing and Assessing Each Option

- VA decision to maintain 120 Nursing Home Care Unit beds over the forecast period.
- Access to healthcare could potentially be improved by offering services closer to where veterans live.
- Only Nursing Home services and sub-acute services will remain at Livermore Division. Other services will be relocated to other VA facilities, creating unused space at the Livermore campus.
- Indication of significant re-use potential for unused buildings and land which could be used to offset the cost of renovations or new construction.



# The Consultant Recommended Four Options for Further Study

<b>Option 1</b>	Baseline: Current state without any changes to facilities or programs (except as indicated in the Secretary's Decision). Conduct maintenance and upgrades necessary to provide a modern, safe, and secure environment for healthcare that is consistent with current NHCU building and safety codes.
<b>Option 2</b>	Nursing Home Care Unit (NHCU) services provided in a new building on the upper portion of the LVD campus (Parcel 3). All support functions are integrated into the new NHCU structure.
<b>Option 4</b>	NHCU relocated off-site to a new building co-located with ambulatory care services. The new NHCU will be co-located with either an existing clinic site (Central Valley) or to the to-be-constructed East Bay clinic site.
<b>Option 5</b>	NHCU relocated off-site to a new facility in the Livermore area, independent of other VHA services.

## Why the Consultant Recommended These Options for Further Study

### Options recommended by the consultant:

- Meet the requirements for a 120 bed Nursing Home Care Unit
- Attempt to improve veteran access to healthcare
- Eliminate recurring maintenance costs for aging buildings
- Allow potential re-use/redevelopment of unused buildings and land
- Easier to implement than the Baseline (Option 1)

## The Consultant Did Not Recommend Three Options for Further Study

<b>Option 3</b>	NHCU services will remain on the Livermore Division campus replaced in a new stand-alone NHCU building on the lower portion of the Livermore Division campus (Parcel 1). All support functions will be integrated into the new NHCU structure.
<b>Option 6</b>	New Option Proposed by LAP: Relocates the NHCU off-site to two new 60-bed nursing home facilities collocated with existing ambulatory programs, one in Central Valley and one in East Bay.
<b>Option 7</b>	New Option Proposed by LAP: NHCU services remain on campus, replaced in a newly constructed facility on an undetermined Livermore Division parcel. The to-be-constructed East Bay CBOC will be located on the Livermore Division campus. Integration of all support functions will be integrated into the new NHCU and/or CBOC structure.

## Why the Consultant Did Not Recommended These Options for Further Study

- The consultant did not recommend Options 3, 6 and 7 for further study for one of the following reasons:
  - Implementation risks associated with the option make it less desirable than other options
  - or
  - The option is inconsistent with VA construction guidance in determining minimum bed capacity for free-standing NHCUs

# Stakeholder Input

- Stakeholder input was used in Stage I to assist in the development of potential options as well as to evaluate the degree of support or concern regarding the potential option
- Many stakeholders expressed a desire to maintain the current facility
- Others testified that access to care could be enhanced by co-locating a NHCU with outpatient services in the Central Valley, East Bay, or other nearby locations

## LAP Input

- The LAP shared the concerns of the public with regards to maintaining services and addressing veterans' access and travel-time issues
- The LAP agreed with the public that Livermore's campus should be preserved if possible
- The LAP considered other issues such as providing new state of the art facilities, and co-locating the NHCU with other VA services
- The LAP proposed two additional options, options 6 and 7

# Review of Secretary's Decision and Approved BPOs for Further Study in Stage II

Jay Halpern  
Special Assistant to the  
Secretary



## Criteria Used for Secretary's Selection of Options

- Maintain or improve NHCU Access
- Maintain or improve Quality
- Improve utilization of VA resources
- Address the key question of the May 2004 Decision: Keep NHCU on campus or relocate it off the campus
- Move outpatient services off the campus
- Clarified that the NHCU would not be located with the new East Bay CBOC.



