



**Capital Asset Realignment for
Enhanced Services (CARES)**

**Stage I Options Recommendations
Summary Report**
Site: **Waco**

August 2005

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OVERVIEW AND CURRENT STATE

Statement of Work

The CARES statement of work specifically notes the following for the Waco site:

- The Waco study involves an analysis of the demand for healthcare services in the future and the development of options regarding the possible location of those services on the Waco campus, in the Waco area, or another nearby VAMC or a combination of these options.
- The Waco study will identify the capital and operating costs of potentially transferring all inpatient beds from Waco to a nearby VAMC and any potential savings as contrasted with options that retain services on the Waco campus as outlined in the General Scope of Work.
- The options developed should include the development of a multi specialty outpatient clinic in the Waco area to ensure that primary care and mental health services are provided to the community residential care facilities that depend on Waco for outpatient psychiatric services as well as other veterans in the Waco area. In addition to exploring options on the VA campus in Waco, alternative sites in the Waco community will also be explored.

Center of Excellence for Mental Health

The Waco VA Medical Center currently operates as a multi-VISN referral facility for chronically mentally ill patients and a national referral facility for blind rehabilitation. Senator Kay Bailey Hutchinson, Chair of the appropriations subcommittee on Military Construction and Veterans Affairs, toured the Waco VAMC with VA Secretary James Nicholson in early July 2005 and indicated her interest in designating Waco VAMC as a Mental Health Center of Excellence.

The Senate report accompanying the VA's FY 2006 appropriation act directs the Secretary of VA to designate the Waco VAMC as a "mental health center of excellence" and adds funding for the expansion of its PTSD treatment program. It also requests that VA establish three post traumatic stress disorder centers of excellence. The report was approved by the U.S. Senate Appropriations Subcommittee on Military Construction and Veterans Affairs in July 2005, and will be acted on by the full Senate prior to the end of this year.

Previous directive 2001 explained the designation of a Program of Excellence in VHA recognizes a clinical activity or entity that maintains recognized and measurable high quality in its area or discipline. Program of Excellence status will only be awarded if applicants excel in the following criteria: clinical outcomes, patient focus, patient satisfaction, financial effectiveness and efficiency, productivity, and fulfillment of the dimensions of quality when compared with the best in American health care.

This designation is made for a period for two years. Continued designation as a Program of Excellence is contingent upon successfully re-competing each two years against the criteria. Programs of Excellence will be expected to serve as models for the veterans healthcare system, and as information and referral sources to help others in the system achieve excellence in the measurement of clinical outcomes, clinical care and, where applicable, teaching, and research.

Summary of Market

VISN 17 is composed of four markets, Central, North Texas, Southern and Valley-Coastal Bend. The Waco VAMC is located in the Central market. The Central market contains approximately 240,000 veterans, or roughly 22% of the veteran population for VISN 17.

The Waco VAMC is part of the Central Texas Veterans Health Care System (CTVHCS) which provides a coordinated and integrated system of healthcare for veterans living in the Central market area. CTVHCS is one of the largest integrated healthcare systems in the Department of Veterans Affairs, and contains one of the few Blind Rehabilitation Centers in the country. In addition to the Waco VAMC, CTVHCS comprises six Community Based Outpatient Clinics (CBOCs) located in Brownwood, Palestine, College Station, Austin, Cedar Park (opened 2004) and Marlin and one additional VA Medical Center in Temple, Texas.

Hillcrest Baptist Medical Center

Hillcrest Baptist Medical Center is a fully accredited, 393-bed acute care facility located in the city of Waco. The county's only Level II Trauma Center is located at Hillcrest Baptist Medical Center. It also owns a network of eight primary care clinics in the Waco and surrounding areas. Occupancy in 2003 was approximately 67%. Presently enrolled veterans use the emergency services offered at Hillcrest Baptist Medical Center.

Providence Health Center

Providence Health Center is Waco's newest hospital. Part of Ascension Health, this 170-bed Medicare certified facility offers acute care hospital services, outpatient and diagnostic services and primary care facilities. Occupancy in 2003 was approximately 58%.

Providence DePaul Center

Providence DePaul Center is the psychiatric and substance abuse treatment division of Providence Health Center, part of Ascension Health. The 64-bed Medicare certified facility offers inpatient and outpatient treatment programs for seniors, adults, adolescents and children. Occupancy in 2003 was approximately 50%. Acute psychiatric veterans seen in Providence's emergency room might be transferred to the DePaul Center for stabilization and ultimately transferred to the Waco VAMC. Typical veteran stays are approximately 2-3 days at DePaul.

Nursing Homes

The City of Waco is supported by approximately 13 nursing homes. Most of these facilities operate as for-profit corporations and are certified by Medicare and Medicaid. Total beds in the community exceed 1,400 and occupancies reported in 2003 range in from 54% - 94%, with most facilities experiencing occupancies in the 80% - 90% range.

Temple VAMC

The Olin E. Teague Veterans' Center in Temple, Texas is a full-service teaching hospital. It serves as the medical/surgical referral center for CTVHCS and provides service to nearly 55,000 veteran users across a 32-county service area. In 1998, a new 300-bed replacement facility opened containing 167 medical/surgical beds, 122 Nursing Home Care Unit beds, and a 10-bed hospice. Also on the grounds of the Teague Center is a 408-bed VA Domiciliary, a 160-bed State Veterans Home, residences for 3rd and 4th year Texas A&M University College of Medicine medical students, and a new \$11.5 million dollar VA Research Institute.

Summary of Current Services Provided

The Waco VAMC is a multi-VISN referral facility for chronically mentally ill patients and a national referral facility for blind rehabilitation. The Olin E. Teague Veteran's Center located in Temple, Texas is the headquarters of the Central Texas Veterans Health Care System and serves as the medical/surgical referral center for Waco and the rest of the CTVHCS.

The Waco campus is also one of the largest psychiatric treatment facilities in the country. Currently, the facility houses 286 inpatient beds: 24 locked acute psychiatric beds, 32 locked psychiatric care beds, 6 locked psychiatric triage beds, 40 PTSD/ post traumatic stress residential rehabilitation beds, 44 serious mental illness life enhancement program beds, 125 nursing home beds, 15 blind rehabilitation beds.

The Waco facility contains one of only ten blind rehabilitation programs in the country. The program was started in 1974 and presently has 15 inpatient beds. Patients are referred to the center from across the country and with an approximate wait list of 72 patients, the demand for services exceeds current capacity.

Ambulatory services available at the Waco campus include pharmacy, primary care, audiology, women's health clinic, optometry, respiratory therapy, endocrine, infectious disease and mental health. The primary care clinics include primary prevention program, weight program, and tobacco cessation. Specialty clinics are spread out across the campus and include podiatry, prosthetics, dermatology, neurology, general surgery and dental.

Other notable services include the outpatient physical medicine and rehabilitation program, which provides services to blind rehabilitation, mental health and geriatrics. Services include an aquatic program and cardiac rehabilitation focused on providing conditioning for heart attack patients. There are no acute inpatient rehabilitation services at Waco.

Clinical laboratory services include basic functions such as routine hematology, chemistry, microbiology and mycobacteriology. The site does not have an emergency preparedness capability in decontamination and pharmacy cache; however, the campus does operate a level 3 designated lab. A level 3 lab allows Waco to conduct clinical work with indigenous or exotic agents which may cause serious or potentially lethal disease as a result of exposure by the inhalation route. Laboratory personnel have specific training in handling pathogenic and potentially lethal agents, and are supervised by experienced personnel in working with such agents. This lab support CTVHS.

Research and education are associated with the Waco VAMC and is a collaborative effort between the Waco, Temple and Austin campuses. Waco specifically focuses on translational research associated with its mental health veteran population, as is the case with the neuropsychiatry program (basic translational research on genes, cell and anatomy and applies to patient drug treatments and how that may impact costs). The clinical component is performed at Waco VAMC.

