



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

---

**Stage I Summary Report**  
**Site: Perry Point**

---

**August 2005**

This report was produced under the scope of work and related terms and conditions set forth in Contract Number V776P-0515. PricewaterhouseCoopers' work was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). PricewaterhouseCoopers' work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation service in accordance with standards established by the AICPA. Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the Department of Veterans Affairs or any financial or other information or on internal controls of the Department of Veterans Affairs.

The VA has also contracted with another government contractor, the S&S Construction/ACG Joint Venture Team to develop re-use options for inclusion in this study. The S&S/ACG Team, issued its report, "Phase 1 Report - Data Collection and Planning Analysis for the VA Medical Center, Perry Point, MD" and as directed by the VA, **PricewaterhouseCoopers LLP has included information from its report in this document.** 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 the S&S/ACG Team.

This report was written solely for the purpose set forth in Contract Number V776P-0515 and therefore should not be relied upon by any unintended party who may eventually receive this report.

## **OVERVIEW AND CURRENT STATE**

### **Statement of Work**

Team PwC is assisting the VA in identifying the optimal approach to provide current and projected veterans with healthcare equal to or better than is currently provided in terms of access, quality, and cost effectiveness, while maximizing any potential re-use of all or portions of the current real property inventory at the study sites. This work relies on the following three principal teams: healthcare, capital planning, and re-use/redevelopment.

The study of the Perry Point Campus will determine the appropriate setting on the site for the replacement Nursing Home Care Unit (NHCU) and the footprint for an appropriately redesigned Campus that maximizes the re-use potential of the site. The comprehensive Capital and Re-use Plans consider the reduction of the Campus, consolidation of the Campus, or a combination of these possibilities to maximize access to veterans and to determine the highest and best use of the Perry Point Campus. The comprehensive Capital and Re-use Plans include the physical configuration of the infrastructure as well as the comprehensive Re-use Plan for the Perry Point Campus.

The S&S/ACG Team in coordination with Team PwC will develop the Re-use Plan and, as a part of the site options presented, the most likely potential re-use for available property identified in the capital planning process is to be included. The contractors will coordinate their work and exchange information on the capital planning process and stakeholder communications.

### **Summary of Market**

The Perry Point Campus is part of the Baltimore, Maryland market of VISN 5. Specifically, it is located in Perryville, an incorporated municipality in Cecil County, Maryland. It is about 45 miles north of Baltimore. The 364-acre Campus sits on the banks of the Susquehanna River and the Chesapeake Bay. The Campus is bounded by the Town of Perryville and railroad tracks (North), the Town of Perryville and the town park (East), the Chesapeake Bay (South), and the Susquehanna River (West). Harford and Kent Counties are adjacent and toward the south of Cecil County.



*Figure 1: Aerial photograph of Perry Point Campus*

In 2003, the Baltimore market of VISN 5 contained approximately 69,700 enrolled veterans or roughly 40% of all enrollees within VISN 5. Over the next 20 years the number of enrolled veterans for this market is expected to decline 16% from 69,700 in 2003 to approximately 58,300 in 2023.

## **Summary of Current Facility Condition**

The Perry Point Campus is situated close to the water line and consists of 364 gross acres, of which approximately 346 acres are usable. A 100-year flood zone is located along the property's frontage on the Chesapeake Bay and Mill Creek. The Campus is composed of 192 structures totaling 1,865,840 square feet of gross building areas. 91 of the buildings are former quarters and 34 are maintenance buildings. The Campus is not densely developed and has an abundance of open space. Many of the buildings on the Campus date back to 1918 when the property was purchased by the Federal Government. Rather than erecting new facilities, several of the existing structures, mainly five-story brick and stone buildings used by the Atlas gunpowder plant, were converted to medical buildings. While some buildings on the Campus have been recently renovated, others are in dire need of repair, including the nearly 80 year old nursing home and some of the behavioral health buildings. Two buildings, the Mansion and Grist Mill are listed on the National Register of Historic Places. The site also contains archeologically significant (burial grounds) parcels and suspected environmental hazard areas. There is a laundry facility, credit union, chapel and fire station. Roadways are generally in good condition and parking is decentralized and provided by small lots adjacent to the buildings.