## Options Selected for Further Study by the Secretary for Stage II

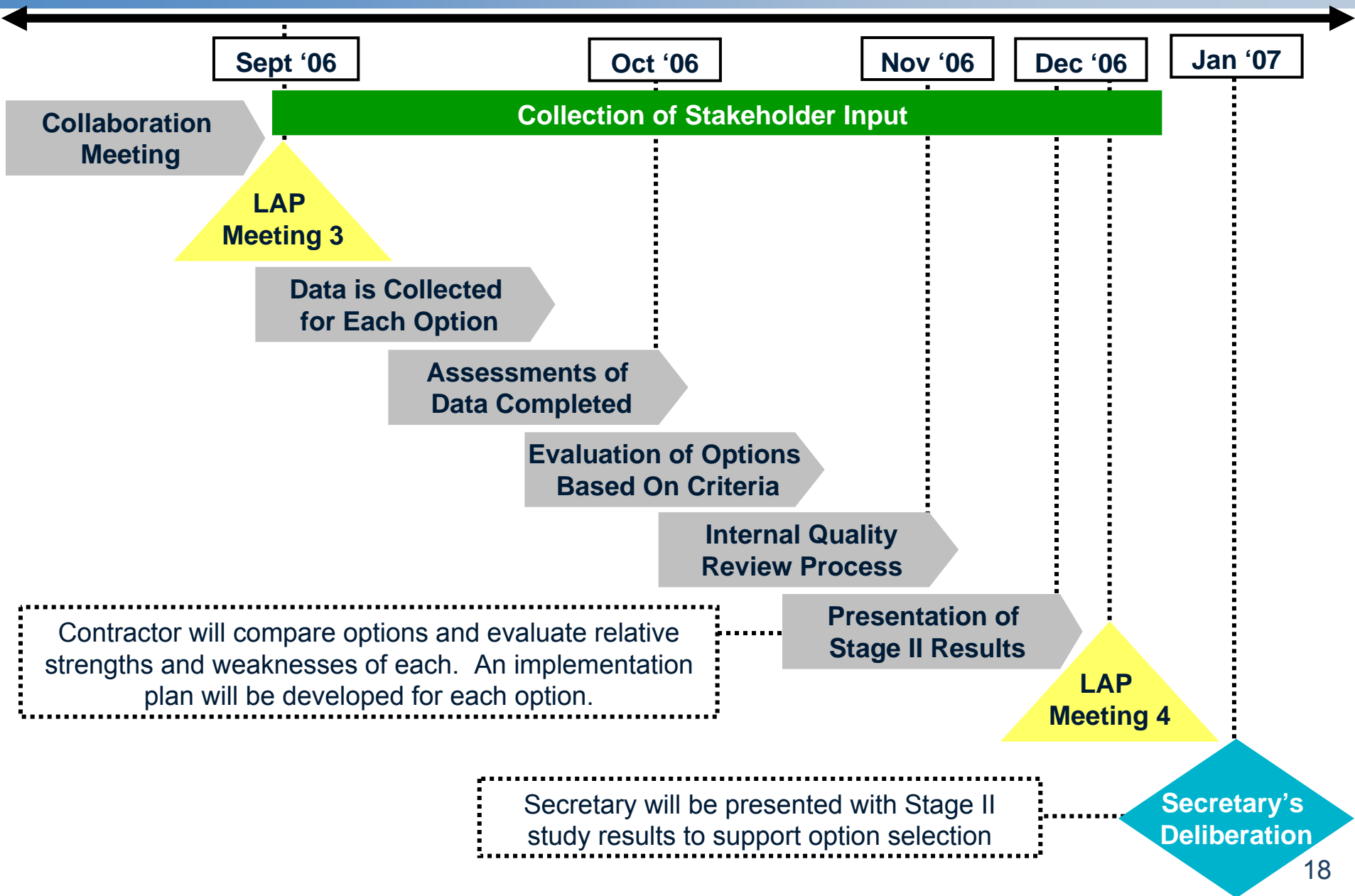
<b>Option 1</b>	Baseline
<b>Option 1a</b>	Baseline plus re-use of selected parcels
<b>Option 2</b>	Build a new nursing home care unit (NHCU) on site in Parcel 3 – Upper Campus Livermore Division. Permit potential reuse/redevelopment of Parcels 1, 2 & 4.
<b>Option 4</b>	Build a new off-site nursing home care unit co-located with a VA Community Based Outpatient Clinic (CBOC) in the Central Valley. Permits re-use/redevelopment of entire campus.
<b>Option 8 (new)</b>	Renovate the current nursing home while consolidating all necessary logistics and support functions to the same location. Vacates most of the balance of the campus (Parcels 1, 2, 4, & 5) which will be available for reuse/redevelopment.