Summary of Current Facility Condition

The Waco VAMC site is located at the southern half of Waco, Texas within McLennan County. The address is 4800 Memorial Drive. Both residential and commercial areas surround the site. The site is a wedge shaped property narrower at the northern half getting wider as one moves south, containing a total area of approximately 123 acres. The site is located at the southwest corner of Beverly Drive and New Road. The Waco VAMC site is relatively level with some rolling hills. One document reviewed did indicate that the subject property's northern boundaries, near the golf course, are adjacent to the 100-year floodplain.

The Waco VAMC consists of 44 buildings, including the main hospital facility (Building 1). Furthermore, 25 of the buildings have "Historic" status classification and six buildings are currently vacant. The buildings were constructed in 1932, 1945 and 1948. The most recent renovation to the subject property is Building 94, which provides acute psychiatric inpatient care and mental health clinic services. Based on a rating scale of 1 to 5 (5 being the best), only eight out of 44 buildings included within the VA Capital Asset Inventory (CAI) Database have been ranked as a 4.0 or better for facility condition.

The site is completely wired for high speed Internet. Interviews with engineering staff indicated that most utility systems were in good shape. All required preventative maintenance has been kept up including, replacement of switching gears, breakers and backflow valves, etc. Engineering staff did indicate that the storm drains in Building 94 need to be redone and that the water tower and water storage tank need some updating and maintenance for continued service.

There are three entrances to the site, two from Beverly Drive (west) with the main gate off of New Road (north). The site is accessed directly from New Road and Beverly Drive which is approximately 1.3 miles from Interstate 35 and 0.6 miles from East Loop 340/State Highway 6.

Further, Waco Transit provides bus transportation to and into the site. Waco has a municipal airport with regional airline service to Dallas/Fort Worth International Airport. The site has strong visibility from New Road and East Loop 340, and moderate visibility from Interstate 35.

Waco VAMC is located at 4800 Memorial Drive and zoned R-1B (single-family residence district), but under Sec. 28-322 other permitted uses include hospitals. According to interviews with the City's Planning Department, if this land were to change hands, the property would probably be zoned as a M-2 (light industrial), O-2 (office) or stay the same R-1B permitting many types of development, including: residential, retailing, commercial and recreational. The site has about 1,250 surface parking spaces.

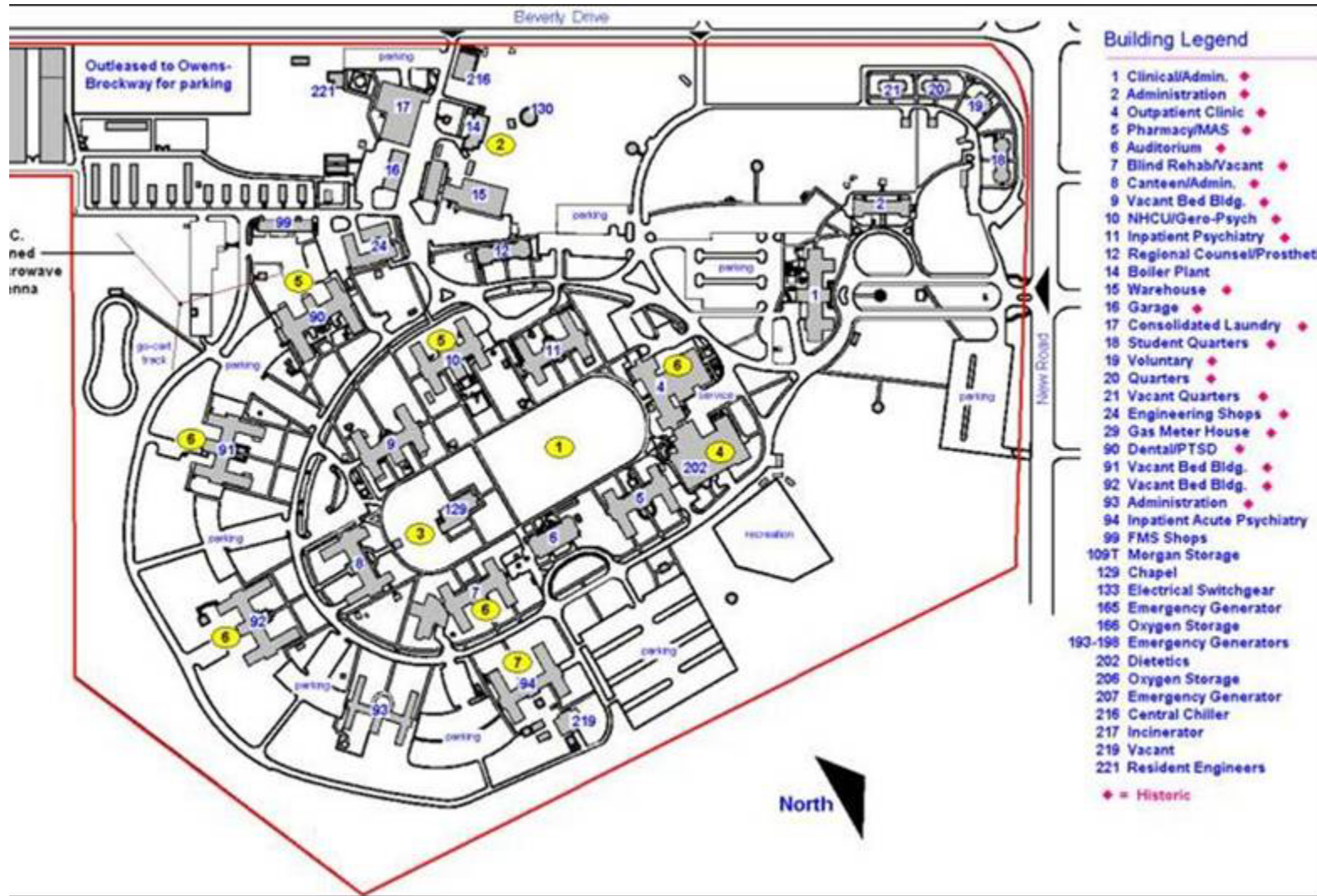
National Register of Historical Places

In 1994, many of the buildings on the Waco VAMC campus were added to the National Register of Historic Places. Most of the major buildings on the Waco campus, as well as some of the site layout itself, are a part of the National Register of Historical Places. Of the existing square footage currently on the campus, over 90% is in historic buildings.

The National Historic Preservation Act requires that a federal agency must assume responsibility for historic properties. Section 106 requires federal agencies to consider historic properties as it plans a project and to consult with the Advisory Council on Historic Preservation.

Design Guidelines in the 1994 Historic Preservation Plan for the Waco VAMC provide basic design standards and a framework for restoration and maintenance of existing buildings as well as for landscaping, new construction and demolition when necessary. The approval process for new construction or demolition can take more than a year.

Figure 1: Waco VAMC Site Map



Real Estate Market Assessment

For Sales Residential

Data on building permits shows a steady growth in the single family housing stock, with permits issued each year ranging from a low of 377 to a high most recently in 2004 of 739. The value of single family homes has increased from an average price of \$61,300 in 1990 to \$113,100 in 2003, about an 85% increase in value – based on sales price data.

The apartment market is reasonably sound during a period of difficulties in the residential rental market. Rents per square foot are now \$0.71 for buildings constructed since 2000. This is substantially lower than the Texas average of \$0.92. But the occupancy for these same units is 96%, which is higher than the Texas average. This data combined with the statistics for building permits may imply that the rental market is under-built and that there could be potential for new development.

