



# Capital Asset Realignment for Enhanced Services

## Business Plan Studies

Presentation to Local Advisory Panel



# Introduction and Background



- **The Secretary's CARES Decision Document, May 2004, calls for additional studies to improve the previous analyses for eighteen sites**
- **Montrose/Castle Point, NY is one of these study sites**
- **Team PricewaterhouseCoopers (PwC) was selected as the prime contractor to complete these studies**

# Study Objective



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

- **Access**
- **Quality, and**
- **Cost Effectiveness**

# Study Outcomes



**As a result of this study, VA will receive a broad range of capital and re-use options to meet VA's current and forecasted needs, from which the VA will select 3 to 6 options to study further, from which one option will be recommended.**

***Any option selected by the Secretary which requires capital investment will have to compete with all other construction initiatives currently requiring funding.***

# Study Considerations



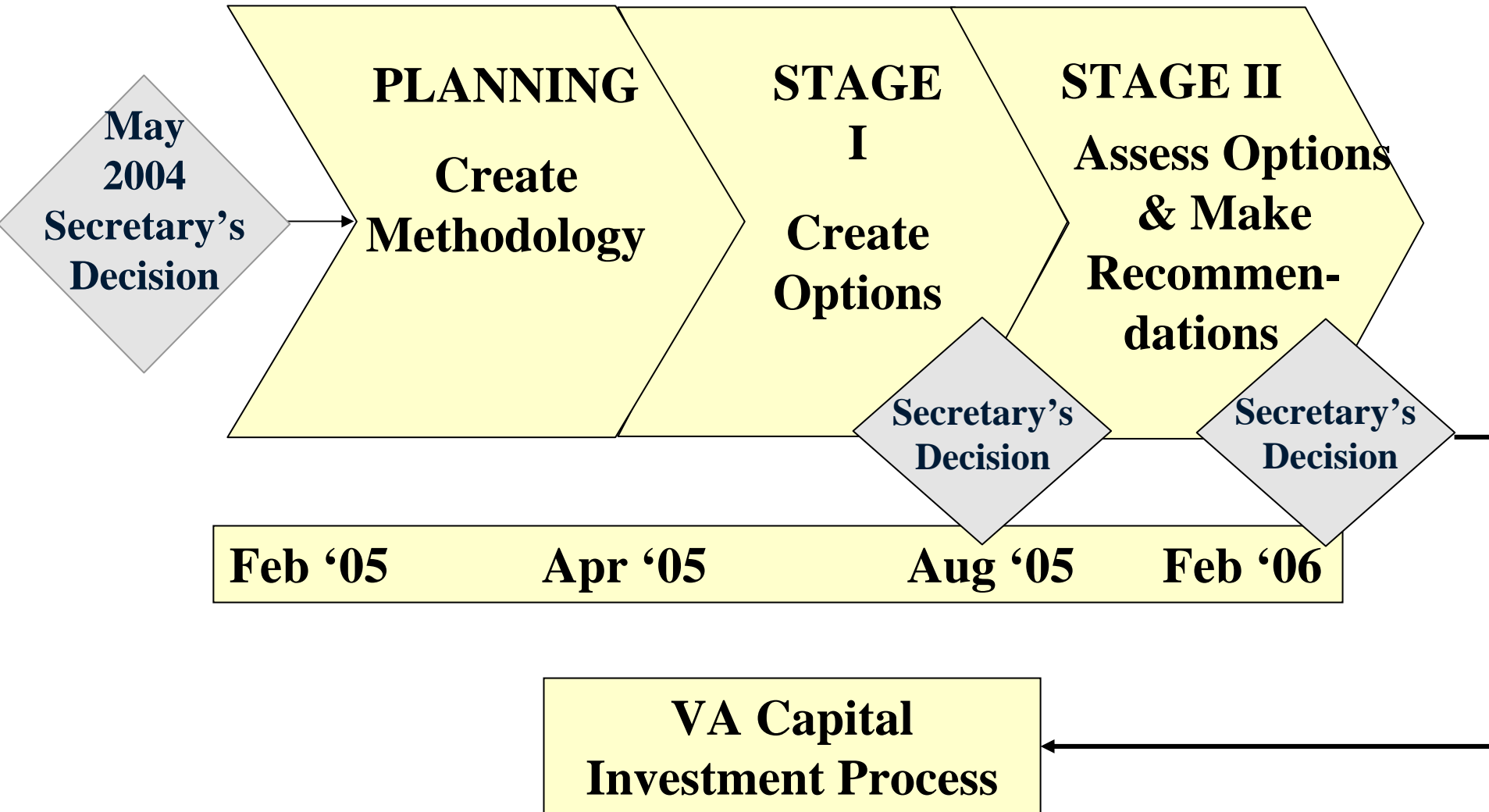
- **Demand for services based on VA forecasts**
- **Capital requirements**
- **Cost – operating and capital**
- **Re-use/Redevelopment**
- **Consider collocation opportunities**