# Review of Stage II Methodology and BPOs for Further Study

Team  
PricewaterhouseCoopers



# Stage II Study Process

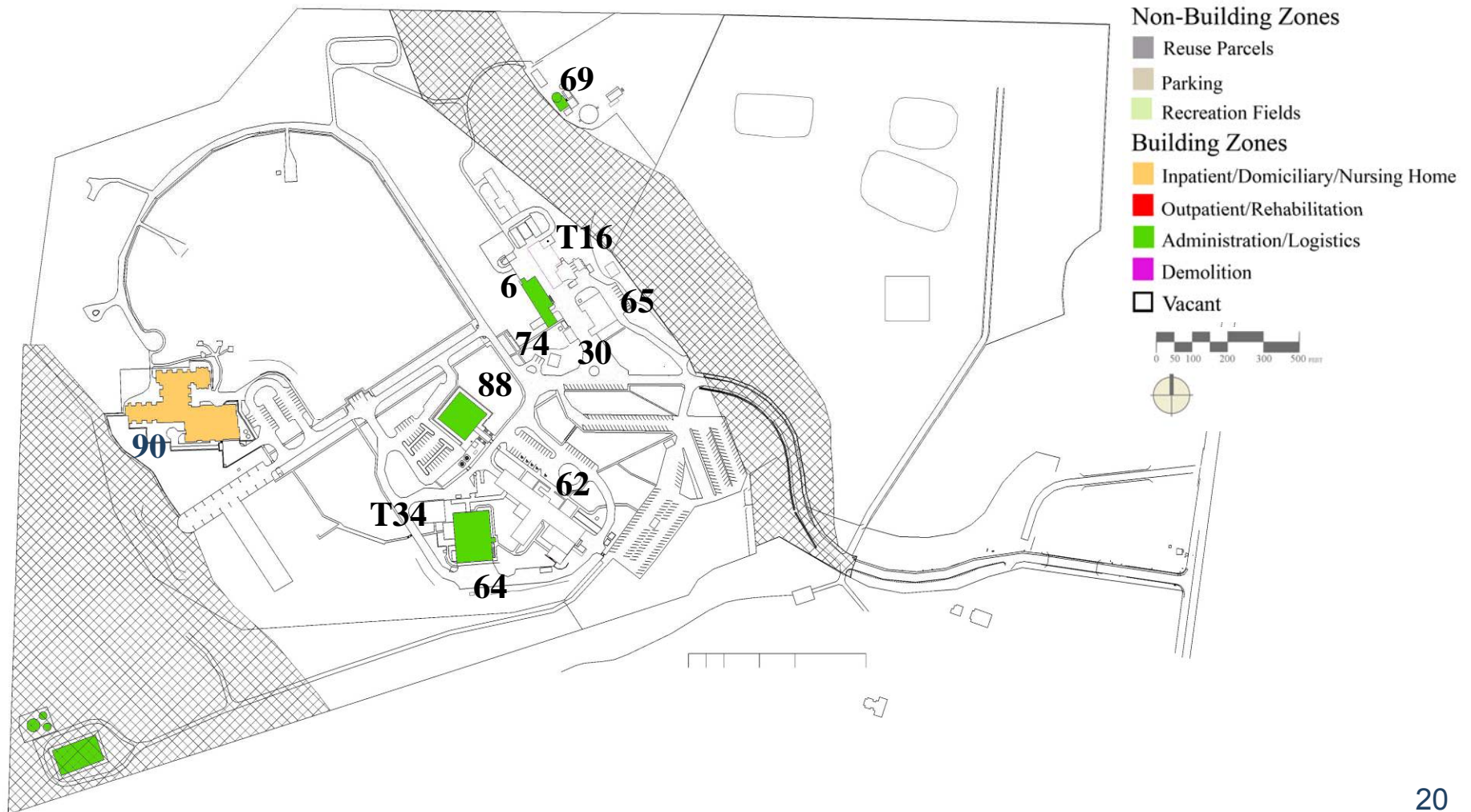


## Clarifying the Options for Study in Stage II

- Following the Secretary's recent decision announcement, the consultant met with local VA representatives to review each option selected by the Secretary for further study
- The purpose of these meetings was to:
  - Understand the Secretary's recent decisions
  - Clarify the changes in the Secretary's decision to healthcare service delivery, facilities and availability of land/buildings for re-use
