

# Capital Asset Realignment for Enhanced Services (CARES)

## Business Plan Studies for Canandaigua VAMC

Presentation for Local Advisory Panel

August 30, 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 Pruitt Group EUL, LP, to develop reuse options for inclusion this study. The Pruitt Group EUL, LP issued its report, Enhanced Use Lease Property Re-use/Redevelopment Plan Phase One: Baseline Report, Veterans Affairs Medical Center, Canandaigua, New York, and as directed by the VA, PricewaterhouseCoopers LLP has included information from their report the following sections in this report: Real Estate Market and Demographic Overview, Environment, Re-Use Options and Development and specific Re-Use options. PricewaterhouseCoopers LLP was not engaged to review and therefore makes no representation regarding the sufficiency of nor takes any responsibility for any of the information reported within this study by The Pruitt Group EUL, LP.

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.

# Recap of First LAP Meeting



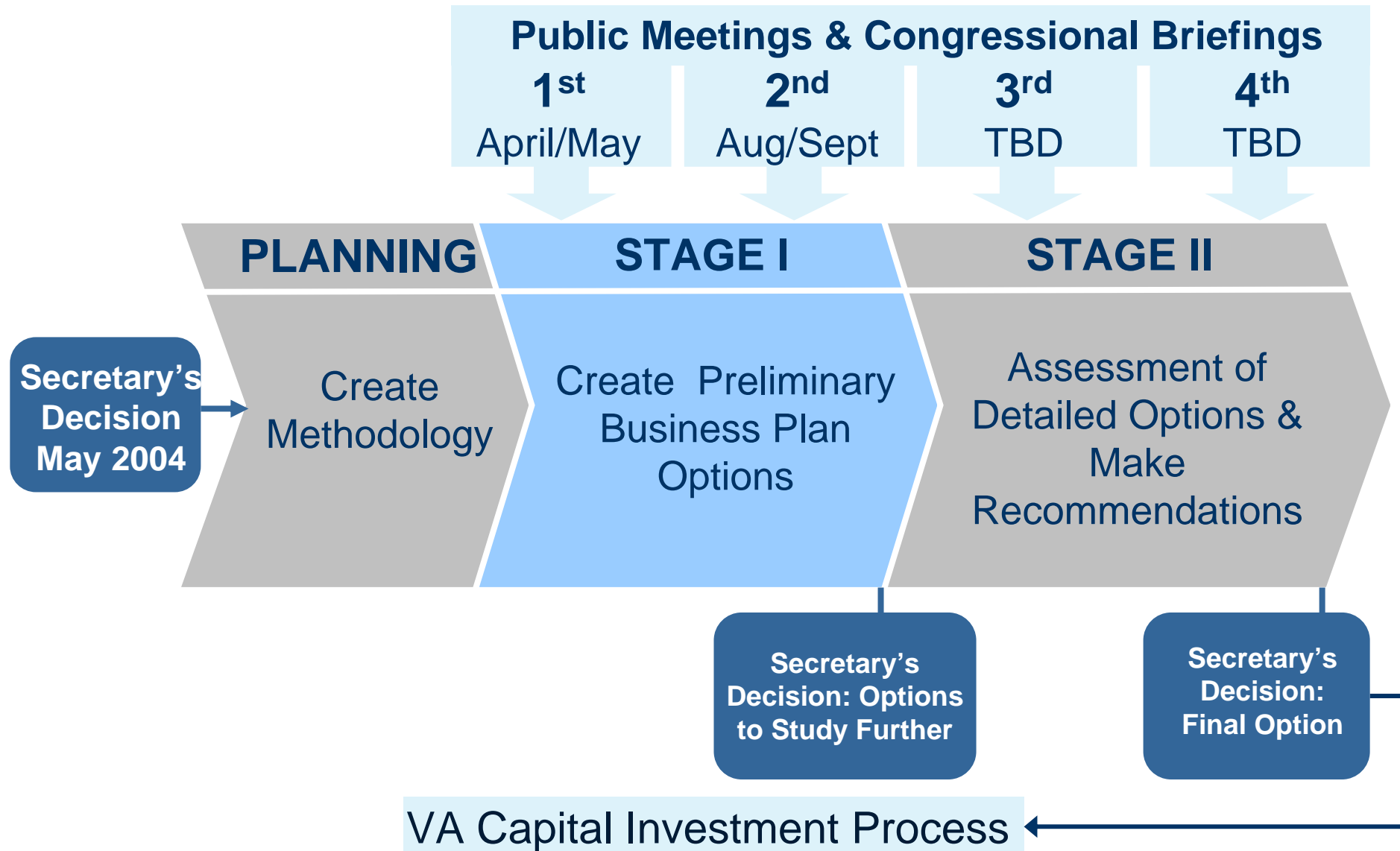
# First Public Meeting Recap

- The Secretary's CARES Decision Document, May 2004, calls for additional studies to expand on the previous analyses for eighteen sites including the Canandaigua VAMC
- Study Objective:

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

**Access**  
**Quality**  
**Cost Effectiveness**

# Project Overview



# 2004 Secretary's Decision for Canandaigua

- The master plan will include construction of a new multi-specialty outpatient clinic and nursing home complex to replace the patient care facilities currently located on the Canandaigua campus
- The new nursing home complex will accommodate nursing home, domiciliary and residential rehabilitation patients and will provide geropsychiatric services and hospice care.



# 2004 Secretary's Decision for Canandaigua

- The plan also will include the transfer of 12 acute inpatient psychiatry beds from Canandaigua to Buffalo and Syracuse.
- All other patient care services currently in place at the Canandaigua VAMC will be accommodated in the new facilities with the potential for enhanced services to include new clinics as needed.

# What's Being Studied at Canandaigua

## ■ Capital Planning

Identify the best use of buildings and facilities to provide needed healthcare services in a modern, safe and secure setting

## ■ Re-Use/Redevelopment

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



# Purpose of the LAP Meeting

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

# Canandaigua Public Input



# Canandaigua Public Input

- 44 stakeholder comments were received between January 1, 2005 and June 30, 2005
- The greatest amount of written and electronic input was received from veterans and VA employees