Office

According to Coldwell Banker Commercial and Texas A & M Real Estate Center, the office market in Waco is mixed. The Central Business District, which has been undergoing revitalization efforts, has moderate occupancy rates. The Class A space is occupied at 85% and the Class B space is at 80%. Typically, Class C space has high vacancy rates in downtown environments, but the data is not available. In the suburban market, the occupancy in Class A space is very high at 98% and the Class B is at 90%. This is substantially higher than national averages, which typically hover around 80% in most markets. This could indicate a market exists for new suburban office construction in Waco.

Retail

Data for the retail market in Waco shows that retail sales per capita have been increasing steadily over the past several years, as has the total sales in the SMS. The per capital sales figures in Waco are at \$11,852, below the state average of \$12,859. The community has a wide array of shopping venues, with the largest being Richland Mall, which is proximate to the VA site. There are other regional, community, and neighborhood centers. These developments show varying levels of occupancy (where the data is available). Few are occupied fully. Sales per square foot appear to be in line with comparable centers in this region of the country, perhaps slightly lower than the averages. However, with the continued slow growth of the population and increasing incomes and spending, there could be potential for new development that is carefully targeted to the local market needs.

BUSINESS PLAN OPTION DEVELOPMENT

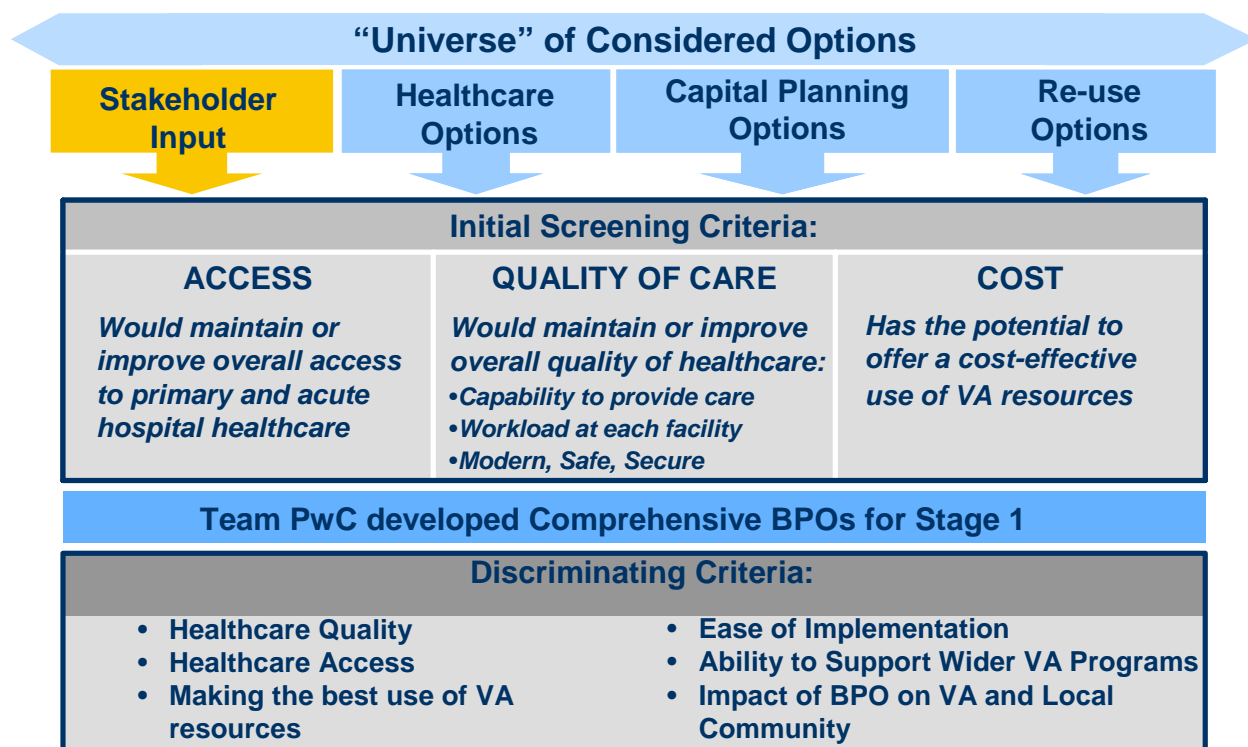
Option Development Process

Team PwC developed a set of comprehensive BPOs to be considered for the Waco VAMC. A multi-step process was employed in the development and selection of these comprehensive BPOs to be further assessed. A comprehensive BPO is defined as consisting of a single healthcare option and at least one associated capital option.

$$\text{Comprehensive BPO} = \text{HC option} + \text{CP option} + \text{RU option}$$

Initially, a broad range of discrete and credible healthcare and associated capital options were developed by the teams. These options were tested against the agreed-upon initial screening criteria of access, quality, and cost, as defined below. The healthcare and capital options that passed the initial screenings were then further considered to be potential healthcare and capital options to comprise a comprehensive BPO. All of the comprehensive BPOs were then further assessed at more detailed level according to a set of discriminating criteria. The results of these assessments are included in the next section of the deliverable.

Figure 2: Option Development Process



Stakeholder Input

For the Waco CARES Study Site, 188 forms of stakeholder input were received between January 1, 2005 and June 30, 2005 including comment forms (paper and electronic), letters, written testimony, oral testimony, and other forms. The greatest amount of written and electronic input was received from Veterans. Two other respondent groups with modest response rates were Veterans’ family members and unidentified or “none selected”.

Stakeholders who submitted written and electronic input indicated that their top two key concerns centered on support of the veterans and keeping the facility open. The majority of stakeholders who contributed oral testimony at the Local Advisory Panel public meeting expressed concern with keeping the facility open.

The following tables summarize the key concerns from stakeholders, as collected through written, electronic, and verbal testimony.

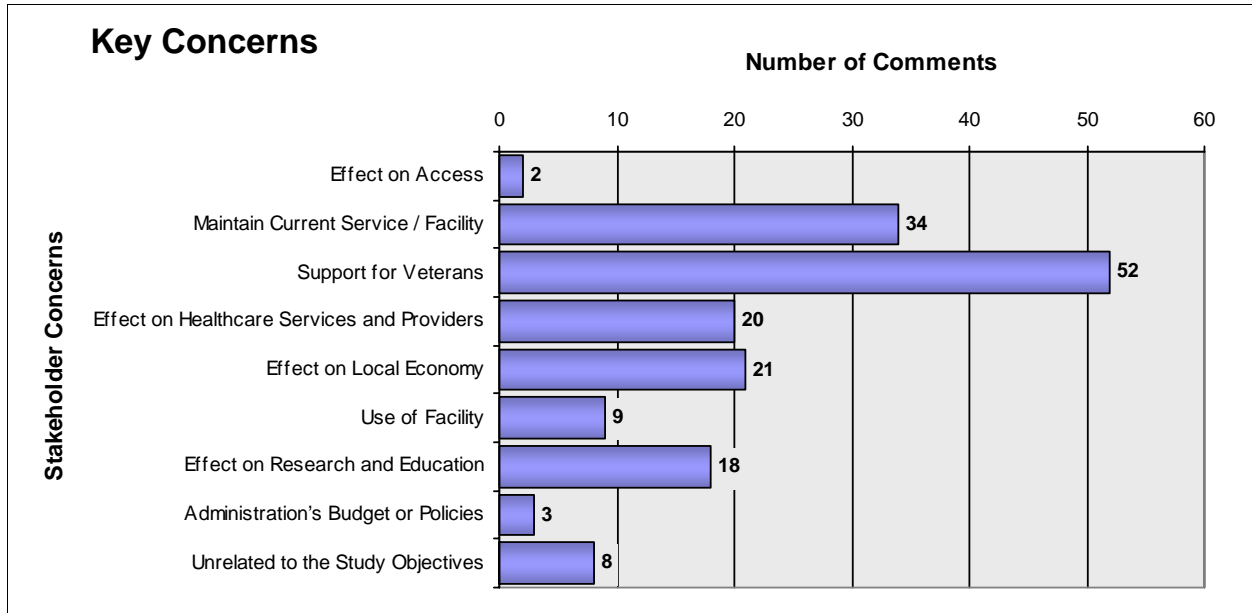
Table 1: Definitions of Stakeholder Concerns

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.