  - Refine the option descriptions and site maps to take into account any information concerning the facility or the application of Stage II study assumptions
  - Clarify the option descriptions for ease of understanding and consistency.

## Option 1: Baseline Option

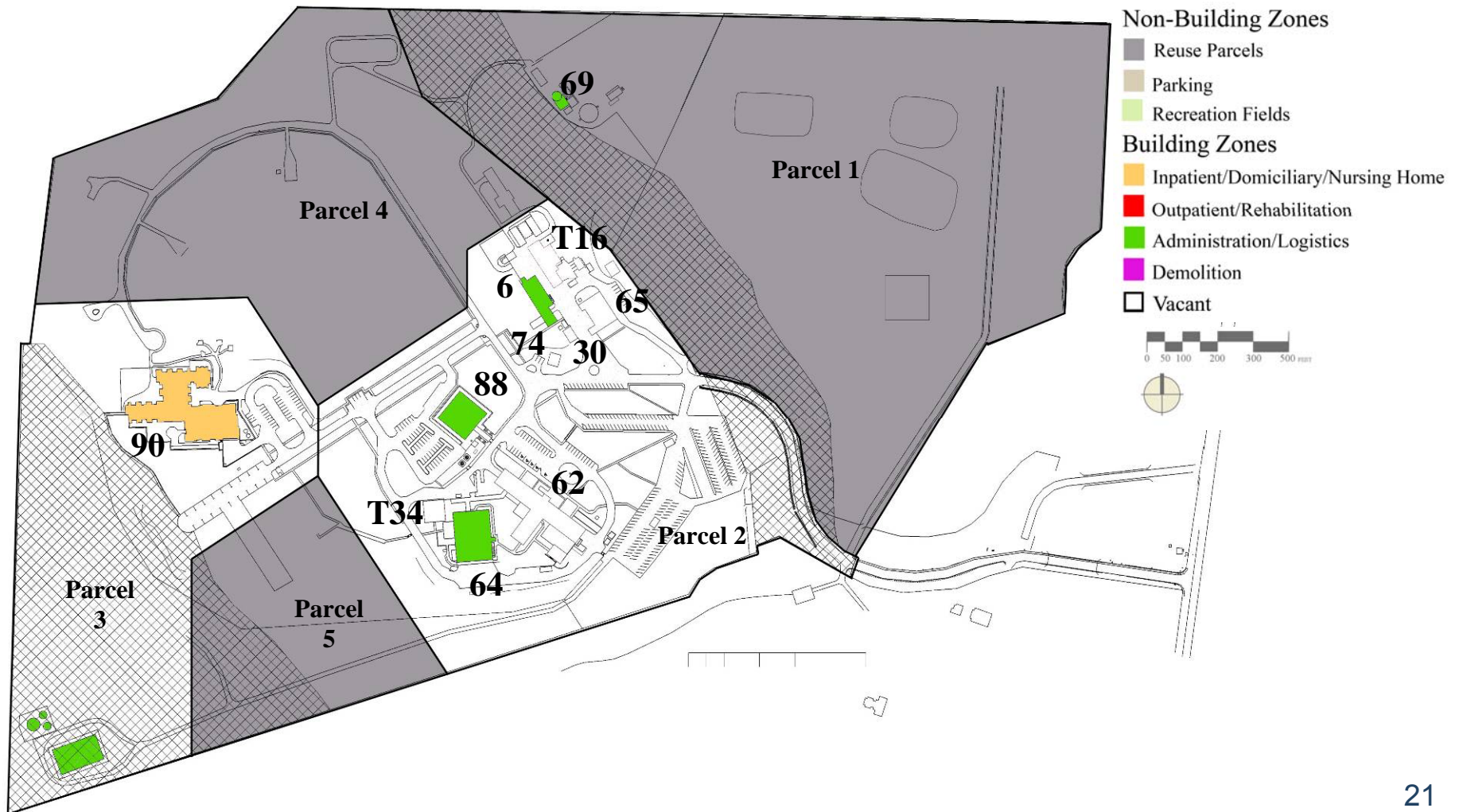
Current state without any changes to facilities or programs (except as indicated in the Secretary's Decision). Conduct maintenance and upgrades necessary to provide a modern, safe, and secure environment for healthcare that is consistent with current NHCU building and safety codes. Support functions will be located in Bldgs. 6, 62, 64, and 88.