# Categories of Stakeholder Concerns

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

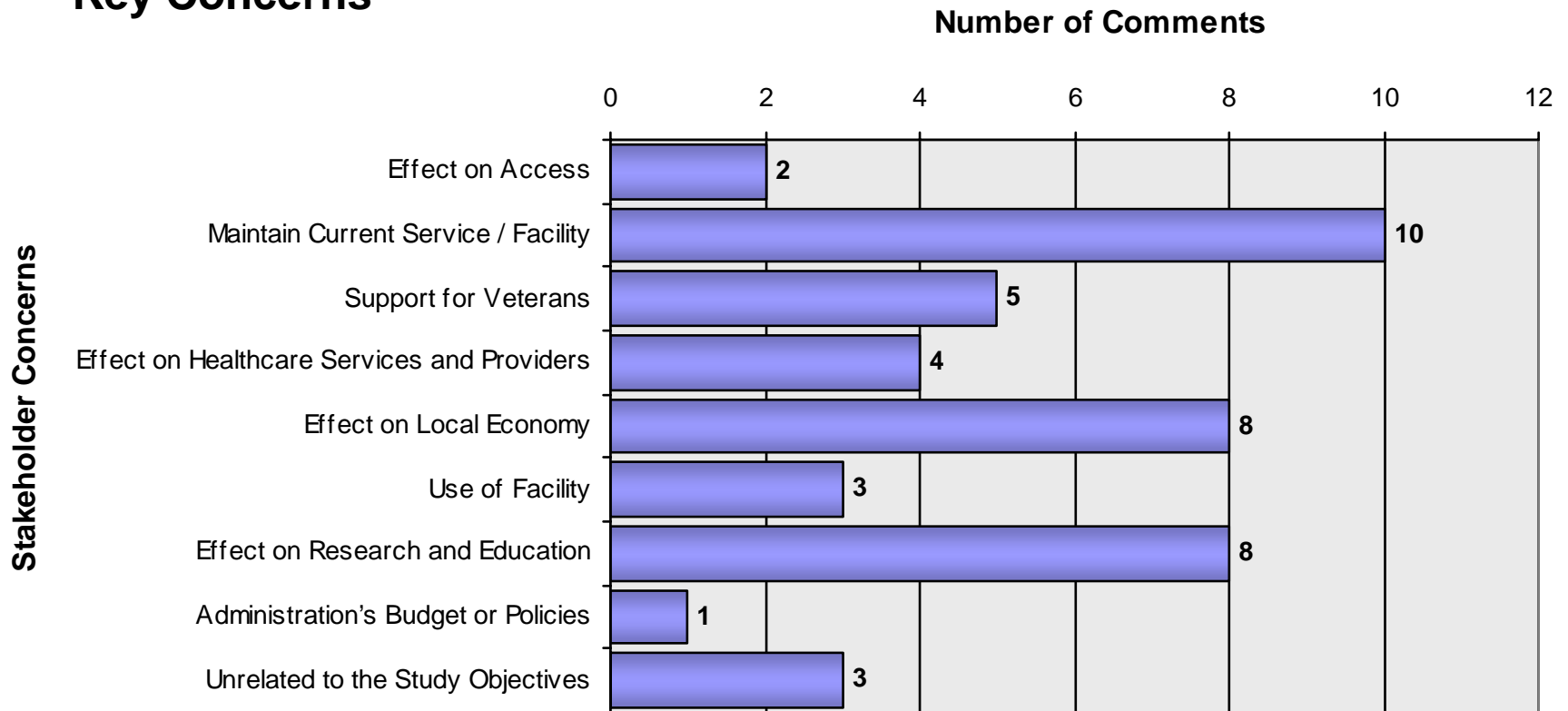
# Canandaigua Public Input, continued

## ■ Top Key Concerns:

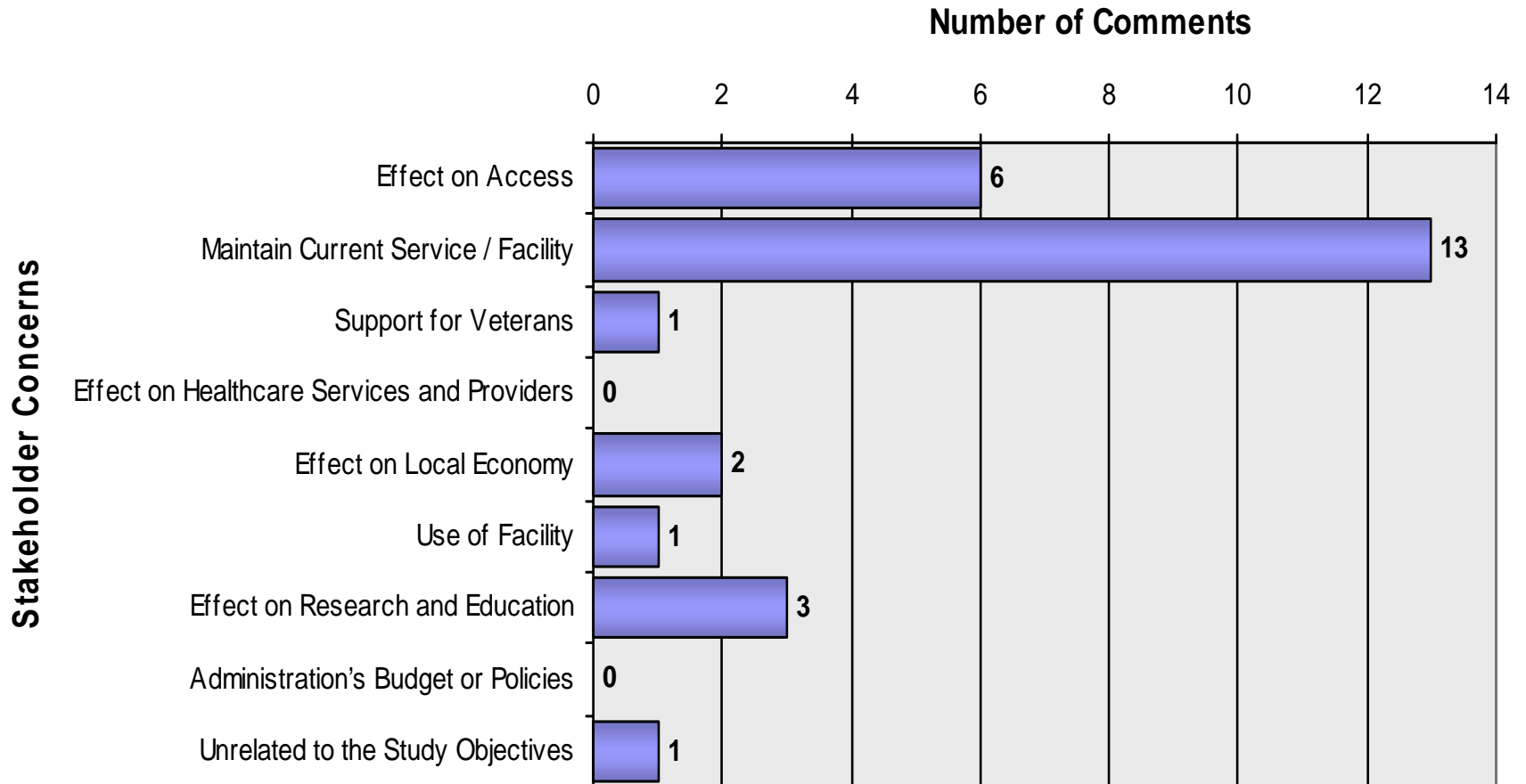
- Keeping the facility open
- Keeping acute inpatient psychiatry in Canandaigua
- Job loss or local economic effects
- Impact on research and educational programs at the facility
- Use of the land or facility
- Several stakeholders also expressed the desire to renovate current buildings.

# Key Concerns – Written and Electronic Input

## Key Concerns



# Key Concerns – Oral Testimony





# Stakeholder Input to Options Development

- Preservation of current facilities
  - ◆ An option was developed specifically using historic core of campus
- Re-use/redevelopment of site for services to homeless, affordable housing, substance abuse programs, other veteran support; use of renewable energy
  - ◆ All these potential uses remain possibilities

# Current Status and Business Plan Options

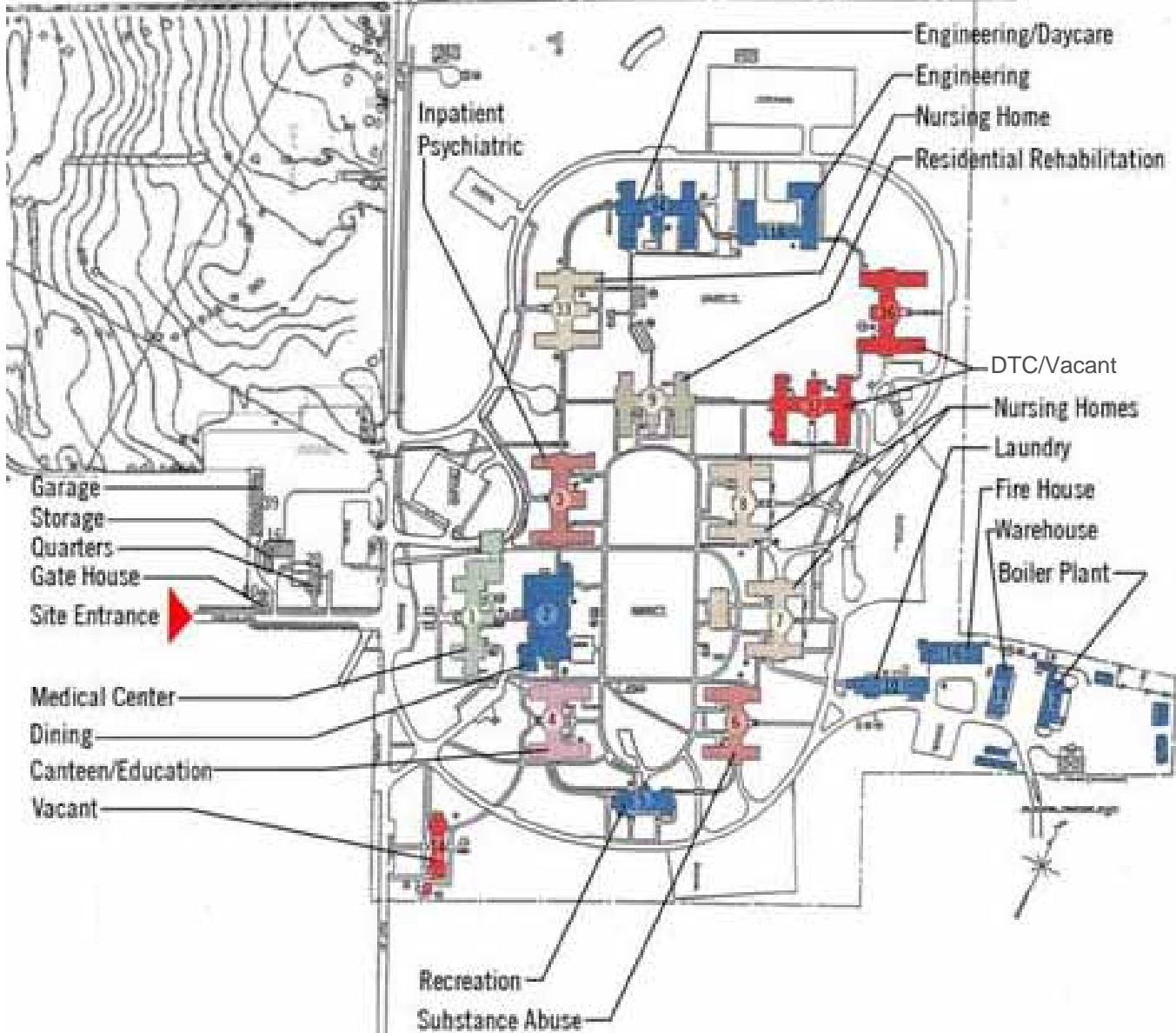


# Stage I Study Findings for Canandaigua

## Canandaigua VAMC



# Map of Canandaigua VAMC



# Canandaigua Site Overview

- The Canandaigua area's current civilian population is approximately 19,000
- Enrolled veteran population in VISN 2 (Finger Lakes/Southern Tier Market)
  - ◆ 43,842 in 2003 (actual)
  - ◆ 34,725 in 2013 (projected)
  - ◆ 26,957 in 2023 (projected)

# Canandaigua Site Overview, continued

## ■ The Canandaigua VAMC

### ◆ Part of VISN 2 in upstate New York

- 30 miles southeast of Rochester

- 7 miles from NY State Thruway

- 171 acres of land

- Surrounded by a school, a museum, homes, and an unused golf course

- 45 total building structures

- 945,000 square feet and approximately 300,000 square feet is vacant or underused

# Canandaigua Site Overview, continued

- The buildings are arranged around two courtyards:
  - Courtyard 1 was built between 1932 and 1937
  - Courtyard 2 was built in the 1940's
  - Eligible for the National Register of Historic Places
- The buildings are:
  - In a park-like setting
  - Well maintained stone and brick exterior walls with mostly slate roofs



# Current Status

- Canandaigua has capacity for 276 beds, however the average daily census (ADC) is 166.
  - ◆ 84% of the census is nursing home and domiciliary care
- All buildings have asbestos which will require remediation.
- The campus and its surroundings have strong appeal which may attract public, private, and institutional entities.