Figures 3 & 4: Analysis of Stakeholder Key Concerns

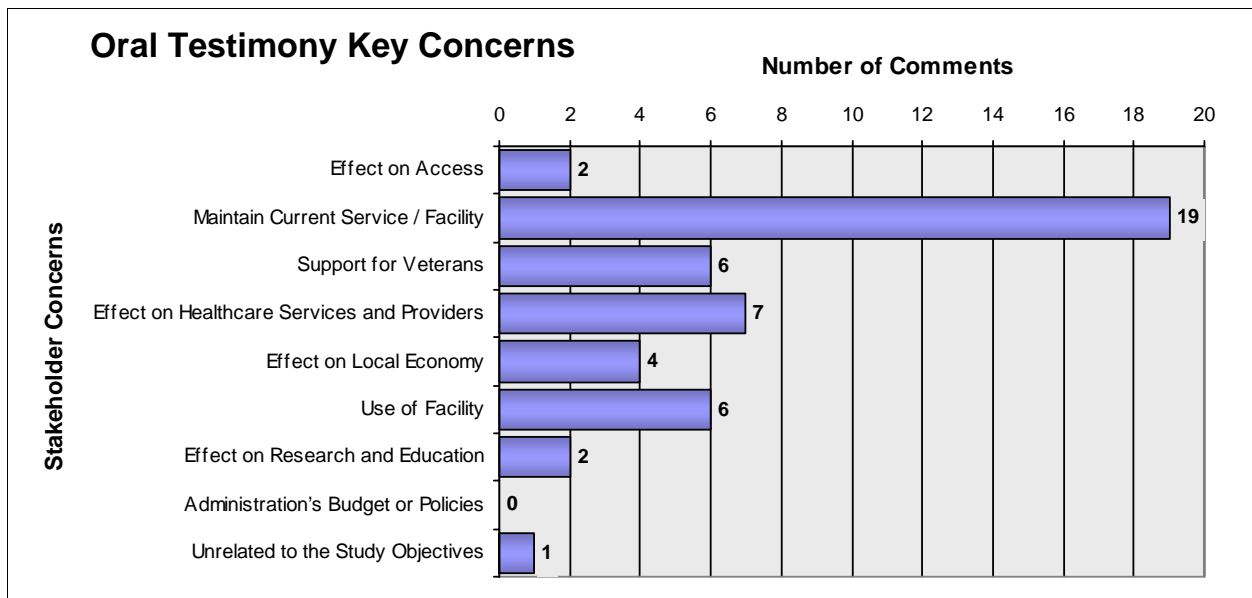
**Analysis of Written and Electronic Inputs
(Written and Electronic Only):**

The breakout of “Key Stakeholder Concerns” regarding the Waco study site is as follows*:



**Analysis of Oral Testimony Input Only
(Oral Testimony at LAP Meeting):**

The breakout of “Key Stakeholder Concerns” that were expressed during Oral Testimony for the Waco study site is as follows*:



Another noted stakeholder-related issue impacting the Waco VAMC is the May 2005 announcement by Congressman Chet Edwards that the Waco VAMC will likely host a new \$3 million study of causes and possible treatments of post traumatic stress disorder and in collaboration with Fort Hood. The House report accompanying the VA’s FY 2006 appropriation act notes that the Stress Disorders Research Initiative is funded at Fort Hood through the Defense Health Program, and directs the Waco VAMC to work with Fort Hood on this effort.

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. In the Baseline BPO, the Secretary’s Decision and forecasted long-term healthcare demand forecasts and trends, as indicated by the demand forecasted for 2023, are applied to the current healthcare provision solution for the study site.

Specifically, the Baseline BPO 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.
- Capital planning costs allow for current facilities to receive such investment as is required to rectify any material deficiencies (e.g., in safety or security) such that they would provide a safe healthcare delivery environment as required in the Secretary’s Decision.
- Life Cycle capital planning costs allow for on-going preventative maintenance and life-cycle maintenance of major and minor building elements.
- Re-use plans use such vacant space in buildings and/or vacant land or buildings as emerge as a result of the changes in demand for services and the facilities in which they sit.

HC-1/CP - 1 (Baseline) would retain inpatient psychiatry, nursing home, domiciliary, blind rehab and other mental health services at Waco VAMC. Inpatient surgery and medicine services would continue to be provided at Temple VAMC. Existing ambulatory and outpatient mental health services would continue to be provided at Waco VAMC.

Options Not Selected for Assessment

The following options were considered, but were not selected for assessment as a component of a comprehensive BPO.

Table 2: Options Not Selected for Assessment

Designation	Label	Description	Screening Results
HC-2	Temple VAMC		
HC-2C	All IP except portion of IP Psych at Temple. All OP at Waco	Inpatient psychiatry is split between Temple and Austin. All other IP services are relocated to Temple. Existing ambulatory and outpatient mental health services remain at Waco.	Failed Quality: Inpatient services including psychiatry services currently do not exist at Austin facility.
HC-2D	All IP and OP at Temple	All inpatient psychiatry, nursing home, domiciliary, and blind rehab and other mental health to be relocated to Temple VAMC. Existing ambulatory and outpatient mental health services to be relocated to Temple VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Waco to Temple VAMC resulted in an 11% decrease in the percentage of veterans meeting the VA's primary care access guidelines.
HC-2E	All IP except portion of NHCU at Temple, OP at Temple	Inpatient psychiatry, other mental health, domiciliary, blind rehab and a portion of the nursing home beds to be relocated to the Temple VAMC. Remaining nursing home beds to be provided by local community providers in Waco. Existing ambulatory and outpatient mental health services to be relocated to Temple VAMC.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Waco to Temple VAMC resulted in an 11% decrease in the percentage of veterans meeting the VA's primary care access guidelines.
HC-2F	All IP except portion of IP Psych at Temple. All OP at Temple	Inpatient psychiatry is split between Temple and Austin. All other IP services are relocated to Temple. Existing ambulatory and outpatient mental health services relocated to Temple.	Failed Quality: Inpatient services including psychiatry services currently do not exist at Austin facility.
HC-2G	All IP at Temple, All OP purchased from community	All inpatient psychiatry, nursing home, domiciliary, blind rehab and other mental health to be relocated to Temple VAMC. Existing ambulatory and outpatient mental health services to be provided by local community providers.	Failed Quality: Under this option, ambulatory services including outpatient mental health services would be provided by local community providers. Community experience regarding unique behavioral health issues encountered in the veteran population may be lacking.
HC-2J	All IP except Dom at Temple, All OP at Temple	Inpatient psychiatry, nursing home, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary services remain at current location of provision in Waco. Existing ambulatory and outpatient mental health services to be relocated to Temple.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Waco to Temple VAMC resulted in an 11% decrease in the percentage of veterans meeting the VA's primary care access guidelines.
HC-2K	All IP except Dom at Temple, All OP	Inpatient psychiatry, nursing home, blind rehab and other mental health to	Failed Quality: Under this option, ambulatory services including