## Option 1a: Baseline Option (continued)

As buildings and land become vacant over the forecast period, the study will assess the re-use potential of parcels 1, 4 and 5 as well as vacant buildings on Parcel 2.



# Re-Use/Redevelopment of Livermore campus

## Potential Re-use Considerations:

- **Enhance the VA mission or complement services to veterans**
- **Compatibility with local governance & community support**
- **Environmental and site considerations**
- **Infrastructure (i.e., power, sewer)**
- **Local market trends**

# Potential Re-Use/Redevelopment Options

**Possible options for all BPOs:**

- **Senior housing**
- **Institutional (education)**
- **Agricultural (viticulture)**
- **Recreational**
- **Destination hospitality/spa**

**Preference is for long-term lease v. sale of land**

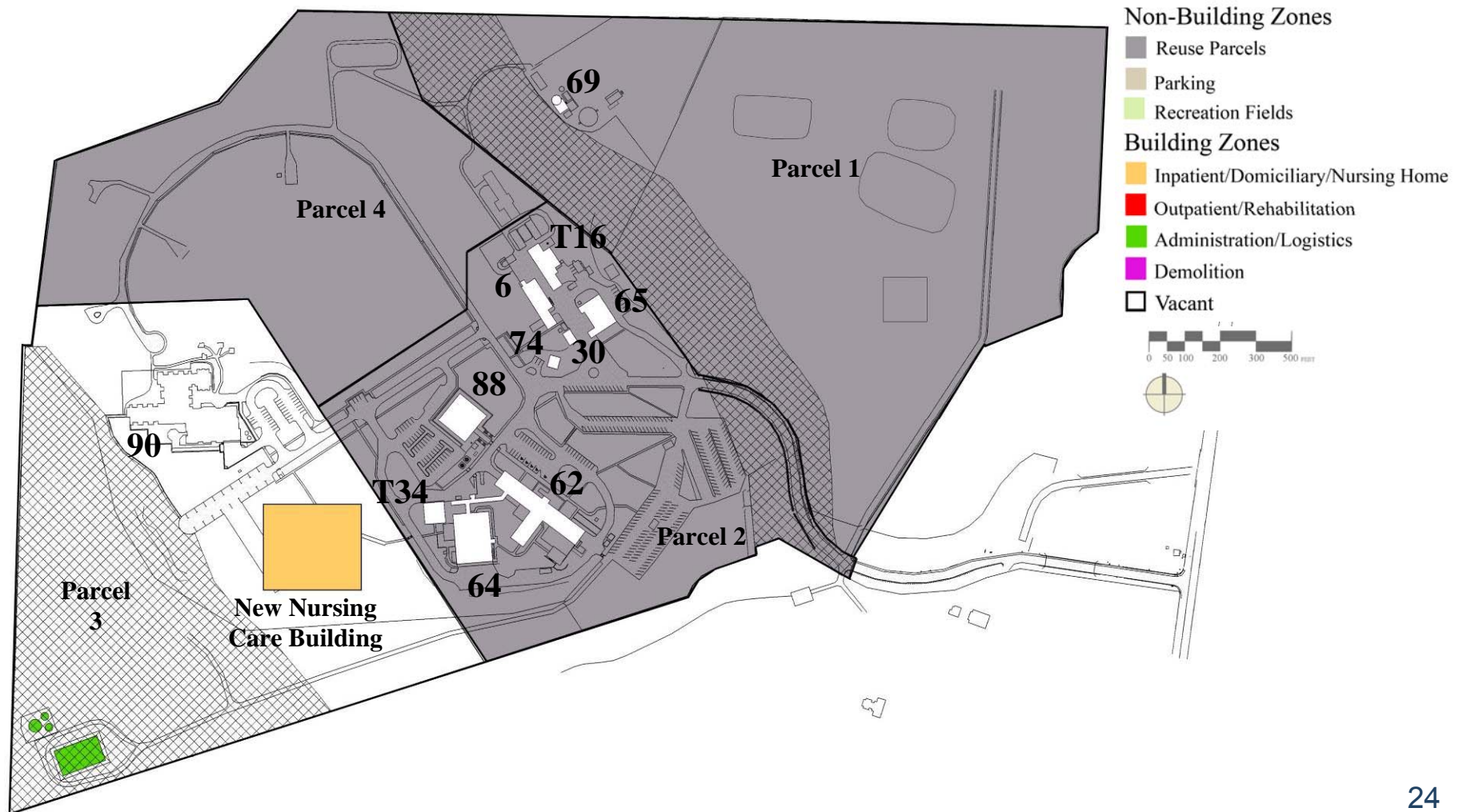
**Proceeds to directly benefit VA**

**Process to reach possible re-use decisions will include opportunity for additional public comment.**



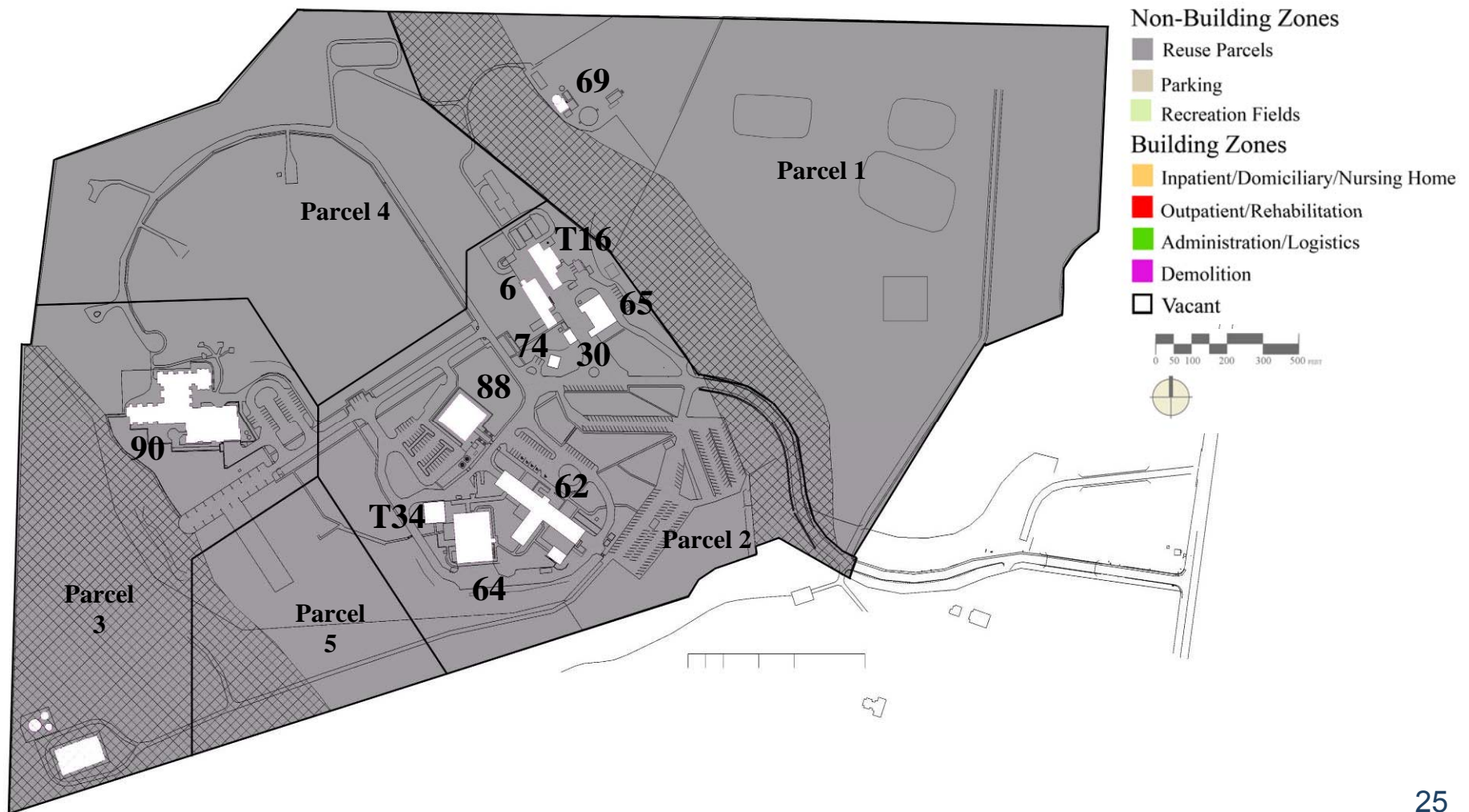
## Option 2: New NHCU On-Site on Parcel 3 (Upper Campus)