# Options Development

## “Universe” of Considered Options

**Stakeholder  
Input**

**Capital Planning  
Options**

**Re-Use  
Options**

### Initial Screening Criteria:

#### **ACCESS**

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

#### **QUALITY OF CARE**

*Would maintain or improve overall quality of healthcare:*

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

#### **COST**

*Would offer a cost-effective use of VA resources*

**Team Pwc developed Comprehensive Options for Stage 1**

### Discriminating Criteria:

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

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

# Options Overview

## “Universe” of Considered Options

Capital Planning  
Options

TOTAL = 17

Re-Use  
Options

TOTAL = 5

## Initial Screening for Access, Quality, Cost

Business Planning  
Options (BPOs)

TOTAL = 8

## Assessed for Stage I Report

# Summary of Options for Canandaigua

- A Baseline option accounting for projected volumes but no change to programs or services and consolidating services in renovated buildings.
- Two of the options developed involve building new facilities to house ambulatory care, nursing home, residential rehabilitation, and domiciliary beds at various locations on the existing campus.
- One option is to build new facilities to house these services off campus in the Canandaigua area.
- One option involves a combination of new and renovated buildings in Courtyard 1.
- Three options envision keeping the campus open for nursing home, residential rehabilitation, domiciliary care and specialty outpatient mental health, but provide a CBOC off-campus.

# Potential Re-Use/ Redevelopment Parcels

There are 5 main Parcels for potential re-use/redevelopment:

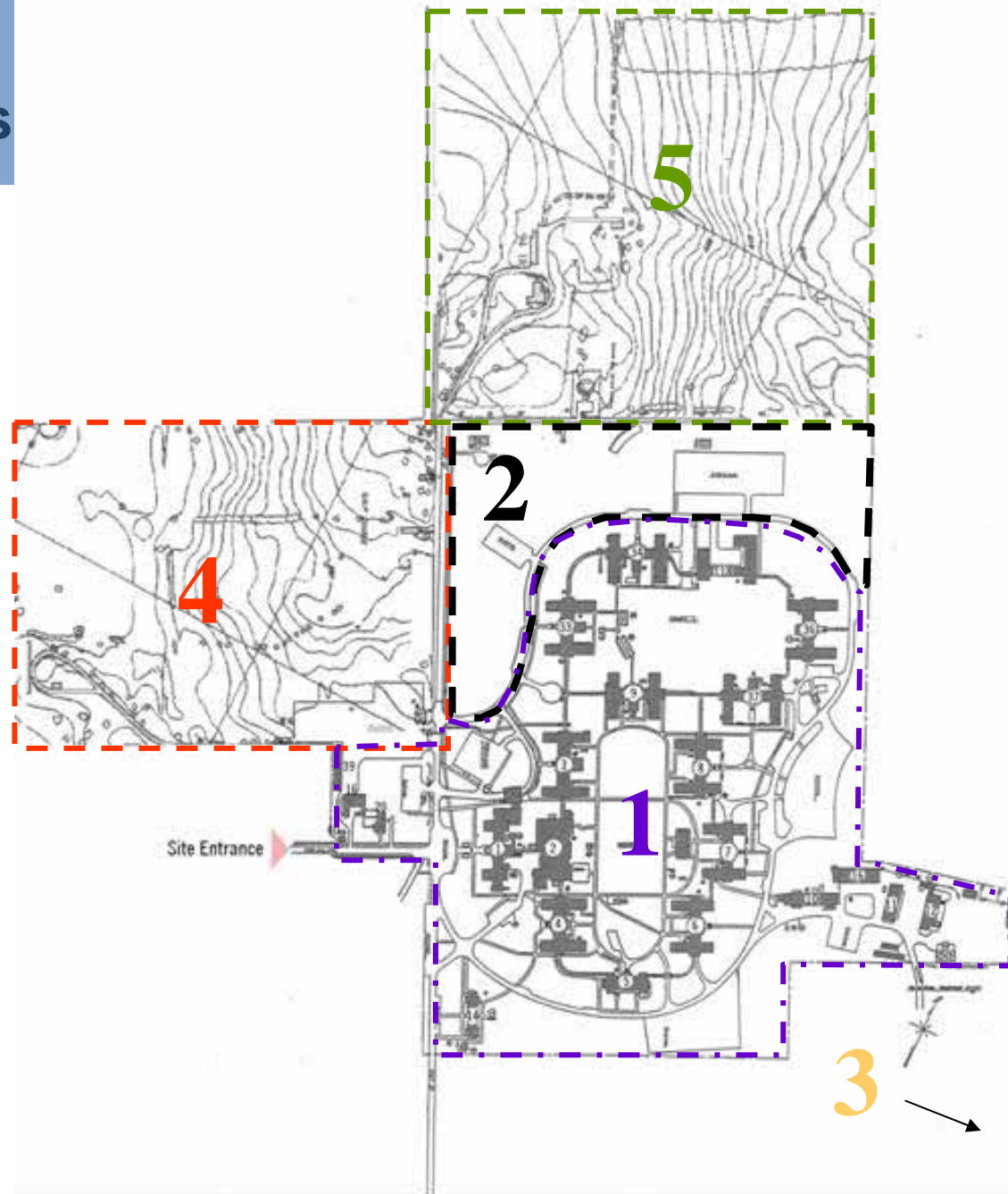
1. The Main Campus

2. Chapel Street

3. Bushwood Lane (not shown)

4. Golf Course

5. Canandaigua Academy



# Relocating services in Canandaigua Area

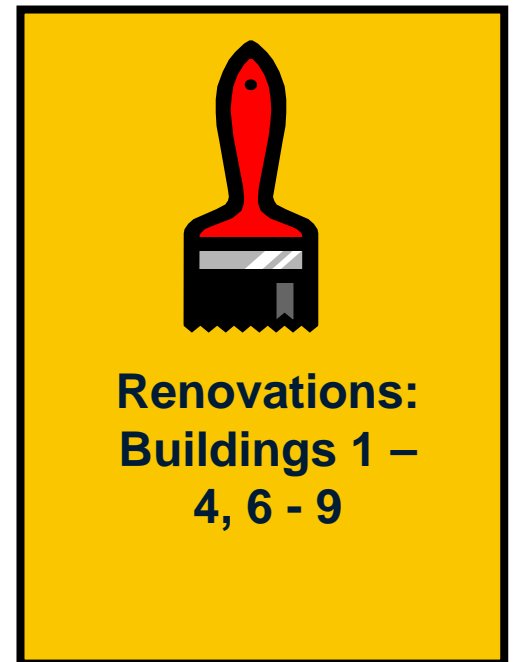
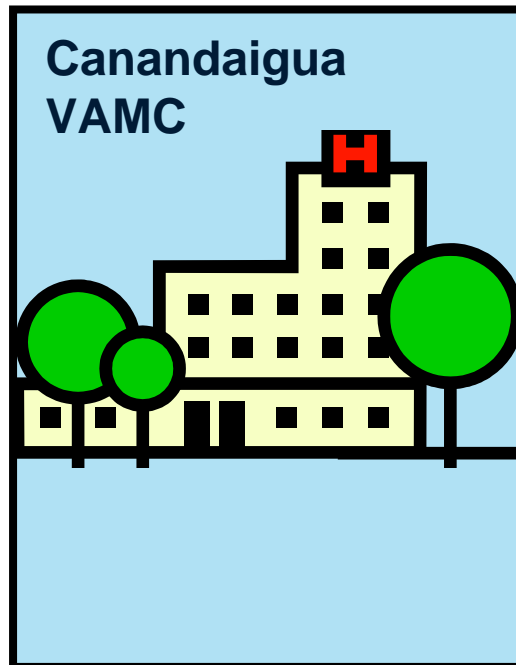
- For Options which consider relocating services off the current Canandaigua campus, to preserve existing access, these Options assume:
  - ◆ Any new facility will be located within five miles of the current campus.
  - ◆ The most likely locations are properties along:
    - Route 322 (North)
    - Routes 21/488 (East)
    - Route 247 (Southeast) or
    - Route 20 (West)
  - ◆ No specific properties have been considered.
  - ◆ Properties would be a minimum of 20 acres in size.

# BPO 1: Baseline Option [CP-1]

The Baseline Option reflects:

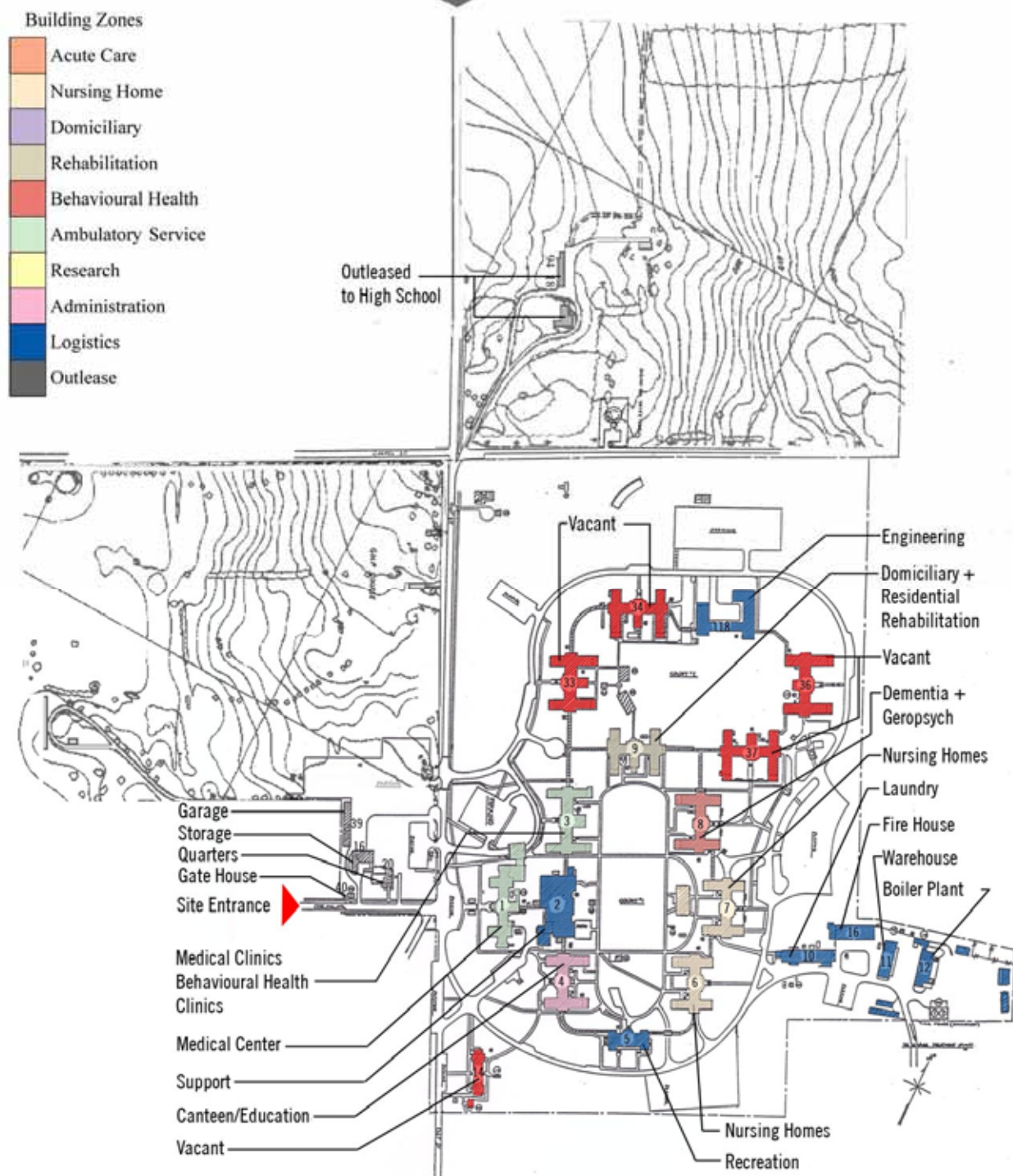
- Current state projected out to 2013 and 2023 without any changes to facilities or programs (except acute inpatient psychiatry), but accounting for projected utilization changes, and assuming same or better quality and necessary improvements for a safe, secure, and modern healthcare environment.