# Study Scope for Montrose/ Castle Point, NY

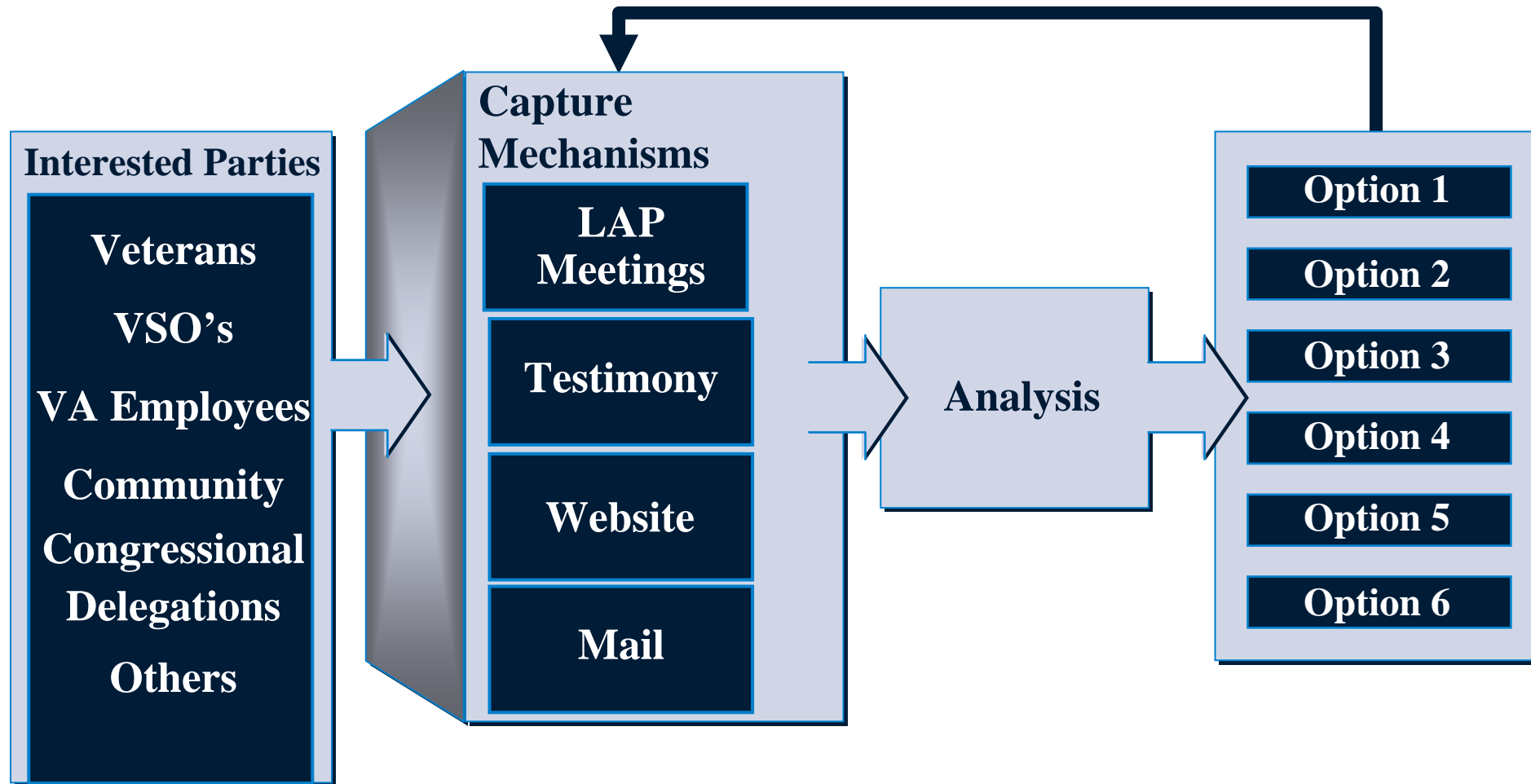


- **General Capital Plan – Determine best design and use of VA’s assets**
- **General Re-use/Redevelopment Plan – Determine real estate potential for each campus**
- **Financial Analysis – Develop a cost effectiveness analysis**
- **Public and Veterans’ Interest Group Input – Capture Public/Veterans’ Opinions and Preferences**