Designation	Label	Description	Screening Results
HC-2L	purchased from community All IP except Dom at Temple, OP MH at Temple, remaining OP at Waco	be relocated to Temple VAMC. Domiciliary services remain at current location of provision in Waco. Existing ambulatory and outpatient mental health services to be provided by local community providers. Outpatient mental health services and inpatient psychiatry, nursing home, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary and existing ambulatory services remain at current location of provision in Waco.	outpatient mental health services would be provided by local community providers. Community experience regarding unique behavioral health issues encountered in the veteran population may be lacking. Inferior to other HC-2 options.
HC-2N	All IP except Dom/NHCU at Temple, All OP at Temple	Inpatient psychiatry, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary and nursing home services remain at current location of provision in Waco. Existing ambulatory and outpatient mental health services to be relocated to Temple.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Waco to Temple VAMC resulted in an 11% decrease in the percentage of veterans meeting the VA's primary care access guidelines.
HC-2O	All IP except Dom/NHCU at Temple, All OP purchased from community	Inpatient psychiatry, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary and nursing home services remain at current location of provision in Waco. Existing ambulatory and outpatient mental health services to be provided by local community providers.	Failed Quality: Under this option, ambulatory services including outpatient mental health services would be provided by local community providers. Community experience regarding unique behavioral health issues encountered in the veteran population may be lacking.
HC-2R	Only IP psych at Temple, All OP at Temple	Inpatient psychiatry and existing ambulatory and outpatient mental health services to be relocated to Temple VAMC. Domiciliary, nursing home and blind rehab to remain at current location of provision in Waco.	Failed Access: Using the Primary Care Access tool and a baseline year of 2001, the impact of moving primary care from Waco to Temple VAMC resulted in an 11% decrease in the percentage of veterans meeting the VA's primary care access guidelines.
HC-2S	Only IP psych at Temple, all OP purchased from community	Inpatient psychiatry and other mental health to be relocated to Temple VAMC. Domiciliary, nursing home and blind rehab remain at current location of provision in Waco. Existing ambulatory and outpatient mental health services to be provided by local community providers.	Failed Quality: Under this option, ambulatory services including outpatient mental health services would be provided by local community providers. Community experience regarding unique behavioral health issues encountered in the veteran population may be lacking.
HC-3	Waco + Expanded Service		
HC-3B	Baseline + Dom + expanded Blind Rehab to 25 beds	Inpatient and outpatient mental health services as well as nursing home, domiciliary, blind rehab and	Insufficient evidence to support need to add 10 beds to the Blind Rehab program. Two new Blind Rehab

Designation	Label	Description	Screening Results
		ambulatory health services to be provided at Waco. Blind rehab to be expanded to 25 beds.	centers are being established in Biloxi Mississippi (VISN 16) and Long Beach California (VISN 22).
HC-4	Private Providers		
HC-4A	Contract all IP, build community CBOC in Waco, Blind Rehab to Temple	All inpatient services to be provided by local community providers. Blind rehab to be relocated to Temple VAMC. Existing ambulatory and outpatient mental health services to be provided at new CBOC in Waco.	Failed Quality: Under this option, ambulatory services including outpatient mental health services would be provided by local community providers. Community experience regarding unique behavioral health issues encountered in the veteran population may be lacking.
HC-6	Psych Focused Waco Campus		
HC-6D	IP/OP Psych, NHCU, BR at Waco. Dom at Temple. All OP at Waco	Inpatient and outpatient mental health services as well as nursing home care, blind rehab and ambulatory health services will be provided at Waco. Domiciliary services will be relocated to Temple VAMC.	Inferior to other HC-6 options. Separates outpatient mental health services, specifically the intensive case management program, from the post traumatic residential rehab program where important synergies exist.

Comprehensive BPOs to Be Assessed in Stage I

The comprehensive BPOs incorporate capital and re-use option components as previously described. The combinations of capital and re-use options were formulated to determine the most appropriate options for the site. The table below describes each of the BPOs and the support for their selection.

Table 3: Comprehensive BPOs for Assessment

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 1</p> <p>Comprising: HC-1/CP-1/RU-1-5</p>	<p>Baseline</p>	<p>Current state projected out to 2013 and 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming materially the same quality, and necessary maintenance for a safe, secure, and modern healthcare environment.</p> <p>Inpatient psychiatry, nursing home, domiciliary (PRRTP), blind rehab and other mental health to be provided at Waco VAMC. Other inpatient services referred to Temple VAMC. Existing ambulatory and outpatient mental health services remain at current location of provision in Waco.</p> <p>Conduct normal maintenance and upgrades necessary to provide a modern, safe, and secure environment for healthcare.</p>	<ul style="list-style-type: none"> • Significant improvement in the building conditions as a result of improvements required to bring them up to the Modern, Safe and Secure standard. • Consistent with proposal submitted by City Task Force. • Stakeholder support. • Preserves historical register status of buildings and campus • Offers reuse potential. • Enhances quality as a result of bringing facilities up to modern standards. • VISN regional general counsel office and Austin Finance Center continue to lease office space. Support services to and from Temple continue. • Local community, including hospitals, police, etc, is familiar with patient population and interfacing with Waco VAMC.
<p>BPO 2</p> <p>Comprising: HC-2A/CP-2A,3A/RU 1-12,14-19</p>	<p>All IP at Temple, all OP at Waco</p>	<p>Inpatient psychiatry, nursing home, domiciliary, blind rehab and other mental health to be relocated to the Temple VAMC. Existing ambulatory and outpatient mental health services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • This option positions all inpatient and residential services at one location, therefore maximizing the use of associated ancillary services. • More immediate comprehensive medical support available through Temple VAMC. • Temple is closer to Austin which has the largest veteran population in the Sector and drives the demand for services. • Consolidation of services with Temple VAMC should result in gained administrative efficiencies. • Medical residents from Texas A&M will have a shorter commute. • Patient transportation between Waco and Temple already exists, but will need to be expanded. • Mental Health service operates as a hospitalist model. Different groups of physicians are dedicated to the inpatient services versus the

BPO Designation	Label	Description	Support for BPO Selection
			<p>outpatient service.</p> <ul style="list-style-type: none"> • New facility would incorporate cutting edge technology and facility structure including all Homeland Security requirements. • Vacates multiple buildings on Waco campus, freeing up more portions of site for re-use.
<p>BPO 3</p> <p>Comprising: HC-2B/CP-2B,3A/ RU 1-12,14-19</p>	<p>All IP except portion of NHCU at Temple, OP at Waco</p>	<p>Inpatient psychiatry, other mental health, domiciliary, blind rehab and 50% of the nursing home beds to be relocated to the Temple VAMC. Remaining nursing home beds purchased from local community. Remaining ambulatory and outpatient mental health services provided at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • This option retains a portion nursing home care in the community of Waco accommodating the veteran population in that area, and maximizes use of VA assets through consolidation of most inpatient and residential services. • More immediate comprehensive medical support available through Temple VAMC. • Temple is closer to Austin which has the largest veteran population in the Sector and drives the demand for services. • Vacates multiple buildings. Makes buildings and portions of site available for re-use. • Medical residents from Texas A&M will have a shorter commute. • Patient transportation between Waco and Temple already exists, but will need to be expanded. • Mental Health service operates as a hospitalist model. Different groups of physicians are dedicated to the inpatient services versus the outpatient service.
<p>BPO 4</p> <p>Comprising: HC-2H/CP-2C,3B/ RU 1-12,14-19</p>	<p>All IP and OP MH at Temple, All other OP at Waco</p>	<p>Outpatient mental health services and all inpatient psychiatry, nursing home, domiciliary, blind rehab and other mental health to be relocated to Temple VAMC. Existing ambulatory services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional</p>	<ul style="list-style-type: none"> • This option consolidates all psychiatry services and inpatient services is one location, Temple, allowing enhances continuity of care and maximization of VA assets. • More immediate comprehensive medical support available through Temple VAMC. • Maintains important synergies between Mental Health Intensive Case Management program