All services will remain on campus. Services are consolidated in renovated buildings around Courtyard 1.





# BPO 1: Illustrative Site Plan

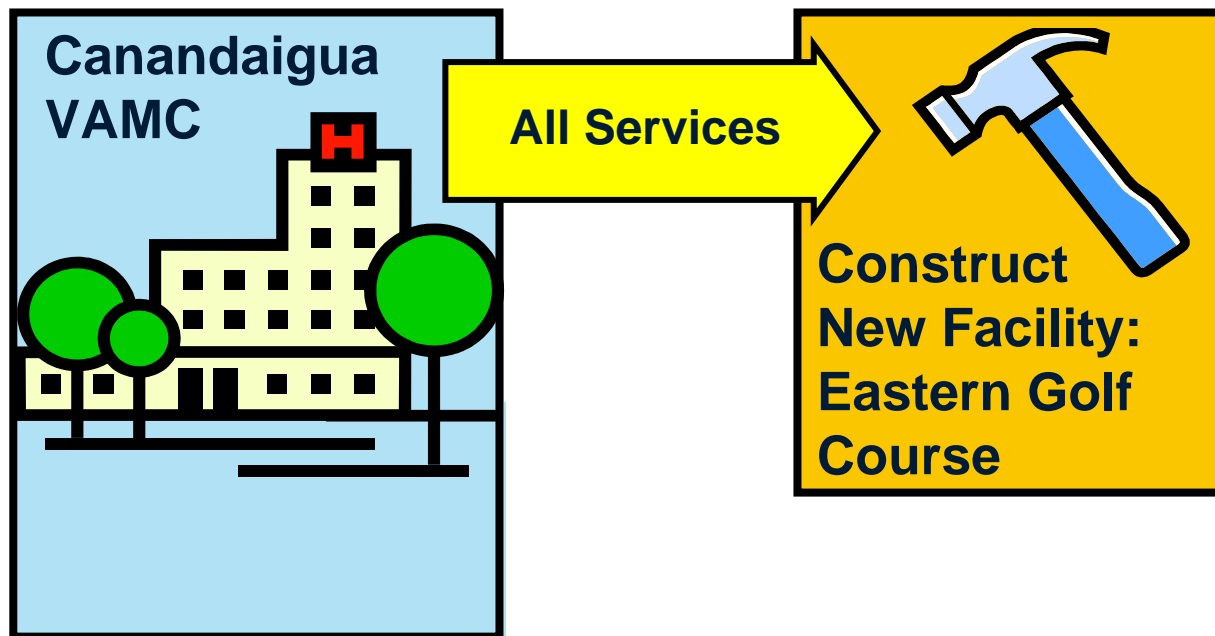


# BPO 1: Assessment, Baseline Option

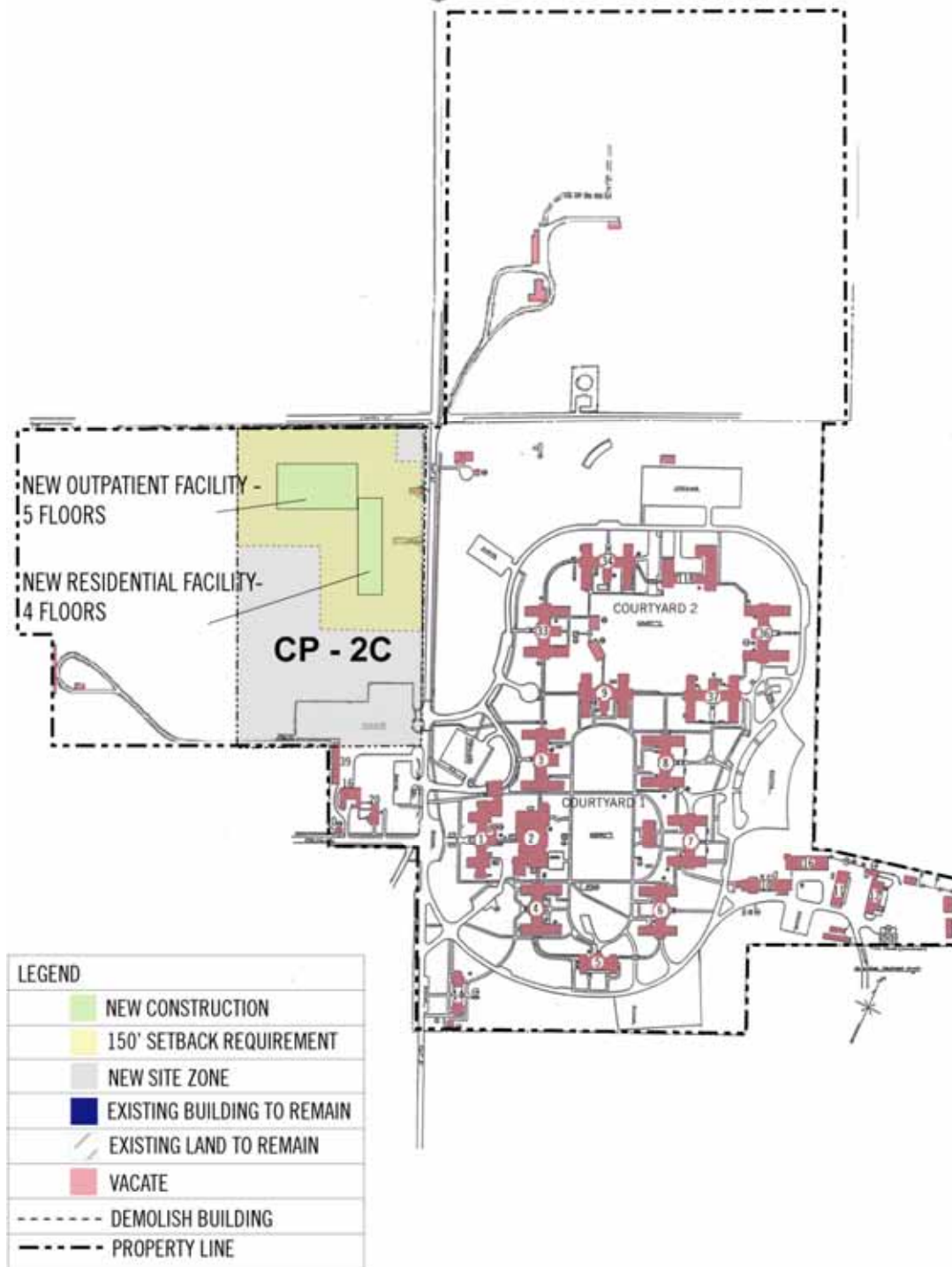
<b>Healthcare Access</b>	Maintains current drive-time access.
<b>Healthcare Quality</b>	Site safety is improved by bringing buildings up to code. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Cost of renovations will be assessed in Stage II.
<b>Ease of Implementation</b>	Complicated renovation/relocation process.
<b>Wider VA Program Support</b>	No change.

# BPO 2: Replacement, Golf Course East [CP-2C]

- Remaining inpatient, outpatient mental health, and ambulatory services move to new buildings in the eastern portion of the existing (unused) golf course.