The Perry Point Campus has several use agreements in place to provide the following: independent housing for veterans; housing for AmeriCorps volunteers and volunteers for a

woman's veterans group; and space for US Public Health Service activities, postal services, credit union services, and fire and emergency services.

*Environment*

Based on a review of available documents and databases, naturally occurring arsenic may be present in the sediments and asbestos and lead-based paint are present in all but the most recently constructed building. Depending upon the location and type of redevelopment performed on the Campus, approval from various local and federal agencies will be required and additional in-depth environmental tests will need to be performed.

## COMMUNITY INFORMATION

### Demographic and Real Estate Trends

#### *Demographics*

The Cecil/Harford Metropolitan Statistical Area (MSA) is experiencing a period of economic and population growth. The U.S. Census Bureau estimates that Cecil and Harford counties had a population of about 304,500 as of 2000. This represents a 20% increase since 1990. The Cecil/Harford County area represents approximately 5.7% of Maryland's total population. The demographics of the MSA are typical of a rural community.

Cecil and Harford counties are predominantly industrial with manufacturing, agriculture and government contracting among the counties' traditional economic engines. The local economies are fueled by industrial demand for semi-skilled workers, which is nearing capacity as the availability of this labor type decreases

Approximately 60% of Cecil and Harford County residents are between the working ages of 20 to 64 years old, with the median age of 35 to 44 years for the MSA. Those aged 65 years and older account for approximately 10% of the total population, and those who are under 19 years old account for approximately 30% of the population. The concentration of the population is within the prime earning age groups of 25 to 54 years old.

As new companies enter the market, unemployment continues to decrease despite a steadily increasing population. The state's unemployment rate was 4.2 percent as of May 2005, a level below the national rate of 5.1 percent as of May 2005. Likewise, unemployment in Harford County (3.7%) and Cecil County (3.8%) are also well below the national average, but consistent with the statewide rate.

The Bureau of Economic Analysis (Department of Commerce) estimated per capita income as of 2003 to be \$30,201 in Cecil County and \$34,553 in Harford County. Income levels in the MSA are slightly below Maryland's average per capita income of \$37,446. Per capita income has risen over time despite fluctuating periods of economic growth.

Of Cecil County residents age 25 and over, 81% have attained their high school diploma and 17% hold bachelors degrees. In Harford County, 87% have received high school diplomas and 27% hold bachelors degrees.

#### *Real Estate*

There is not a large corporate presence in Cecil County and the availability of full service hotels is minimal. The hotels servicing the market area generally consist of low to moderately priced limited service franchises. Occupancy varies by season. During peak season (summer months), the hospitality properties are operating at or near capacity.

Demand for industrial property is driven primarily by access to major highway routes and interstates. Of the approximate 3.5 million square feet of industrial developments in the market, two thirds constitute distribution centers. Demand in this sector may soon reach a slowing point as the supply of semi-skilled workers needed to support the industry reaches capacity.

On the other hand, the demand for flex property is growing. Flex property has been the most successful and most abundant type of industrial space in the Harford and Baltimore County markets and is beginning to develop a presence in Cecil County. The flex properties that have been introduced in Cecil County have been very successful, and it is expected that this type of property will grow in demand.

Currently there is not an existing supply of institutional properties. Cecil Community College is the fastest growing community college in Maryland. Several educational institutions are exploring the possibility of expanding in the Cecil County market area.

The supply of office space in Cecil County is relatively low as compared with surrounding areas. Although officials in Cecil County are working to attract corporate employers to Cecil County, the office market is currently small and remains clustered around the Elkton area. The present market relies on demand from law firms, banks and other local small businesses. The limited depth of tenants typically results in office space being on the market for a year or more before being occupied.