NHCU services will remain on the LVD campus replaced in a new stand-alone NHCU building on the upper portion of the LVD campus on Parcel 3. Existing NHCU will be demolished after opening of new NHCU to provide adequate access buffer and landscape zones. All support functions will be integrated into the new NHCU structure. Parcels 1, 2 and 4 will be available for re-use/redevelopment.



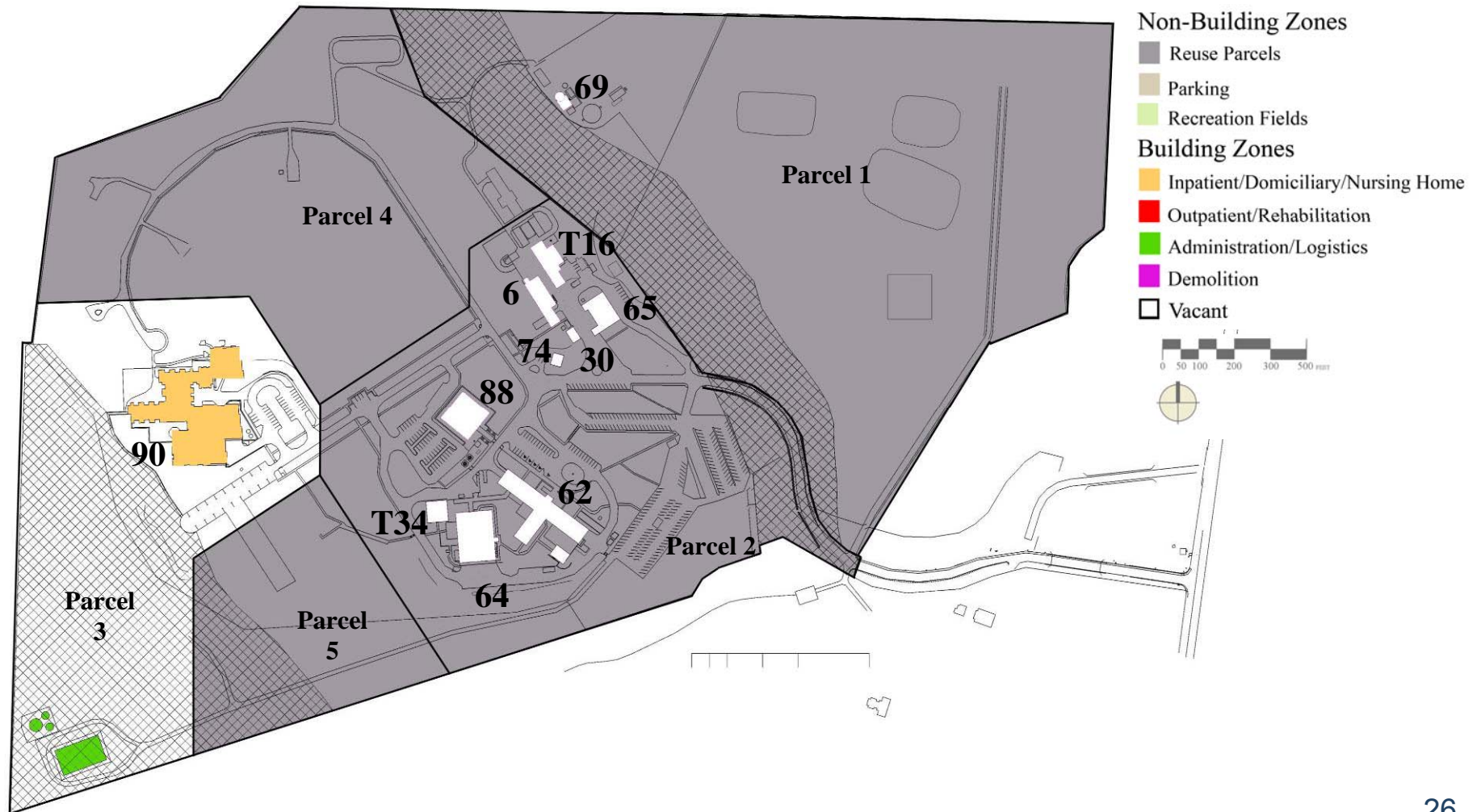
## Option 4: New off-site NHCU Co-located with VA CBOC