# Project Overview

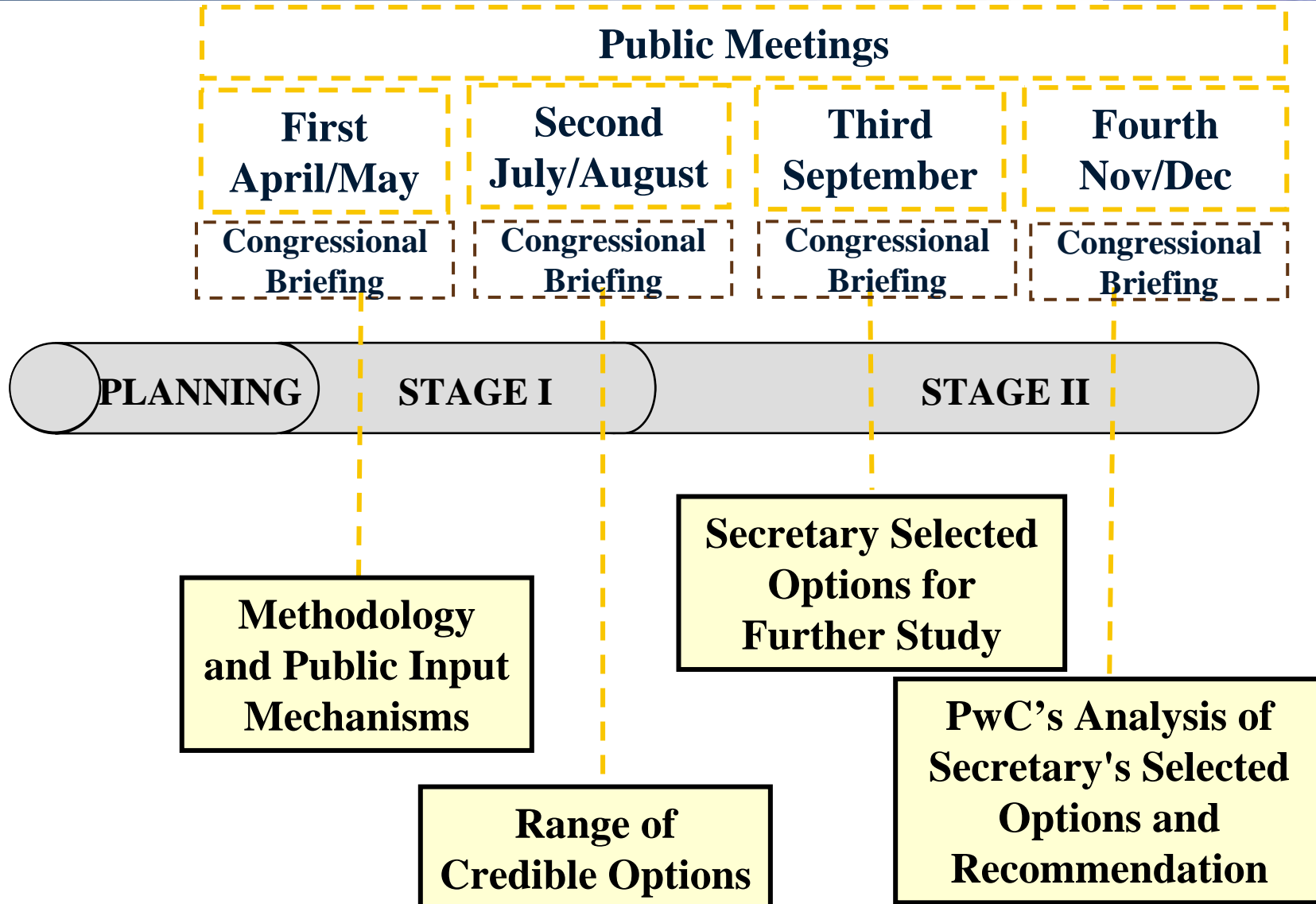


# Public and Interest Group Input Process





# Veteran and Public Input



# Stage I Business Plan Options and Decisions



## Stage I

- **Develop a broad range of credible options**
  - Alternative capital / infrastructure plans
  - Re-use/Redevelopment potential of VA healthcare resources
- **Assess each option's potential to meet or exceed the CARES objectives**
- **Take into account veteran/public needs and concerns**
- **All options will be presented from which six credible options will be considered for further study in Stage II**