Demand for single family residential and multi-family units (apartments and condominiums) is currently high in the market area. More than 50% of homes listed in the market area were sold within one to thirty days. Demand is projected to increase as buyers from urban areas such as Baltimore, Maryland and Wilmington, Delaware continue to enter the rural market, where buying power is increased. New construction of individual houses and housing developments are prevalent in the market area, indicating robust demand relative to supply.

The 2004 sale prices for single-family homes represent an overall increase of approximately 17% to 18% over the 2003 sale prices. The increase in sale prices are in addition to increased number of sales. According to market listings, rental rates range from \$600 to \$800 per month for a one-bedroom unit. The average sale price for condominium units in 2004 was \$179,002 per unit in Cecil County and \$126,933 per unit in Harford County. These prices reflect increases over 2003 sale prices, which by approximately 40% in Cecil County and 20% in Harford County over the past year.

Brokers interviewed have been contacted by investors looking for 20 to 30-acre parcels on which to build senior housing. On average, the Department of Planning receives one to two phone calls per month from developers seeking to build senior care and senior housing facilities. Developers are currently negotiating to develop assisted living facilities on a portion of a site that contains historic properties and an alternative living facility in the nearby area.

Occupancy in senior housing is high in Cecil County, with the majority of facilities fully occupied. Representative of the area is Cecil Woods, a mobile home park exclusively housing persons age 55 or older which is currently at 99% capacity. Market listings for senior apartments

range from \$500 to \$600 per month and assisted living facilities range from \$2,500 to \$3,000 per month.

Cecil County retail markets include a mix of the various types of retail establishments. There is demand for retail land for all types of development. Population and household growth throughout the market region has led to an increased demand for local retail such as community shopping centers. According to the Cecil County office of Economic Development, regional retailers face competition from surrounding markets.