BPO Designation	Label	Description	Support for BPO Selection
		<p>parking structure. The tower will include inpatient acute care services and required support services, and outpatient mental health. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<p>(MICM) and residential rehab program (domiciliary).</p> <ul style="list-style-type: none"> • Moving inpatient psychiatry services to Temple is better for veteran access. Temple is closer to Austin which has the largest veteran population in the Market and drives the demand for services. • Vacates multiple buildings on Waco campus, freeing up more portions of site for re-use. • Medical residents from Texas A&M will have a shorter commute. • Patient transportation between Waco and Temple already exists, but will need to be expanded.
<p>BPO 5</p> <p>Comprising: HC-2I/CP-2D,3C/ RU 1-11,14-19</p>	<p>All IP except Dom at Temple, All OP at Waco</p>	<p>Inpatient psychiatry, nursing home, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary and existing ambulatory and outpatient mental health services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • This option retains domiciliary services in Waco therefore maintaining important synergic relationships between Mental Health Intensive Case Management program (MICM) and residential rehab program (domiciliary). • More immediate comprehensive medical support available through Temple VAMC. There is already a VAMC in Temple and consolidation of services there would enhance efficiencies. • Maintains nursing home and inpatient psychiatry linkage. • Temple is closer to Austin which has the largest veteran population in the Sector and drives the demand for services. • Vacates multiple buildings on Waco campus, freeing up more portions of site for re-use. • Medical Residents from Texas A&M will have a shorter commute. • Patient transportation between Waco and Temple already exists, but will need to be expanded. • Mental Health service operates as a hospitalist model. Different groups of physicians are dedicated to the inpatient service versus the

BPO Designation	Label	Description	Support for BPO Selection
			outpatient service. <ul style="list-style-type: none"> • Maintains local mental health presence that can support possible local needs.
<p>BPO 6</p> <p>Comprising: HC-2M/CP-2F,3E/RU-1-8, 10, 14-16, 18-19</p>	<p>All IP except Dom/NHCU at Temple, All OP at Waco</p>	<p>Inpatient psychiatry, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary, nursing home and existing ambulatory and outpatient mental health services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • Similar to BPO 5, this option retains domiciliary services in Waco therefore maintaining important synergic relationships between Mental Health Intensive Case Management program (MICM) and residential rehab program (domiciliary) and continues to provide local nursing home services to the veterans and their families residing in Waco. • Temple is closer to Austin which has the largest veteran population in the Sector and drives the demand for services. Positions blind rehab closer to one of its major referral locations (Austin). • More immediate comprehensive medical support to the inpatient psychiatry service available through Temple VAMC. • Nursing home and domiciliary remaining on campus in Waco reduces the impact on Waco. • Patient transportation between Waco and Temple already exists, but will likely need to be expanded. • Mental Health service operates as a hospitalist model. Different groups of physicians are dedicated to the inpatient service versus the outpatient service.

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 7</p> <p>Comprising: HC-2P/CP-2G,3F/ RU-1-8, 10, 14-19</p>	<p>All IP except Dom/NHCU at Temple, OP MH at Temple, remaining OP at Waco</p>	<p>Outpatient mental health services and inpatient psychiatry, blind rehab and other mental health to be relocated to Temple VAMC. Domiciliary, nursing home and existing ambulatory services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services, and outpatient mental health. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • Similar to BPO 4, this option keeps all psychiatry service (inpatient and outpatient) together preserving continuity of care and distributes the domiciliary and nursing home services across the two communities maintaining convenience for the veterans and their families. • More immediate comprehensive medical support available through Temple VAMC. • Vacates multiple buildings on Waco campus, freeing up more portions of site for re-use. • Nursing home and domiciliary remaining on campus in Waco reduces the impact on Waco. • Patient transportation between Waco and Temple already exists, but will need to be expanded.
<p>BPO 8</p> <p>Comprising: HC-2Q/CP-2H,3G/ RU-1-8, 14-16, 19</p>	<p>Only IP psych at Temple, All OP at Waco</p>	<p>Inpatient psychiatry and other mental health to be relocated to Temple VAMC. All other inpatient and existing ambulatory and outpatient mental health services remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<ul style="list-style-type: none"> • This option consolidates inpatient psychiatry with inpatient acute care at Temple providing more immediate comprehensive medical support for the inpatient service. It also preserves synergic relationships between the Mental Health Intensive Case Management program (MICM) and residential program. • There is already a VAMC in Temple and consolidation of services there would enhance efficiencies. • Nursing home and domiciliary remaining on campus in Waco reduces the impact on Waco. • Medical residents from Texas A&M will have a shorter commute. • Mental Health service operates as a hospitalist model. Different groups of physicians are dedicated to the inpatient services versus the outpatient service.
<p>BPO 9</p>	<p>Only IP psych at Temple, OP MH at Temple,</p>	<p>Inpatient and outpatient mental health including psychiatry to be relocated to Temple VAMC.</p>	<ul style="list-style-type: none"> • Similar to BPO 4 and 7 where all psychiatry service (inpatient and outpatient) together

BPO Designation	Label	Description	Support for BPO Selection
<p>Comprising: HC-2T/CP-2F,3H/ RU-1-8, 14-16, 18-19</p>	<p>remaining OP at Waco</p>	<p>Existing ambulatory services as well as domiciliary, nursing home and blind rehab remain at current location of provision in Waco.</p> <p>This option entails constructing a new acute care tower on vacant land at Temple with an additional parking structure. The tower will include inpatient acute care services and required support services, and outpatient mental health. In addition, renovations will be made to buildings on the Waco campus related to outpatient services.</p>	<p>preserving continuity of care, this option reduces the amount of vacated space on the Waco campus.</p> <ul style="list-style-type: none"> • More immediate comprehensive medical support available through Temple VAMC. • Blind rehab, nursing home and domiciliary remaining on campus in Waco reduces the impact on Waco. • Patient transportation between Waco and Temple already exists, but will likely need to be expanded.
<p>BPO 10</p> <p>Comprising: HC-3A/CP-3I,4A,4C/RU-1-4, 6</p>	<p>Baseline + Dom + VBA</p>	<p>Inpatient and outpatient mental health services as well as nursing home, domiciliary, blind rehab and ambulatory health services to be provided at Waco. New construction for the VBA to be added at Waco.</p> <p>This option entails significant renovations of various buildings on the Waco campus and continued use of current outlease agreements. In addition, there is new construction of an 180,000 square foot, four -story tower for the VBA, located on the Waco Campus.</p>	<ul style="list-style-type: none"> • This option supports maximizing VA assets by consolidating VA services located in Waco onto the Waco campus and addresses the domiciliary bed need in Waco. • Consolidates all Waco community veterans’ services onto one campus. • Should reduce overall cost of Waco campus. • There is strong public support for maintaining and enhancing services on the Waco campus. • Consistent with many elements of City Task Force proposal.
<p>BPO 11</p> <p>Comprising: HC-3C/CP-3I,4B,4C/RU-1-4, 6</p>	<p>Baseline + Dom + Central Texas Stress Disorders Research and Clinical Center</p>	<p>Inpatient and outpatient mental health services as well as nursing home, domiciliary, blind rehab and ambulatory health services to be provided at Waco. Addition of the Central Texas Stress Disorders Research and Clinical Center in new construction at Waco.</p> <p>This option entails significant renovations of various buildings on the Waco campus and continued use of current outlease agreements. In addition, there is new construction of a 25,000 square foot research facility to accommodate a</p>	<ul style="list-style-type: none"> • This option supports Post Traumatic Stress Disorder’s initiative. • Strong stakeholder support. • Synergistic with clinical focus of Waco campus. • Close proximity to Army base and possible patients qualifying for research studies. • Funding awarded by the State of Texas would offset some of the operational and capital costs associated with this initiative. • Could position Waco for additional funding opportunities. • Supports the clinical strength of the campus.