Relocates the NHCU off-site to a new stand-alone facility co-located with ambulatory care services. The new NHCU will be co-located with the expanded Central Valley CBOC. Parking will be available at the new site. Entire campus is available for reuse/redevelopment.





**Option 8 (NEW):** Renovate the current nursing home unit and consolidate all necessary logistics and support functions  
 Renovate and expand the existing NHCU on Parcel 3. All support functions will be integrated into the NHCU structure. Parcels 1, 2, 4 and 5 will be available for re-use/redevelopment.



# Stage II Evaluation Criteria

Evaluation Criteria	
<b>Capital Planning</b> <ul style="list-style-type: none"><li>• Timeliness of completion</li><li>• Timeliness of urgent corrections</li><li>• Consolidation of underutilized space</li><li>• Consolidation of vacant space</li></ul>	<b>Use of VA Resources</b> <ul style="list-style-type: none"><li>• Total operating costs</li><li>• Total capital investment costs</li><li>• Net present cost</li><li>• Total considerations</li><li>• Total annual savings</li></ul>
<b>Re-Use</b> <ul style="list-style-type: none"><li>• Market potential for re-use</li><li>• Financial (return on assets)</li><li>• VA mission enhancement</li><li>• Execution risk</li></ul>	<b>Ease of Implementation</b> <ul style="list-style-type: none"><li>• Academic affiliations / education</li><li>• HR / Staffing</li><li>• Re-use considerations</li><li>• Capital planning considerations</li></ul>
<b>Quality</b> <ul style="list-style-type: none"><li>• Current quality levels are maintained across all options</li></ul>	<b>Ability to Support VA Programs</b> <ul style="list-style-type: none"><li>• DoD Sharing</li><li>• One VA Integration</li><li>• Specialized VA programs</li><li>• Enhancement of services to veterans</li></ul>

## Input Needed from LAP and Public for Stage II

What is important to you in the Contractor's consideration of these Options in Stage II analyses?

- Topics to consider:
  - Adequate facilities (modern facility meeting healthcare demands)
  - Timeliness (length of time to complete BPO)
  - Availability of care (construction disruptions)
  - Use of facilities (good use of existing land/facilities)
  - Campus environment (disrupt historic quality/natural setting)

## Next Steps

- Input about the options will be collected for **14 days** following the LAP meeting – through September 22
- The consultant will compare options and evaluate relative strengths and weaknesses of each option. An implementation plan will be developed for each option.
- The consultant will present findings and recommendations at the 4<sup>th</sup> LAP meeting.

# How Can You Provide Input?

## Local Advisory Panel Meeting

- Provide testimony at the meeting
- Fill out a comment form at the meeting

## CARES Project Website

[www.va.gov/CARES](http://www.va.gov/CARES)

- An **electronic comments form** is available to share your views and opinions on the options presented – specify ‘Livermore site’ as prompted
- Website provides public meeting information, agendas, meeting summaries, and links to background documents

## CARES Central Mailstop

Livermore Study

VA CARES Studies

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