## BUSINESS PLAN OPTION DEVELOPMENT

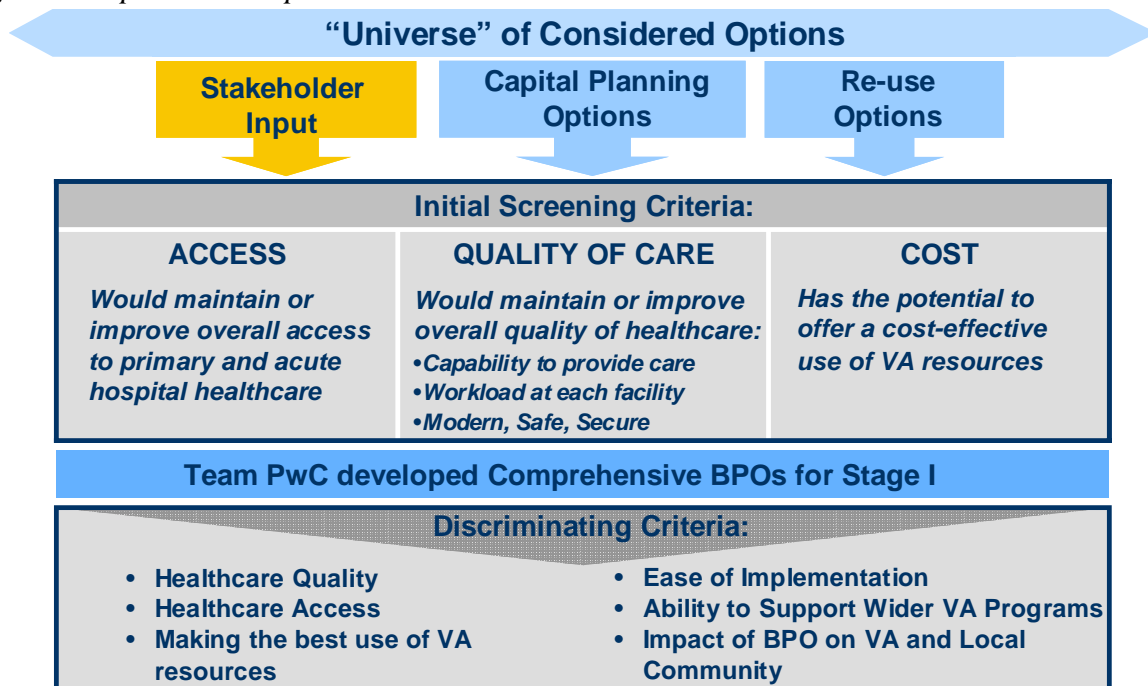
### Option Development Process

Team PwC developed a set of comprehensive BPOs to be considered for the Perry Point Campus. A comprehensive BPO is defined as consisting of a capital planning option (CP) and a re-use option (RU). Therefore, the formula for a comprehensive BPO would be:

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

A multi-step process was employed in the development and selection of the comprehensive BPOs. Initially, a broad range or “universe” of discrete and credible capital planning and re-use options was developed by the teams. These options were tested against the agreed-upon initial screening criteria of access, quality, and cost. The capital and re-use options that passed the initial screenings were then further considered to be potential capital and re-use options to comprise a comprehensive BPO. All of the comprehensive BPOs were then further assessed at a more detailed level according to set of discriminating criteria.

Figure 2: Option Development Process



### Stakeholder Concerns

For the Perry Point CARES Study Site, five 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. Input was primarily received from veterans and VA or medical center employees.

Stakeholders who submitted written and electronic input indicated that their concerns were regarding veteran access, the desire to maintain current facilities, and the desire to support veterans. Stakeholders who contributed oral testimony at the Local Advisory Panel public meeting indicated a main key concern related to the ability for reservists to access veteran benefits when they return from duty.

The following figure defines the key concerns from stakeholders as collected through written, electronic, and verbal testimony:

*Table 1: Definitions of Categories of Stakeholder Concern*

All written submissions from stakeholders were read and sorted according to specified “Key Concerns of Stakeholders”. If the author conveyed multiple concerns, each concern was recorded.

The definitions of the categories are listed below:

<b>Stakeholder Concern</b>	<b>Definition</b>
<b>Effect on Access</b>	Involves a concern about traveling to another facility or the location of the present facility.
<b>Maintain Current Service/Facility</b>	General comments related to keeping the facility open and maintaining services at the current site.
<b>Support for Veterans</b>	Concerns about the federal government/VA's obligation to provide health care to current and future veterans.
<b>Effect on Healthcare Services &amp; Providers</b>	Concerns about changing services or providers at a site.
<b>Effect on Local Economy</b>	Concerns about loss of jobs or local economic effects of change.
<b>Use of Facility</b>	Concerns or suggestions related to the use of the land or facility.
<b>Effect on Research &amp; Education</b>	Concerns about the impact a change would have on research or education programs at the facility.
<b>Administration's Budget or Policies</b>	Concerns about the effects of the administration's budget or other policies on health care for veterans.
<b>Unrelated to the Study Objectives</b>	Other comments or concerns that are not specifically related to the study.

Table 2: Oral Testimony Key Concerns



## COMPREHENSIVE BUSINESS PLAN 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 and emerge as a result of the changes in demand for services and the facilities in which they sit. In the Baseline there is no re-use planned.

Therefore, the Baseline is the current State projected out to 2013 and 2023 without any changes to facilities or programs but accounting for projected utilization changes, and assuming same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment.

### Options Not Selected for Assessment

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

Label	Description	Screening Results
Renovate the nursing home (Bldg 9H) and make available limited re-use	Renovate the nursing home (Bldg 9H) and make available limited re-use	This option failed because the renovated nursing home will not fully address the Secretary’s Decision.
Renovate the nursing home (Bldg 9H) and build a new domiciliary	Renovate the nursing home (Bldg 9H), build a new 51 bed domiciliary and contract out the remaining nursing home beds	The option failed because the renovated nursing home will not fully address the Secretary’s Decision and cost effectiveness.
Move Campus to the East	Move entire Campus to the east.	The option failed because the VA would lose control of the

		infrastructure, utilities, water and vehicular access to the site.
Move Campus to the West	Move entire Campus to the west.	The option failed because of cost and limited access through the re-use property.
Move all services offsite	Move all VA services offsite and contract all services.	The option failed because it was beyond the Secretary’s Decision.
Renovate current nursing home	Renovate the current nursing home and build a second, new nursing home to meet workload demand.	The option failed because it would create operational inefficiencies.