BPO Designation	Label	Description	Support for BPO Selection
		<p>new Post Traumatic Stress Disorder (PTSD) program.</p>	<ul style="list-style-type: none"> • Addresses a DOD and VA wide priority in terms of soldiers and their mental health needs. • Enhances collaborative opportunities between universities and VA. • Consistent with many elements of City Task Force proposal.
<p>BPO 12</p> <p>Comprising: HC-4B/CP-3J/RU-1-6,12-13</p>	<p>Baseline + Dom minus NHCU purchased from local community</p>	<p>Inpatient and outpatient mental health services as well as domiciliary, blind rehab and ambulatory health services to be provided at Waco. Nursing home to be purchased from local community providers.</p> <p>This option entails renovations to various buildings on the Waco campus. Buildings 10 and 11 will be mothballed. Outlease agreements on buildings 12 and 92 will continue to remain.</p>	<ul style="list-style-type: none"> • This option incorporates a contracting element for nursing home services. • Currently close to 100 veterans are treated in local nursing homes.
<p>BPO 13</p> <p>Comprising: HC-5A/CP-2I,5A,6A,6B/RU-22</p>	<p>Contract IP Psych to Darnall, NHCU/DOM purchased from local community, Blind Rehab to Temple, All OP at Waco</p>	<p>Inpatient psychiatry relocated to Darnall Hospital. Nursing home and domiciliary services will be provided by local community providers. Blind rehab transferred to Temple VAMC. Existing ambulatory and outpatient mental health services to be provided through a new CBOC in Waco community.</p> <p>This option entails new construction of a 48,000 SF building to accommodate the Blind Rehabilitation program on vacant land at Temple, with the required support spaces. Buildings on the Waco campus will be vacated and made available for re-use. Outpatient services will be relocated off campus in either leased space or a newly constructed facility.</p>	<ul style="list-style-type: none"> • This option allows the VA to vacate the existing Waco campus, to create a more modern and efficient delivery of care elsewhere in the community.

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 14</p> <p>Comprising: HC-6A/CP-2H,3K/RU-1-6, 11-14, 16</p>	<p>IP/OP Psych at Waco. NHCU, DOM, BR at Temple. All Ambulatory at Waco</p>	<p>Inpatient and outpatient mental health services as well as all ambulatory health services will be provided at Waco. Nursing home, domiciliary, blind rehab services will be relocated to Temple VAMC.</p>	<ul style="list-style-type: none"> • This option maintains Waco VAMC as a psychiatry facility while consolidating other inpatient services with Temple for efficiency purposes. • Keeping all psychiatric services together is good for staffing efficiency. • There is strong public support for maintaining and enhancing services on the Waco campus.
<p>BPO 15</p> <p>Comprising: HC-6B/CP-2J,3L/RU-1-6,16</p>	<p>IP/OP Psych, NHCU at Waco. DOM, BR at Temple. All Ambulatory at Waco</p>	<p>Inpatient and outpatient mental health services as well as nursing home and ambulatory health services will be provided at Waco. Domiciliary and Blind Rehab services will be located at Temple VAMC.</p>	<ul style="list-style-type: none"> • This option preserves all psychiatry services (similar to BPO 14) and nursing home care at Waco, maintaining the linkage between inpatient psychiatry and nursing home services. • There is strong public support for maintaining and enhancing services on the Waco campus.
<p>BPO 16</p> <p>Comprising: HC-6C/CP-2I,3I/RU-1-6, 11-12, 14</p>	<p>IP/OP Psych, NHCU, DOM at Waco. BR at Temple. All Ambulatory at Waco</p>	<p>Inpatient and outpatient mental health services as well as nursing home, domiciliary and ambulatory health services will be provided at Waco. Blind Rehab services will be relocated to Temple VAMC.</p>	<ul style="list-style-type: none"> • Similar to BPO 14, this option keeps all psychiatry services (inpatient and outpatient) together preserving continuity of care, however this option relocates blind rehab services closer to its major referral source, Austin Texas. • The option retains domiciliary services in Waco maintaining an important synergic relationship between Mental Health Intensive Case Management program (MICM) and residential rehab program (domiciliary). • There is strong public support for maintaining and enhancing services on the Waco campus.

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 17</p> <p>Comprising: HC-6E/CP-2L,3M/ RU-1-6, 11-12, 14</p>	<p>IP/OP Psych, DOM, BR at Waco. NHCU at Temple. All Ambulatory at Waco</p>	<p>Inpatient and outpatient mental health services as well as domiciliary, blind rehab and ambulatory health services will be provided at Waco. Nursing home services will be relocated to Temple VAMC.</p>	<ul style="list-style-type: none"> • This option consolidates nursing home care onto one campus at Temple VAMC. • There is strong public support for maintaining and enhancing services on the Waco campus.

ASSESSMENT SUMMARY

Table 4: Assessment Summary

Assessment Summary	BPO 2	BPO 3	BPO 4	BPO 5	BPO 6	BPO 7
Healthcare Access						
Primary	↔	↔	↔	↔	↔	↔
Acute	↔	↔	↔	↔	↔	↔
Tertiary	↔	↔	↔	↔	↔	↔
Healthcare Quality						
Quality of medical services	↔	↔	↔	↔	↔	↔
Modern, safe, and secure environment	↑	↑	↑	↑	↑	↑
Meets forecasted need	↔	↓	↔	↔	↔	↔
Impact on Local Community						
Human Resources:						
FTEE need (based on volume)	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease
Recruitment / retention	↓	↓	↓	↓	↓	↓
Research	↔	↔	↔	↔	↔	↔
Education and Academic Affiliations	↔	↔	↔	↔	↔	↔
Cost Effectiveness						
Operating cost effectiveness	↓	-	↓	↓	↑	-
Level of capital expenditure anticipated	-	-	-	-	-	-
Level of re-use proceeds	↑	↑	↑	↑	↑	↑
Cost avoidance opportunities	-	-	-	-	-	-
Overall cost effectiveness	↓	-	↓	↓	↑	-
Ease of Implementation						
Riskiness of BPO implementation	↓	↓	↓	↓	↓	↓
Wider VA Program Support						
DoD sharing	↔	↔	↔	↔	↔	↔
One-VA Integration	↑	↑	↑	↑	↑	↑
Special Considerations	↔	↔	↔	↔	↔	↔

Assessment Summary	BPO 8	BPO 9	BPO 10	BPO 11	BPO 12	BPO 13
Healthcare Access						
Primary	↔	↔	↔	↔	↔	↔
Acute	↔	↔	↔	↔	↔	↔
Tertiary	↔	↔	↔	↔	↔	↔
Healthcare Quality						
Quality of medical services	↔	↔	↔	↔	↔	↔
Modern, safe, and secure environment	↑	↑	↔	↔	↔	↔
Meets forecasted need	↔	↔	↔	↔	↓	↓
Impact on Local Community						
Human Resources:						
FTEE need (based on volume)	Decrease	Decrease	Same	Same	Decrease	Decrease
Recruitment / retention	↓	↓	↔	↔	↓	↔
Research	↔	↔	↔	↑	↔	↓
Education and Academic Affiliations	↔	↔	↔	↑	↔	↔
Cost Effectiveness						
Operating cost effectiveness	-	-	-	-	↑↑	↑↑↑
Level of capital expenditure anticipated	-	-	-	-	-	↑↑
Level of re-use proceeds	↑	↑	↑	↑	↑	↑
Cost avoidance opportunities	-	-	-	-	↑↑↑	↑↑↑↑
Overall cost effectiveness	-	-	-	-	↑↑	↑↑↑↑
Ease of Implementation						
Riskiness of BPO implementation	↓	↓	↔	↓	↓	↓
Wider VA Program Support						
DoD sharing	↔	↔	↔	↑	↔	↑
One-VA Integration	↑	↑	↑	↑	↑	↓
Special Considerations	↔	↔	↔	↔	↔	↔

Assessment Summary	BPO 14	BPO 15	BPO 16	BPO 17
Healthcare Access				
Primary	↔	↔	↔	↔
Acute	↔	↔	↔	↔
Tertiary	↔	↔	↔	↔
Healthcare Quality				
Quality of medical services	↔	↔	↔	↔
Modern, safe, and secure environment	↔	↔	↔	↔
Meets forecasted need	↔	↔	↔	↔
Impact on Local Community				
Human Resources:				
FTEE need (based on volume)	Decrease	Decrease	Decrease	Decrease
Recruitment / retention	↓	↓	↓	↓
Research	↔	↔	↔	↔
Education and Academic Affiliations	↔	↔	↔	↔
Cost Effectiveness				
Operating cost effectiveness	-	↑	-	↓
Level of capital expenditure anticipated	-	-	-	-
Level of re-use proceeds	↑	↑	↑	↑
Cost avoidance opportunities	-	-	-	-
Overall cost effectiveness	-	↑	-	↓
Ease of Implementation				
Riskiness of BPO implementation	↓	↓	↓	↓
Wider VA Program Support				
DoD sharing	↔	↔	↔	↔
One-VA Integration	↔	↔	↔	↔
Special Considerations	↔	↔	↔	↔

Evaluation System for BPOs

The evaluation system below is used to compare each BPO to the Baseline BPO.