# BPO 2: Illustrative Site Plan

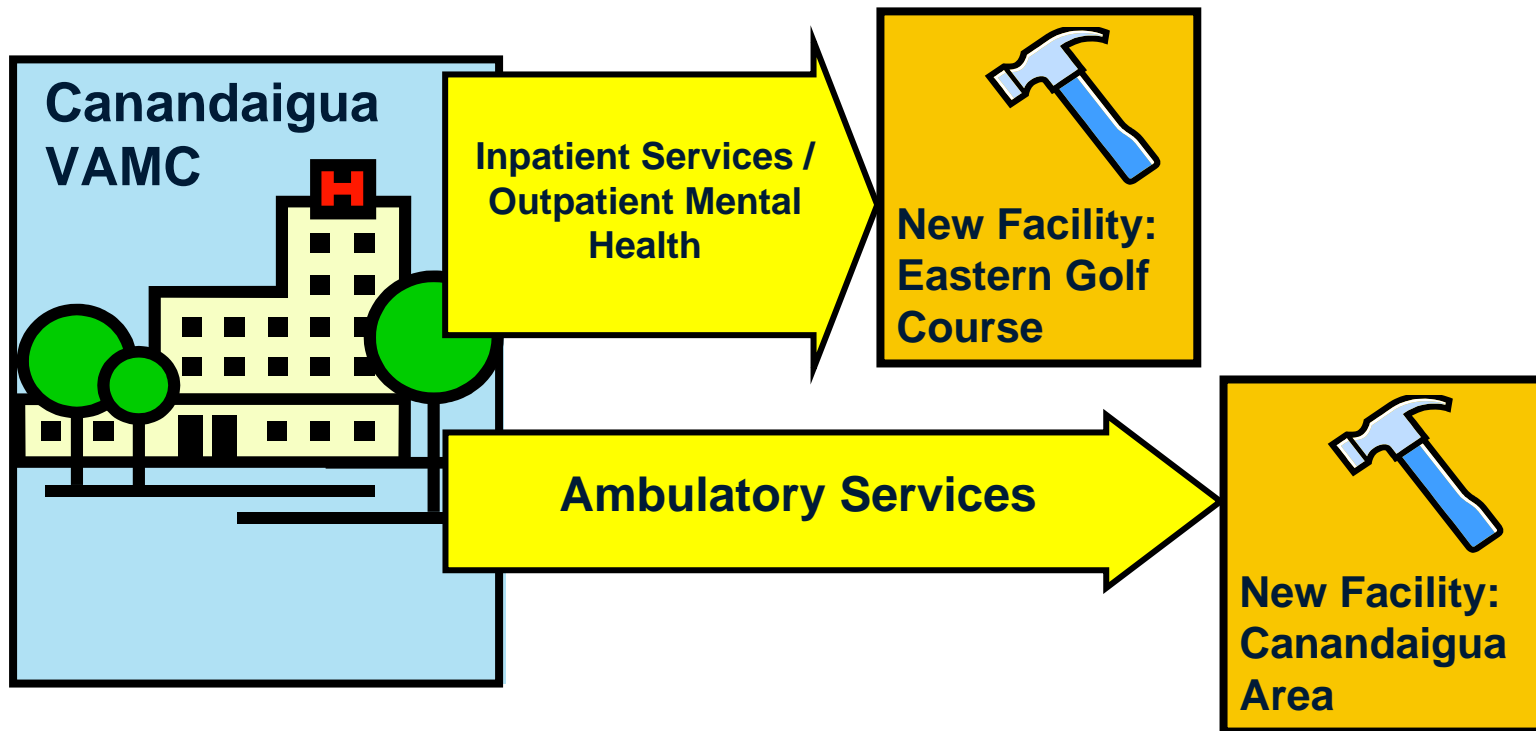


# BPO 2: Assessment, Replacement, Golf Course East

<b>Healthcare Access</b>	No change.
<b>Healthcare Quality</b>	Safety and security improved due to new construction. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Easy relocation of services.
<b>Wider VA Program Support</b>	No change.

# BPO 3: Replacement, Golf Course East with New Off-Campus Ambulatory Building [CP-2D]

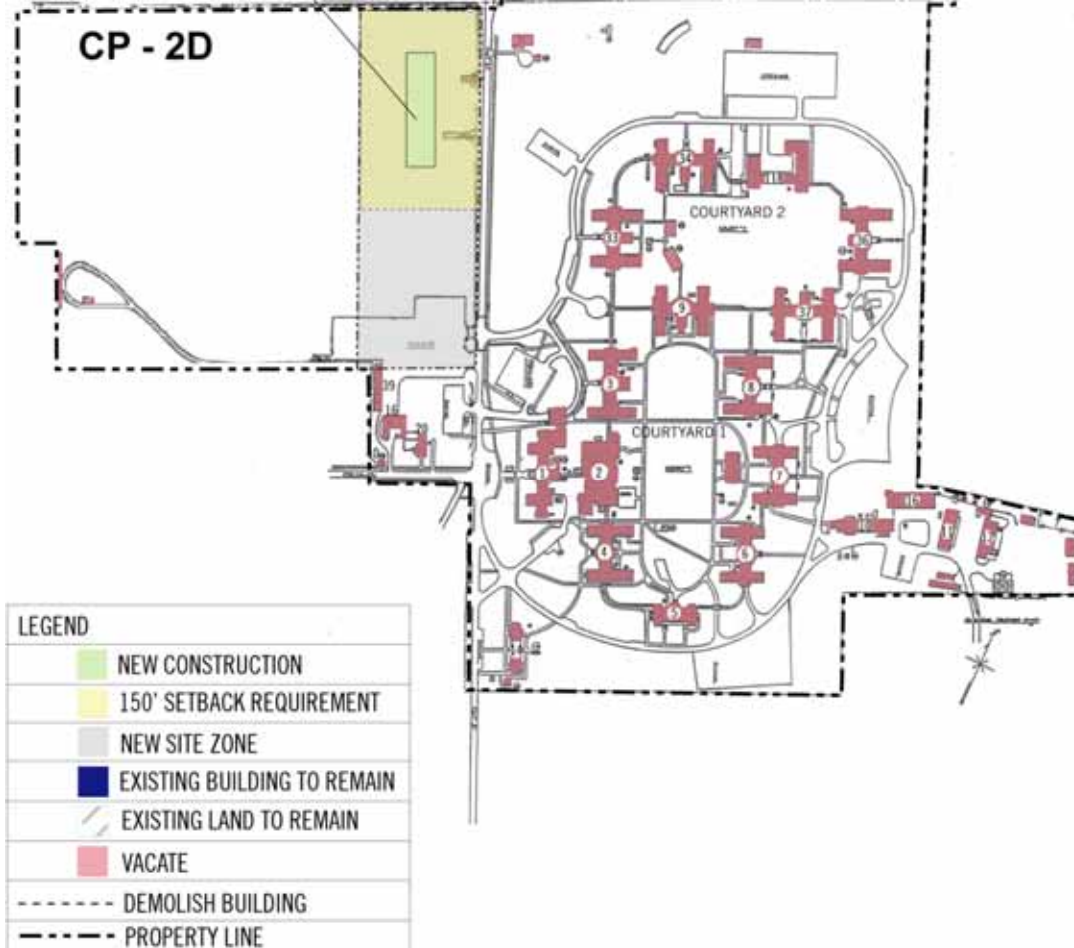
- Inpatient services and outpatient mental health move to a new facility in the eastern portion of the existing (unused) golf course.
- Ambulatory services will be relocated to a new campus located in the Canandaigua area.



# BPO 3: Illustrative Site Plan

NEW CONSTRUCTION OF OUTPATIENT SERVICES  
LOCATED OFF CAMPUS

NEW RESIDENTIAL FACILITY-  
4 FLOORS



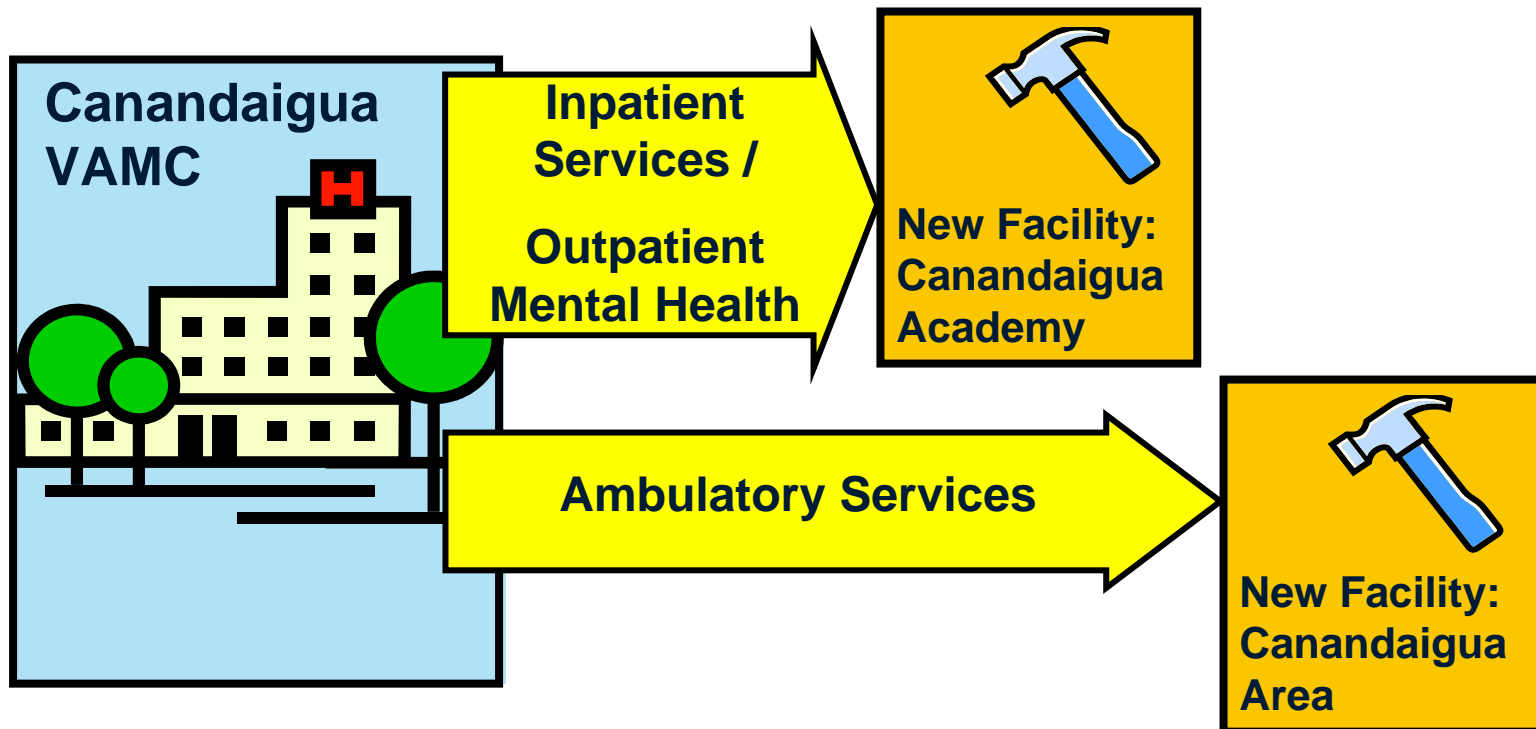
# BPO 3: Assessment, Replacement, Golf Course East with New Off-Campus Ambulatory Building

<b>Healthcare Access</b>	No change assuming new off-site facility located within five miles of current VAMC.
<b>Healthcare Quality</b>	Safety and security improved due to new construction. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Easy relocation of services to new building. However, must obtain new site for ambulatory facility.
<b>Wider VA Program Support</b>	No change.