### **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.

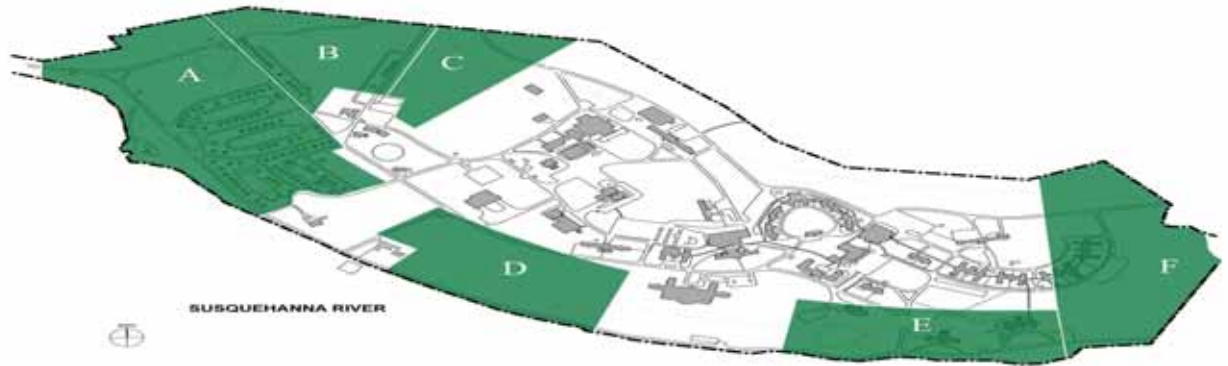
<b>Designation</b>	<b>Label</b>	<b>Description</b>	<b>Support for BPO Selection</b>
<b>BPO 1</b>  <b>Comprising:</b>  <b>CP-1/RU-1</b>	Baseline	Project Current State to 2013 and 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment. Renovate nursing home Buildings 9H and 14H and other necessary space to meet projected demand.	<ul style="list-style-type: none"> <li>▪ CP-1 represents the least level of change to current service provision. All existing services remain on Campus, in consolidated facilities for which appropriate investments to render them modern, safe, and secure are implemented.</li> <li>▪ The disruption of services will be minimal.</li> <li>▪ Buildings with low facility condition assessment scores will be renovated (i.e., nursing home and domiciliary).</li> </ul>
<b>BPO 2</b>  <b>Comprising:</b>  <b>CP-2A/RU-2</b>	Construct new nursing home (near Bldg 364); create master plan and re-use.	Construct replacement nursing home facility located due east of the Building 364. Renovate former nursing home space (14H) and other necessary space to accommodate forecasted demand. Make available re-use parcels A, B and C & D. Create master plan.	<ul style="list-style-type: none"> <li>▪ The option provides acceptance of the Initial Screening Criteria to meet projected 2023 workload volume need in both the “Cost” and “Modern, Safe &amp; Secure” categories. It expressly addresses the nursing home with new construction.</li> <li>▪ The other facilities are proposed to receive routine and necessary maintenance for a safe, secure, and modern healthcare environment.</li> <li>▪ The option eliminates some Campus waterfront access; potentially increasing safety.</li> <li>▪ The option offers parcels A, B,</li> </ul>