## VA Decision

**Which of the options should be selected for detailed study in Stage II**

# Stage II Business Plan Options and Decisions



## Stage II

- Detailed development and analysis by Team PwC of VA's selected business plan options
- Provide opportunity for veteran/public input
- Take into account veteran/public needs and concerns
- PwC independently selects a recommended business plan option
- Prepare a draft business plan for the recommended option

## VA Decision

Approval of a recommended business plan option for implementation at each study site

# Overview of the Option Development Process



## Inputs & Analysis

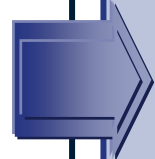
VA Forecast of Demand for Healthcare

Existing Facilities and Services

Future Modernization Needs

Public/Veteran Opinions and Preferences

Potential Re-use / Redevelopment of Land or Buildings



## Option Development

Facilities Requirements



Capital Planning

Land and Space that could be Marketed



Re-use / Redevelopment Planning

Alternative Options

Financial Evaluation and Assessment

# The Baseline



**No significant change either to the location or type of services provided in the study site, taking account of:**

- Projected changes in healthcare volume for particular procedures**
- Ongoing preventative maintenance of buildings**
- Capital investment required to maintain a safe healthcare delivery environment**

# Alternative Business Plan Options



**Alternatives to consider and as defined in the Secretary's CARES Decision Document, May 2004. Options could contain any combination of the following, but not limited to:**

**Locating in-house services**

**Transferring care**

**Locating complementary services**

**Leasing of space**

**Contracting/fee basing services**

**Sharing agreements**

**Renovation of an existing site**

**Joint Ventures with  
DoD**

**Enhanced Use Lease Authority**

# Business Plan Option Decision Criteria



**Each acceptable Business Plan Option (BPO) will meet or exceed the following screening criteria:**

- **Maintain or improve overall healthcare quality**
- **Result in a cost effective configuration of VA physical and operational resources**
- **Result in a modernized, safe and secure healthcare delivery environment**
- **Maximize the re-use/redevelopment potential of VA-owned sites**

# The VA's Role



## Oversight of Contract

- Review of all deliverables
- Evaluation of feedback from Local Advisory Panels

## VA Provided Information

- Local site team assistance
- Demand forecasts
- Baseline operating costs
- Facility plans and facility quality assessments
- Collaboration opportunities
- Environmental hazards



# Team PwC



## **PricewaterhouseCoopers LLP**

- **Overall Program Management**
- **Overall Quality Assurance**
- **Financial Analysis / Business Planning**
- **Public/Veteran Relations**

## **Perkins + Will**

- **Capital Planning**

## **Davis Langdon**

- **Capital Cost Estimates**

## **Jones Lang Lasalle**

- **Re-use and Redevelopment**

## **Widmeyer**

- **Communications**

# How Can You Provide Feedback?



## Local Advisory Panel Meetings

- Provide testimony at the public meetings

## CARES Project Website –

<http://www.va.gov/cares> or <http://vaww.va.gov/cares>

- Information on each of the 18 study sites
- An electronic comments form is available to share your views and opinions. This is available for 2 weeks after each Local Advisory Panel meeting
- Website provides public meeting information, agendas, meeting summaries, and links to background documents

# How Can You Provide Feedback?



- **Written comments can be sent to:**

**Montrose/Castle Point Study**

**VA CARES Studies**

**P.O. Box 1427**

**Washington Grove, MD 20880-1427**

***You may send letters or paper comment forms to this address***

- **All paper comment forms will be analyzed and provided to members of the Local Advisory Panel and considered during option development**
- **The paper and electronic comment forms are the same and should only be completed once**

# Next Steps



- **PwC to Develop Options for Master Plan**
- **Options available to LAP Members and Public seven calendar days prior to next meeting via the CARES Web Site**
- **At the next meeting the LAP will recommend best options for Secretary's consideration**
- **Next meeting to be in late July (most likely) or August**