# BPO 4: Replacement, Canandaigua Academy Site with Off-Campus Ambulatory [CP-2F]

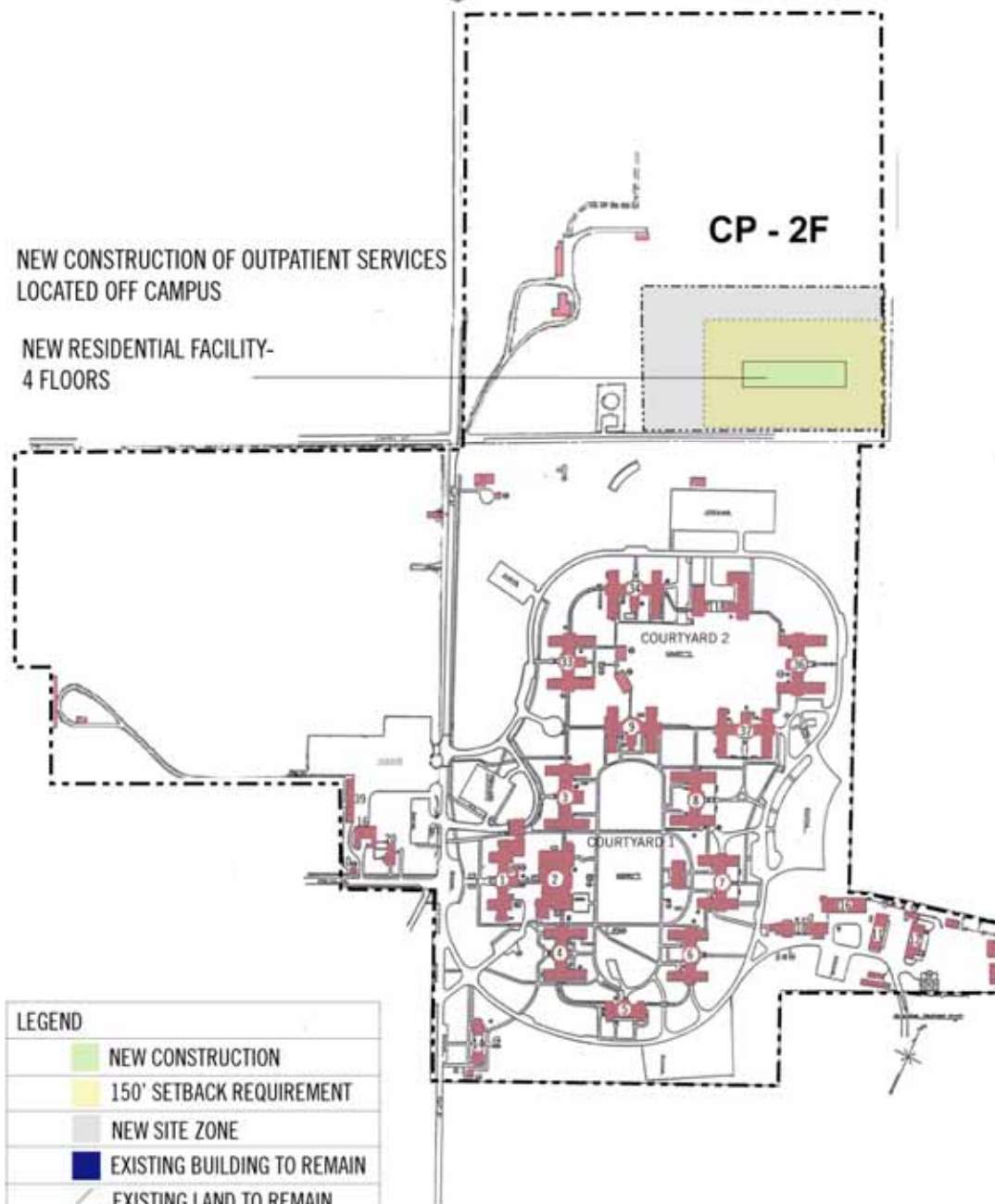
- Inpatient services and outpatient mental health move to a new facility on the northeastern portion of the existing Canandaigua Academy Site.
- Ambulatory services will be relocated from the current VAMC to a new campus located in the Canandaigua area.



# BPO 4: Illustrative Site Plan

NEW CONSTRUCTION OF OUTPATIENT SERVICES  
LOCATED OFF CAMPUS

NEW RESIDENTIAL FACILITY-  
4 FLOORS



## LEGEND

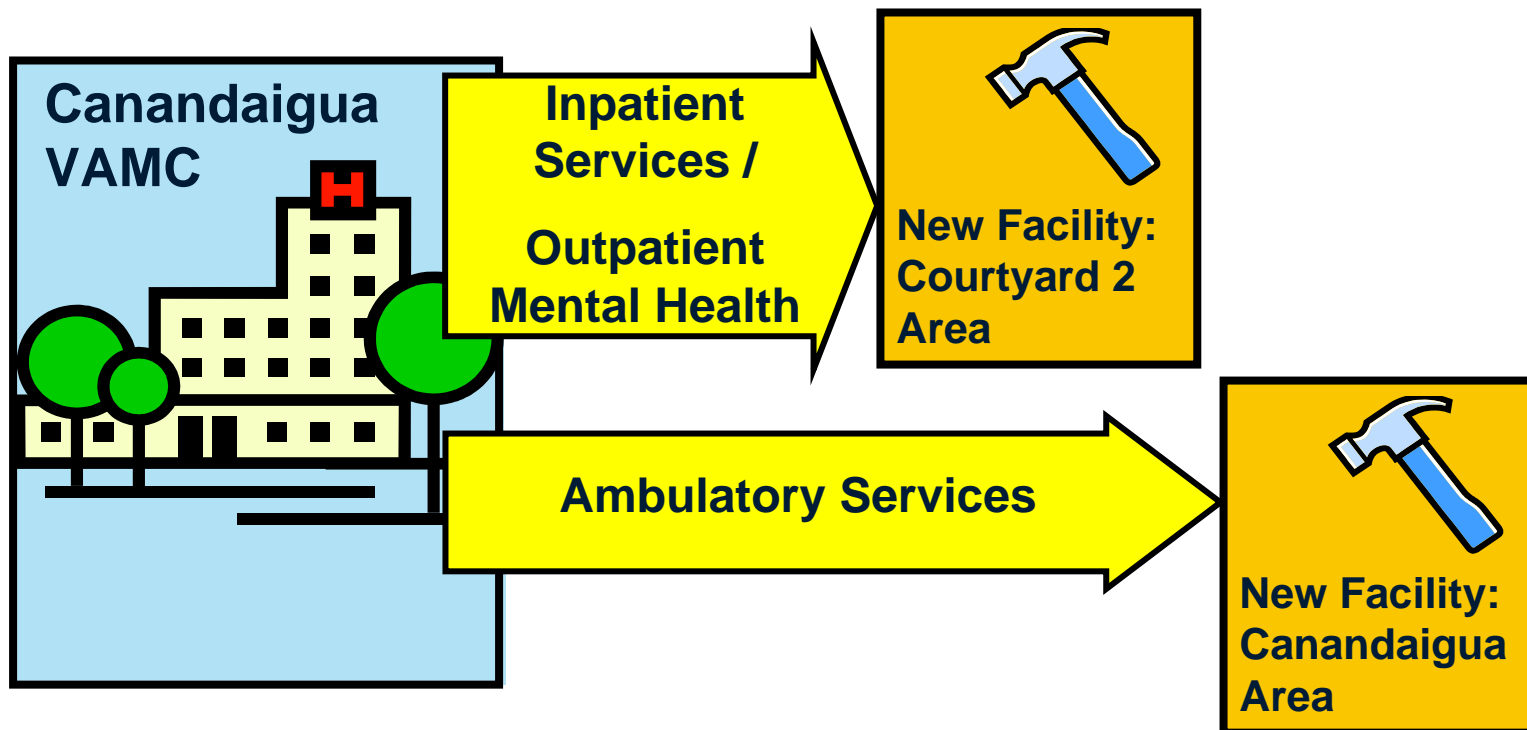
- NEW CONSTRUCTION
- 150' SETBACK REQUIREMENT
- NEW SITE ZONE
- EXISTING BUILDING TO REMAIN
- EXISTING LAND TO REMAIN
- VACATE
- DEMOLISH BUILDING
- PROPERTY LINE