Designation	Label	Description	Support for BPO Selection
			<p>C and D for re-use development and is not necessarily dependent on the start of the nursing home construction.</p> <ul style="list-style-type: none"> <li>▪ Begins to consolidate the Campus through re-use.</li> </ul>
<p><b>BPO 3</b></p> <p><b>Comprising:</b></p> <p><b>CP-2B/RU-2</b></p>	<p>Construct new nursing home (near Bldg 20H); create master plan and re-use.</p>	<p>Construct replacement nursing home facility located due north of the Building 20H. Renovate former nursing home (14H) and other necessary space to accommodate forecasted demand. Make available re-use parcels A, B, and C &amp; D. Create master plan.</p>	<ul style="list-style-type: none"> <li>▪ The option provides acceptance of the Initial Screening Criteria to meet projected 2023 workload volume need in both the “Cost” and “Modern, Safe &amp; Secure” categories. It expressly addresses the nursing home with new construction.</li> <li>▪ The other facilities are proposed to receive routine and necessary maintenance for a safe, secure, and modern healthcare environment.</li> <li>▪ The option eliminates some Campus waterfront access; potentially increasing safety.</li> <li>▪ The option offers parcels A, B, C and D for re-use development and is not necessarily dependent on the start of the nursing home construction.</li> <li>▪ Begins to consolidate the Campus through re-use.</li> <li>▪ Facilitates future Campus consolidation.</li> </ul>
<p><b>BPO 4</b></p> <p><b>Comprising:</b></p> <p><b>CP-2C/RU-2</b></p>	<p>Construct new nursing home (near Bldg 80); create master plan and re-use parcels.</p>	<p>Construct replacement nursing home facility located due north of Building 80. Renovate former nursing home (14H) and other necessary space to accommodate forecasted demand. Make available re-use parcels A, B, and C &amp; D.</p>	<ul style="list-style-type: none"> <li>▪ The option provides acceptance of the Initial Screening Criteria to meet projected 2023 workload volume need in both the “Cost” and “Modern, Safe &amp; Secure” categories. It expressly addresses the nursing home with new construction.</li> <li>▪ The other facilities are proposed to receive routine and necessary maintenance for a safe, secure, and modern healthcare environment.</li> <li>▪ The option eliminates some Campus waterfront access; potentially increasing safety.</li> <li>▪ The option offers parcels A, B, C and D for re-use development and is not necessarily dependent on the start of the nursing home construction.</li> <li>▪ Begins to consolidate the</li> </ul>

Designation	Label	Description	Support for BPO Selection
<p><b>BPO 5</b> <b>Comprising:</b> <b>CP-3/RU-3</b></p>	<p>Reduced Campus; new nursing home (north of Bldg 20H) and Behavioral Health; create phased Campus consolidation including constructing new behavioral health building and re-use.</p>	<p>Construct replacement nursing home facility near Bldg 20H. Renovate former nursing home (14H) and other necessary space to accommodate forecasted demand. Construct new behavioral health building near Building 80. Adopt master plan to reduce overall size of Campus through phased consolidation of clinical services including new construction and enhanced use lease programs for vacated existing buildings. Make available land parcels A through E.</p>	<p>Campus through re-use.</p> <ul style="list-style-type: none"> <li>▪ The option provides acceptance of the Initial Screening Criteria to meet projected 2023 workload volume need in both the “Cost” and “Modern, Safe &amp; Secure” categories.</li> <li>▪ The Campus obtains a modern, safe and secure right-sized nursing home, renovated clinical space, and a new behavioral health building.</li> <li>▪ Campus services are consolidated and organized to balance proximity relationships and key existing facilities.</li> <li>▪ Overall Campus organizational system evolves from a central north/south linear axis supported by a grid of vehicular streets and secondary pedestrian pathways.</li> <li>▪ Future Campus flexibility is achieved through reserved areas to east and west of Campus central axis.</li> <li>▪ Addresses immediate needs and provides for long term phased consolidation of the Campus.</li> <li>▪ Minimizes or eliminates vacant space within the Campus.</li> <li>▪ The option eliminates some Campus waterfront access; potentially increasing safety.</li> </ul>
<p><b>BPO 6</b> <b>Comprising:</b> <b>CP-4/RU-4</b></p>	<p>Consolidate Campus, construct new nursing home (near Bldg 20H) and create phased Campus consolidation master plan. Maximize re-use parcels.</p>	<p>Construct replacement nursing home facility near Bldg. 20H. Adopt master plan to consolidate services including phased relocation, renovation and demolition of aged buildings and logistical functions. This will reduce Campus into minimal area required while maintaining sufficient property for future Campus flexibility. Minimize central energy requirements by decentralizing energy plants in all new construction. Make available land parcels A through F.</p>	<ul style="list-style-type: none"> <li>▪ The option provides acceptance of the Initial Screening Criteria to meet projected 2023 workload volume need in both the “Cost” and “Modern, Safe &amp; Secure” categories.</li> <li>▪ Addresses immediate needs and provides for long term phased consolidation of the Campus.</li> <li>▪ Campus services are consolidated and organized to balance proximity relationships and key existing facilities.</li> <li>▪ Overall Campus organizational system evolves supported by a grid of vehicular streets and pedestrian pathways.</li> <li>▪ Future Campus flexibility is achieved through reserved areas</li> </ul>