Table 5: Evaluation System for BPOs

Indicator	Description
Access (Primary, Acute, Tertiary)	
↑	The BPO has the potential to increase the % of enrollees meeting VA drive time guidelines, per the Primary Care Access or Arcview tool, as compared to the Baseline.
↔	The BPO has the potential for materially the same % of enrollees to meet VA drive time guidelines, per the Primary Care Access or Arcview tool, as compared to the Baseline.
↓	The BPO has the potential to decrease the % of enrollees meeting VA drive time guidelines, per the Primary Care Access or Arcview tool, as compared to the Baseline.
Quality (Quality of Medical Services)	
↑	The BPO has the potential to provide better quality medical services as indicated through analysis of quality indicator results, as compared to the Baseline.
↔	The BPO has the potential to provide materially the same level of quality medical services as indicated through analysis of quality indicator results, as compared to the Baseline.
↓	The BPO has the potential to provide worse quality medical services as indicated through analysis of quality indicator results, as compared to the Baseline.
Quality (Meets Forecasted Need)	
↑	The BPO has the potential to provide more appropriate capacity to meet the forecasted need, as compared to the Baseline (i.e. the BPO can accommodate more of the projected demand either through the VAMC or other provider for ALL years 2003 - 2023).
↔	The BPO has the potential to materially the same capacity to meet the forecasted need for medical services, as compared to the Baseline (i.e. the BPO accommodates materially the same level of projected demand through the VAMC or other provider as the Baseline for ALL years 2003 - 2023).
↓	The BPO has the potential to provide less appropriate capacity to meet the forecasted need for medical services, as compared to the Baseline (i.e. the BPO accommodates less projected demand through the VAMC or other provider for ALL years 2003 - 2023).
Quality (Modern, Safe, Secure)	
↑	The BPO has the potential to provide a more modern, safe, and secure environment and improve compliance with standards with respect to the following, as compared to the Baseline: <ul style="list-style-type: none"> - Layout (viability of proposed physical layout) - Enough space (adequate quantity of space for clinical inventory) - Adjacency (location of service with respect to other services to which it is functionally related) - Code (meets JCAHO, NFPA Life Safety Code or CAP standards) - Accessibility (meets handicap accessibility standards (ADA, UFAS)) - Privacy (meets patient privacy standards) - Major building system condition (per facility score) - Condition of major medical equipment - Security
↔	The BPO has the potential to provide materially the same environment in terms of modern, safe, and secure and materially the same level of compliance with standards (as defined above), as compared to the Baseline.
↓	The BPO has the potential to provide a less modern, safe, and secure environment and reduces the level of compliance with standards (as defined above), as compared to the Baseline.

Human Resources (FTEES)	
Increase	The BPO requires an increased level of FTEEs to support the provision of services at the VAMC.
No Change	The BPO results in no material change to the volume of FTEEs to support the provision of services at the VAMC.
Decrease	The BPO require a decreased level of FTEEs to support the provision of services at the VAMC.
Human Resources (Recruitment and Retention)	
↑	The BPO results in an improved environment for recruiting and retaining staff.
↔	The BPO results in materially the same required effort to recruit and retain staff.
↓	The BPO results in a more difficult environment for recruiting and retaining staff.
Research	
↑	The BPO is expected to provide greater opportunities for research programs as compared to the Baseline.
↔	The BPO is expected to provide materially the same opportunity for research programs as the Baseline.
↓	The BPO is expected to provide reduced opportunities for research programs as compared to the Baseline.
Education and Academic Affiliations	
↑	The BPO is expected to provide greater opportunities for education programs and academic affiliations as compared to the Baseline.
↔	The BPO is expected to provide materially the same opportunity for education programs and academic affiliations programs as the Baseline.
↓	The BPO is expected to provide reduced opportunities for education programs and academic affiliations programs as compared to the Baseline.
Ease of Implementation (Riskiness of Implementing the BPO)	
↑	The BPO is expected to entail less risk compared to the Baseline and as measured using the risk assessment tool.
↔	The BPO is expected to entail the same level of risk as compared to the Baseline and as measured using the risk assessment tool.
↓	The BPO is expected to entail more risk as compared to the Baseline and as measured using the risk assessment tool.
DoD Sharing	
↑	The BPO is expected to provide greater opportunities for sharing DoD resources as compared to the Baseline.
↔	The BPO is expected to provide materially the same level of sharing DoD resources as compared to the Baseline.
↓	The BPO is expected to provide fewer opportunities for sharing DoD resources as compared to the Baseline.
One VA Integration	
↑	The BPO is expected to provide greater opportunity for the VAMC to integrate with the VBA and NCA as compared to the Baseline.
↔	The BPO is expected to provide materially the same opportunity for the VAMC to integrate with the VBA and NCA as compared to the Baseline.
↓	The BPO is expected to provide less opportunity for the VAMC to integrate with the VBA and NCA as compared to the Baseline.
Special Considerations	
↑	The BPO is expected to provide greater opportunity for the VAMC to be involved in DoD contingency planning, Homeland Security, and/or Emergency Preparedness as compared to the Baseline.
↔	The BPO is expected to provide materially the same opportunity for the VAMC to be involved in DoD contingency planning, Homeland Security, and/or Emergency Preparedness as compared to the Baseline.
↓	The BPO is expected to provide less opportunity for the VAMC to be involved in DoD contingency planning, Homeland Security, and/or Emergency Preparedness as compared to the Baseline.

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 (>15%)
Level of capital expenditure anticipated (based on results of initial capital planning costs)	
↓↓↓↓	Very significant investment required relative to the Baseline BPO (≥ 200%)
↓↓	Significant investment required relative to the Baseline BPO (121% to 199%)
-	Similar level of investment required relative to the Baseline BPO (80% to 120% of Baseline)
↑↑	Reduced level of investment required relative to the Baseline BPO (40%-80%)
↑↑↑↑	Almost no investment required (≤ 39%)
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)
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
Overall Cost effectiveness (based on initial NPC calculations)	
↓↓↓↓	Very significantly higher Net Present Cost relative to the Baseline BPO (>1.15 times)
↓↓	Significantly higher Net Present Cost relative to the Baseline BPO (1.10 – 1.15 times)
↓	Higher Net Present Cost relative to the Baseline BPO (1.05 – 1.09 times)
-	Similar level of Net Present Cost compared to the baseline (+/- 5% of Baseline)
↑	Lower Net Present Cost relative to the baseline (90-95% of Baseline)
↑↑	Significantly lower Net Present Cost relative to the Baseline BPO (85-90% of Baseline)
↑↑↑↑	Very significantly lower Net Present Cost relative to the Baseline BPO (<85% of Baseline)

Acronyms

AMB	Ambulatory
BPO	Business Plan Option
CBOC	Community Based Outpatient Clinic
CIC	CARES Implementation Category
DoD	Department of Defense
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

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.