# BPO 4: Assessment, Replacement, Canandaigua Academy Site with Off-Campus Ambulatory

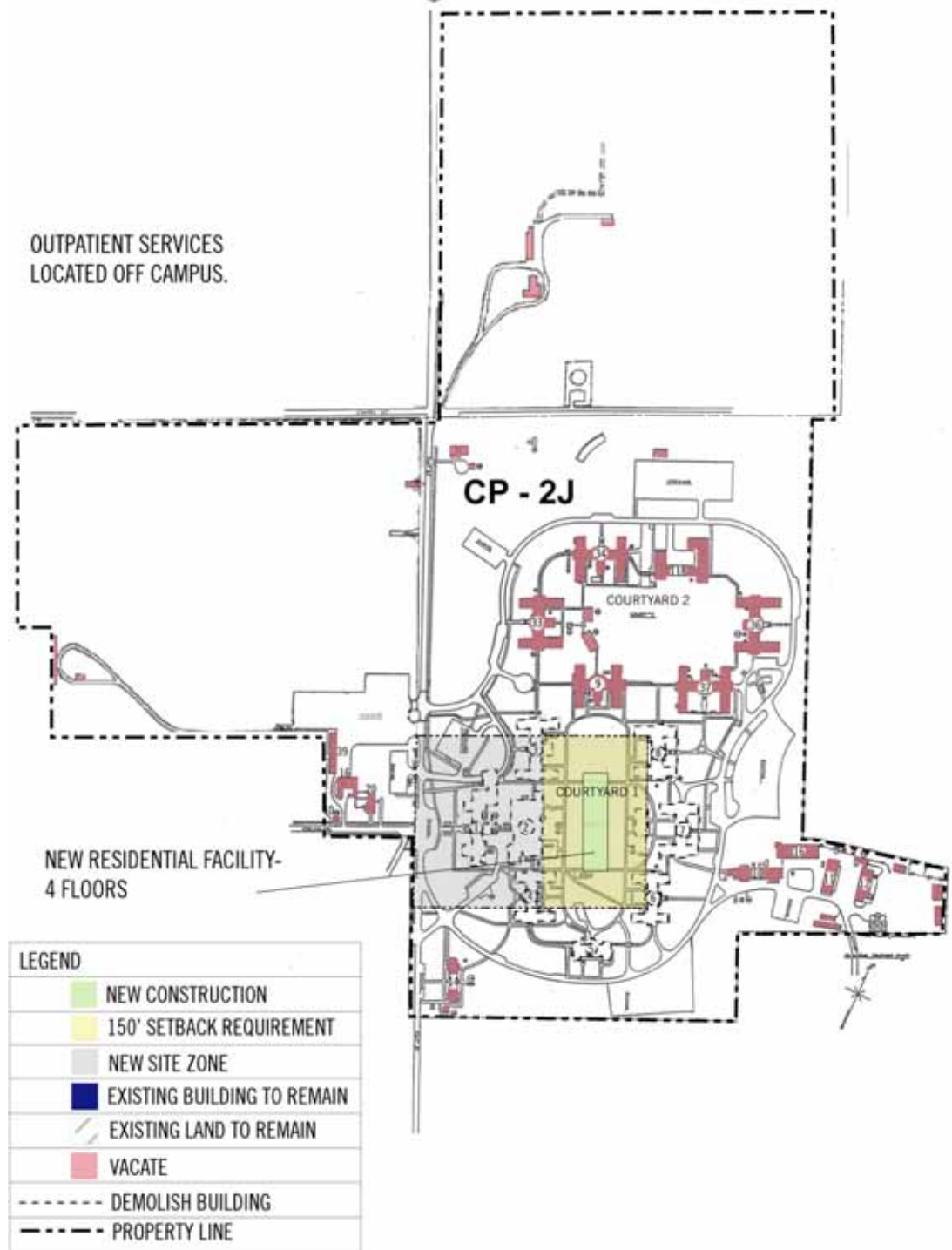
<b>Healthcare Access</b>	No change assuming new off-site facility located within five miles of current VAMC.
<b>Healthcare Quality</b>	Safety and security improved due to new construction. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Easy relocation of services. However, must obtain new site for ambulatory facility.
<b>Wider VA Program Support</b>	No change.

# BPO 5: Replacement, Courtyard 1 Area with New Off-Campus Ambulatory Building [CP-2J]

- Inpatient services and outpatient mental health move to a new facility in the area occupied by and surrounding Courtyard 1.
- Ambulatory services will be relocated from the current VAMC to a new campus located in the Canandaigua area.



# BPO 5: Illustrative Site Plan

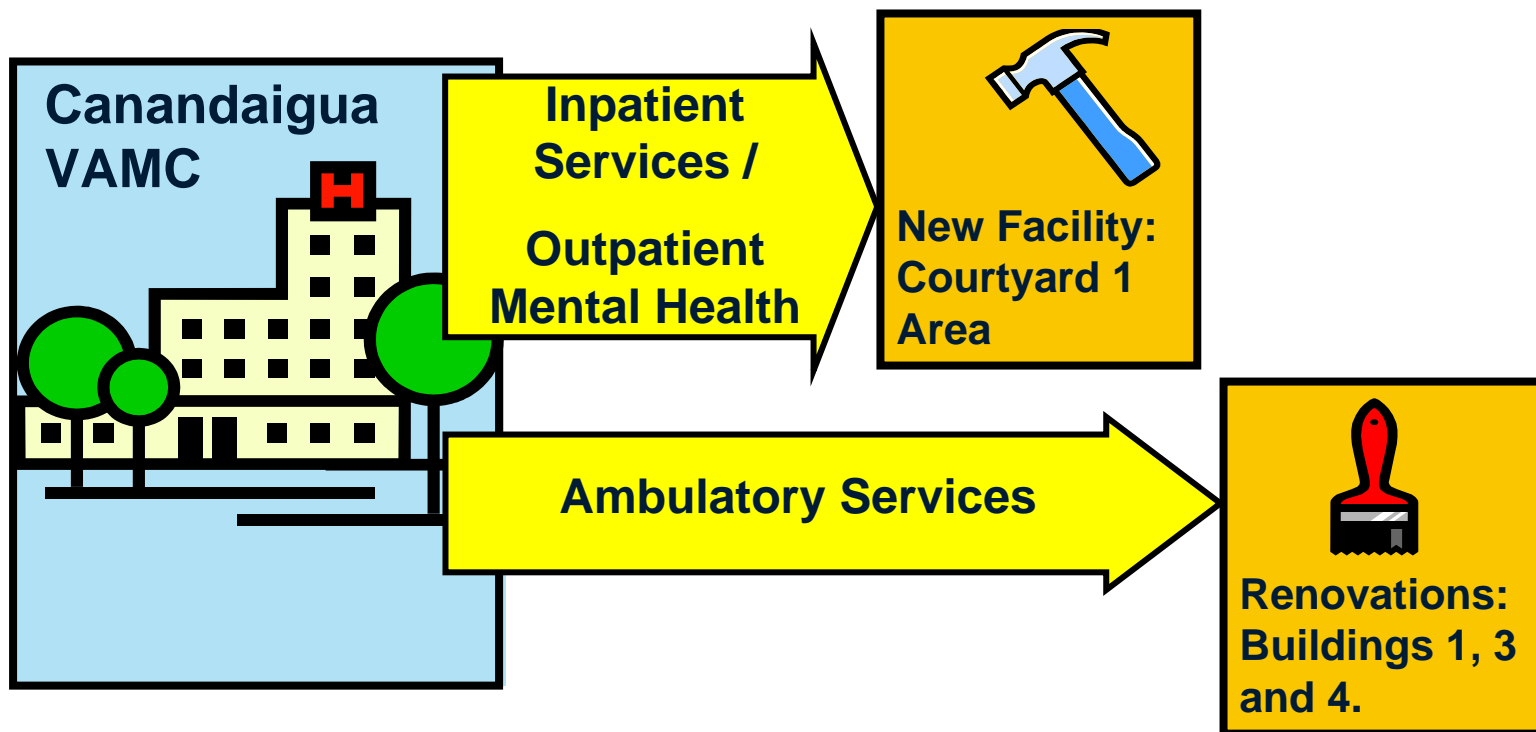


# BPO 5: Assessment, Replacement, Courtyard 1 Area with New Off-Campus Ambulatory Building

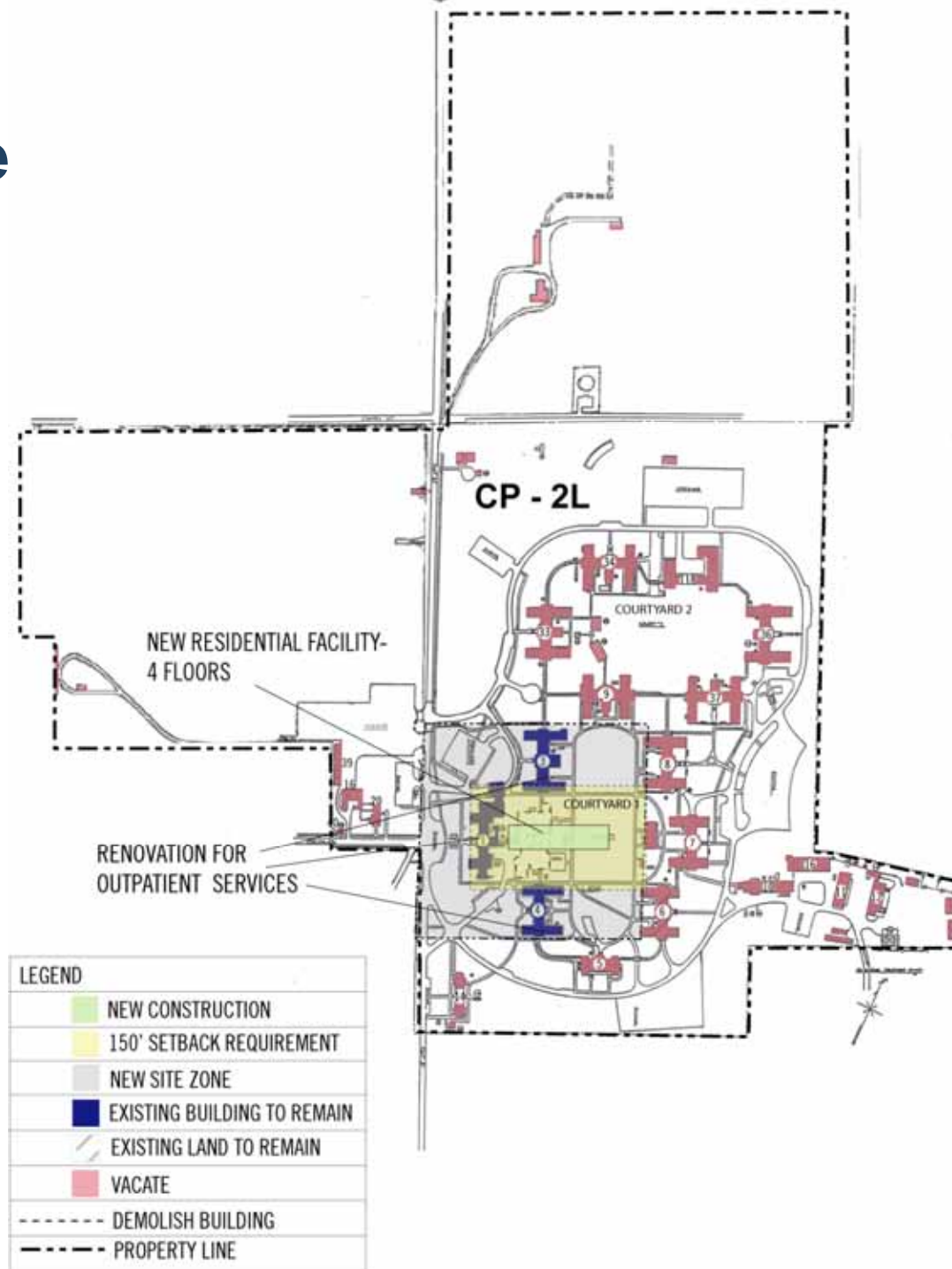
<b>Healthcare Access</b>	No change assuming new off-site facility located within five miles of current VAMC.
<b>Healthcare Quality</b>	Safety and security improved due to new construction. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Somewhat more complex relocation of services on campus. Must obtain new site for ambulatory facility.
<b>Wider VA Program Support</b>	No change.