Designation	Label	Description	Support for BPO Selection
			to east and west of Campus. <ul style="list-style-type: none"> <li>▪ The option maintains a small amount of waterfront access.</li> <li>▪ Minimizes or eliminates vacant space within the Campus.</li> </ul>

Figure 3: Potential Re-Use Parcels





## ASSESSMENT SUMMARY

Table 6: BPO Assessment Summary

Assessment Summary	BPO 2	BPO 3	BPO 4	BPO 5	BPO 6
<b>Healthcare Access</b>	↔	↔	↔	↔	↔
<b>Healthcare Quality</b>					
Safe environment	↑	↑	↑	↑	↑
Secure environment	↑	↑	↑	↑	↑
<b>Cost Effectiveness</b>					
Operating cost effectiveness	-	-	-	↑↑	↑↑
Level of capital expenditures anticipated	↓↓	↓↓	↓↓	↓↓	↓↓
Level of re-use proceeds	↑↑	↑↑	↑↑	↑↑	↑↑
Cost avoidance opportunities	-	-	-	-	-
Overall cost effectiveness	-	-	-	↑	↑
<b>Ease of Implementation</b>					
Riskiness of BPO implementation	↔	↔	↔	↔	↑
<b>Wider VA Program Support</b>					
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 6: Evaluation System for BPOs

<b>Rating for all categories except cost and overall evaluation</b>	
↑	The BPO has the potential to provide a slightly improved state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc)
↔	The BPO has the potential to provide materially the state as the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc)
↓	The BPO has the potential to provide a slightly lower or reduced state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc).
<b>Operating cost effectiveness (based on results of initial healthcare/operating costs)</b>	
↑↑↑	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%)
<b>Level of capital expenditure anticipated (based on results of initial capital planning costs)</b>	
↓↓↓↓	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%)
<b>Level of Re-use proceeds relative to Baseline BPO (based on results of initial Re-use study)</b>	
↓↓	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)

<b>Cost avoidance (based on comparison to Baseline BPO)</b>	
-	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
<b>Overall Cost effectiveness (based on initial NPC calculations)</b>	
↓↓↓↓	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

Access Guidelines – Minimum percentage of enrollees living within a specific travel time to obtain VA care. For the CARES process, guidelines were defined as follows:

*Access to Primary Care:* 70 percent of veterans in urban and rural communities must be within 30 minutes of primary care; for highly rural areas, this requirement is within 60 minutes.

*Access to Hospital Care:* 65 percent of veterans in urban communities must be within 60 minutes of hospital care; for rural areas, this requirement is within 90 minutes; and for highly rural areas, this requirement is within 120 minutes.

*Access to Tertiary Care:* 65 percent of veterans in urban and rural communities must be within 4 hours of tertiary care; for highly rural areas, this requirement is within the VISN.

CARES (Capital Asset Realignment for Enhanced Services) – a planning process that evaluates future demand for veterans' healthcare services against current supply and realigns VHA capital assets in a way that results in more accessible, high quality healthcare for veterans.