# BPO 6 : Inpatient Replacement / Ambulatory Renovation, Courtyard 1 Area [CP-2L]

- Ambulatory services are replaced in renovations to Buildings 1, 3 & 4.
- Inpatient and outpatient mental health services are replaced in new construction.



# BPO 6: Illustrative Site Plan



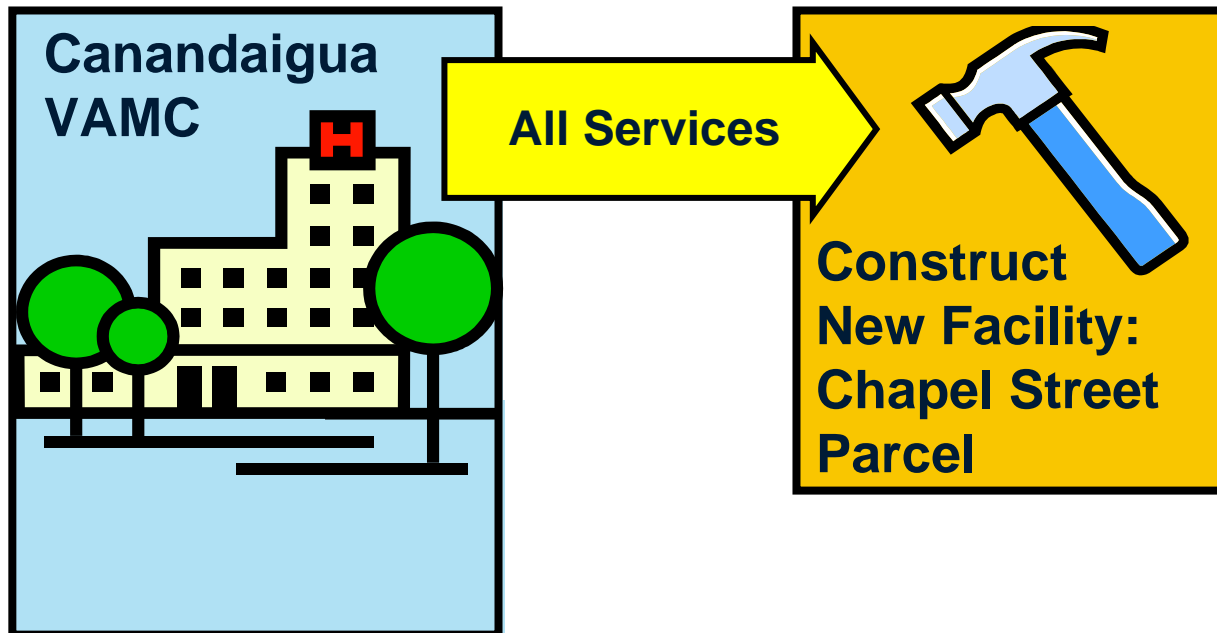


# BPO 6: Assessment, Inpatient Replacement / Ambulatory Renovation, Courtyard 1 Area

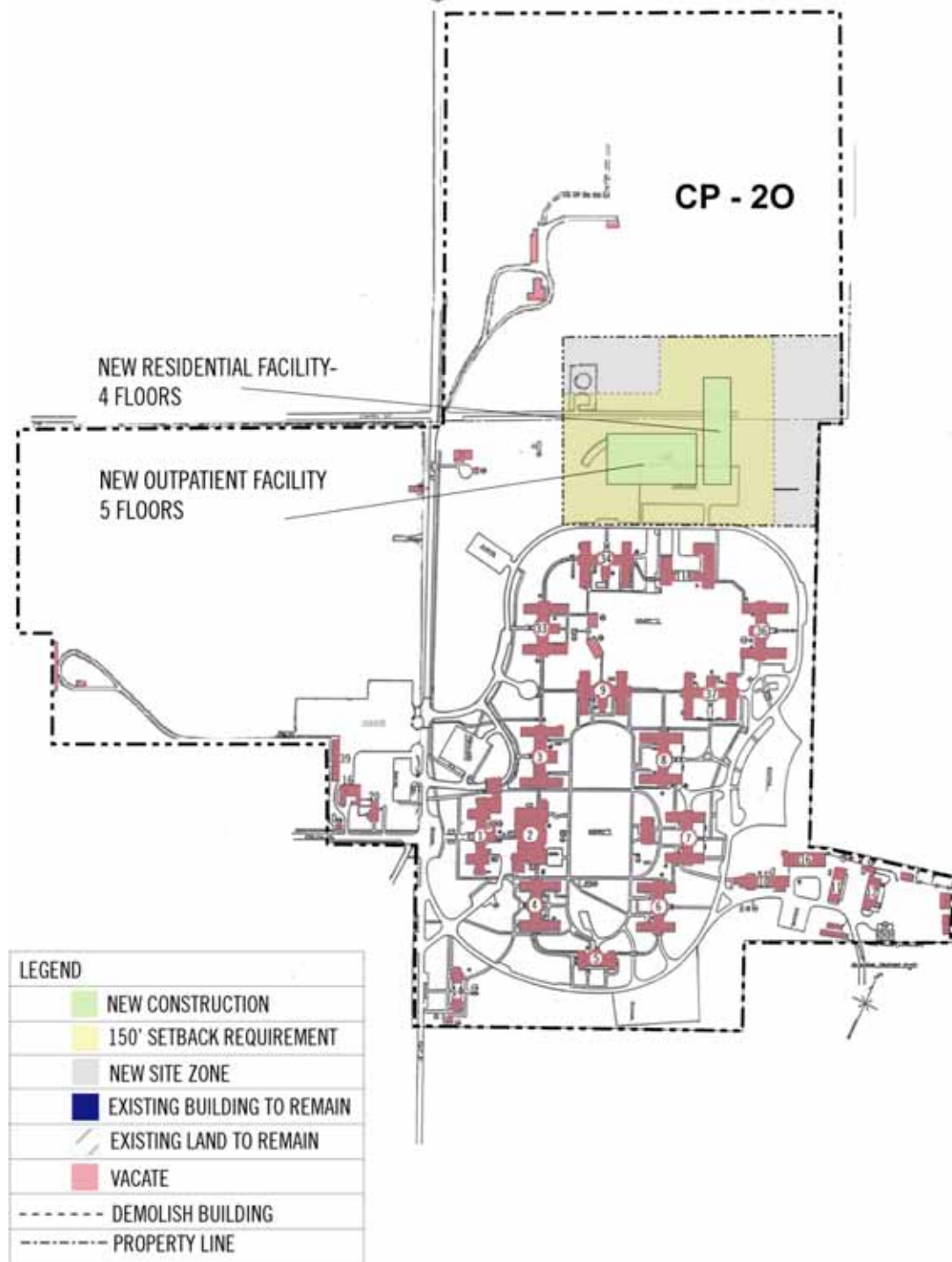
<b>Healthcare Access</b>	No change.
<b>Healthcare Quality</b>	Site safety is improved by bringing buildings up to code. Facility sized to meet projected demand. Site security not improved.
<b>Cost Effectiveness</b>	Most capital-intensive. Operationally comparable to Baseline but not as cost-effective as full replacement Options.
<b>Ease of Implementation</b>	Easy relocation of services.
<b>Wider VA Program Support</b>	No change.

# BPO 7: Replacement, Northern Parcel [CP-20]

- All services are replaced in new construction in the parcel of land roughly situated between the Ring Road and Chapel Street.



# BPO 7: Illustrative Site Plan



# BPO 7: Assessment, Replacement, Chapel St. Parcel

<b>Healthcare Access</b>	No change.
<b>Healthcare Quality</b>	Safety and security improved due to new construction. Facility sized to meet projected demand.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Easy relocation of services.
<b>Wider VA Program Support</b>	No change.

# BPO 8: Full Replacement, Off-Campus Location<sub>[CP-3]</sub>

- All services will relocate to a new campus in the Canandaigua area.



# BPO 8: Assessment, Full Replacement, Off-Campus Location

<b>Healthcare Access</b>	No change assuming replacement facility is located within five miles of current campus.
<b>Healthcare Quality</b>	Site safety and security all improved in new facilities.
<b>Cost Effectiveness</b>	Slightly better than Baseline; more efficient operations but more construction cost.
<b>Ease of Implementation</b>	Easy relocation of services. However, requires purchase of new site.
<b>Wider VA Program Support</b>	No change.

# Options Not Selected for Assessment

**Two Options building new facilities on the West portion of the Golf Course.**

**Site is unsuitable for new healthcare facilities. Not cost-effective construction.**

**Four Options building new/renovated facilities in the Courtyard 2 area.**

**Cost considerations and quality of renovated buildings.**

**Two Options building new/renovated facilities in the Courtyard 1 area.**

**Cost considerations and quality of renovated buildings.**

**One Option relocating Ambulatory Services to Rochester.**

**Current drive-time access level would not be sustained.**

**One Option building new in northeast portion of Canandaigua Academy Site.**

**Site located closely to outpatient traffic and would not be desired for academic environment.**

# Next Steps

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



# How Can You Provide Feedback?

## Local Advisory Panel Meeting

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

## CARES Project Website

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

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

## CARES Central Mailstop

**Canandaigua Study  
VA CARES Studies  
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Washington Grove, MD 20880-1427**