



Capital Asset Realignment for
Enhanced Services (CARES)

Stage I Summary Report
Site: **Canandaigua**

August 2005

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The VA has also contracted with another government contractor, The Pruitt Group EUL, LP, to develop re-use 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.

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 health care 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 two principal teams to undertake capital planning and re-use planning.

Specifically, the Canandaigua study should review the partial use of the campus, new construction for inpatient and outpatient services, the movement of all services to another site, or a combination of these possibilities to maximize access by veterans and to determine the highest and best use of the Canandaigua campus.

Summary of Market

VISN 2 is composed of four markets: Central, Eastern, Finger Lakes/Southern Tier, and Western. Canandaigua is in the Finger Lakes/Southern Tier market.

The campus sits on 171 acres of land and includes 45 buildings, most of which were built between 1932 and 1937. Originally sized to care for a capacity of 1,700 patients, the Canandaigua VAMC was built in a different era for a different type of patient care. Today, the Canandaigua VAMC operates 276 inpatient beds at an average daily census of 166. Nursing home or domiciliary care account for 84% of the census. Built to accommodate more than six times as many beds, the campus now has significant vacant and underused space. Approximately 300,000 square feet of the 945,000 square foot campus is vacant or underused, and forecasts for the Finger Lakes, NY market (which Canandaigua serves) show decreasing veteran enrollment through 2022. If VA makes no changes to the Canandaigua campus, it will continue to operate with substantial vacant and underused space that is costly to maintain and will divert patient care resources to building and grounds maintenance. The VA can no longer afford to let dollars appropriated for medical care be redirected to maintain idle property. Avoidable expenditures must be captured and reinvested in veterans healthcare services in the Finger Lakes market.

The Canandaigua VA is in rural Ontario County and is surrounded by residential neighborhoods, the Sonnenburg Gardens Museum, and the Canandaigua Academy. Canandaigua VA maintains its own fire department and sewage treatment facility, and a portion of the campus is occupied by a golf course. The average age of the 3-story patient care buildings on the campus is 70-plus years with most having been constructed in the early to mid- 1930s and the remainder in the early 1940s. The majority of the patient care buildings were renovated in the 1980s or early 1990s. Many of the patient care buildings on campus have been determined eligible for inclusion on the National Register of Historic Places.

Summary of Current Services Provided

The Canandaigua VAMC provides acute inpatient psychiatry, nursing home care, mental health care, alcohol and drug rehabilitation, an adult day health care program, and respite care. It also offers a post-traumatic stress disorder clinic, a domiciliary program, a mental health program, and a homeless program.

It is affiliated with the Rochester Outpatient Clinic, which offers primary care services and wellness services for veterans in the Rochester area. Board certified physicians for primary, urgent and specialty care make referrals to the Canandaigua VAMC. Services provided at the Rochester Outpatient Clinic are Laboratory Services, Eye Clinic and a Day Treatment Program.

Summary of Current Facility Condition

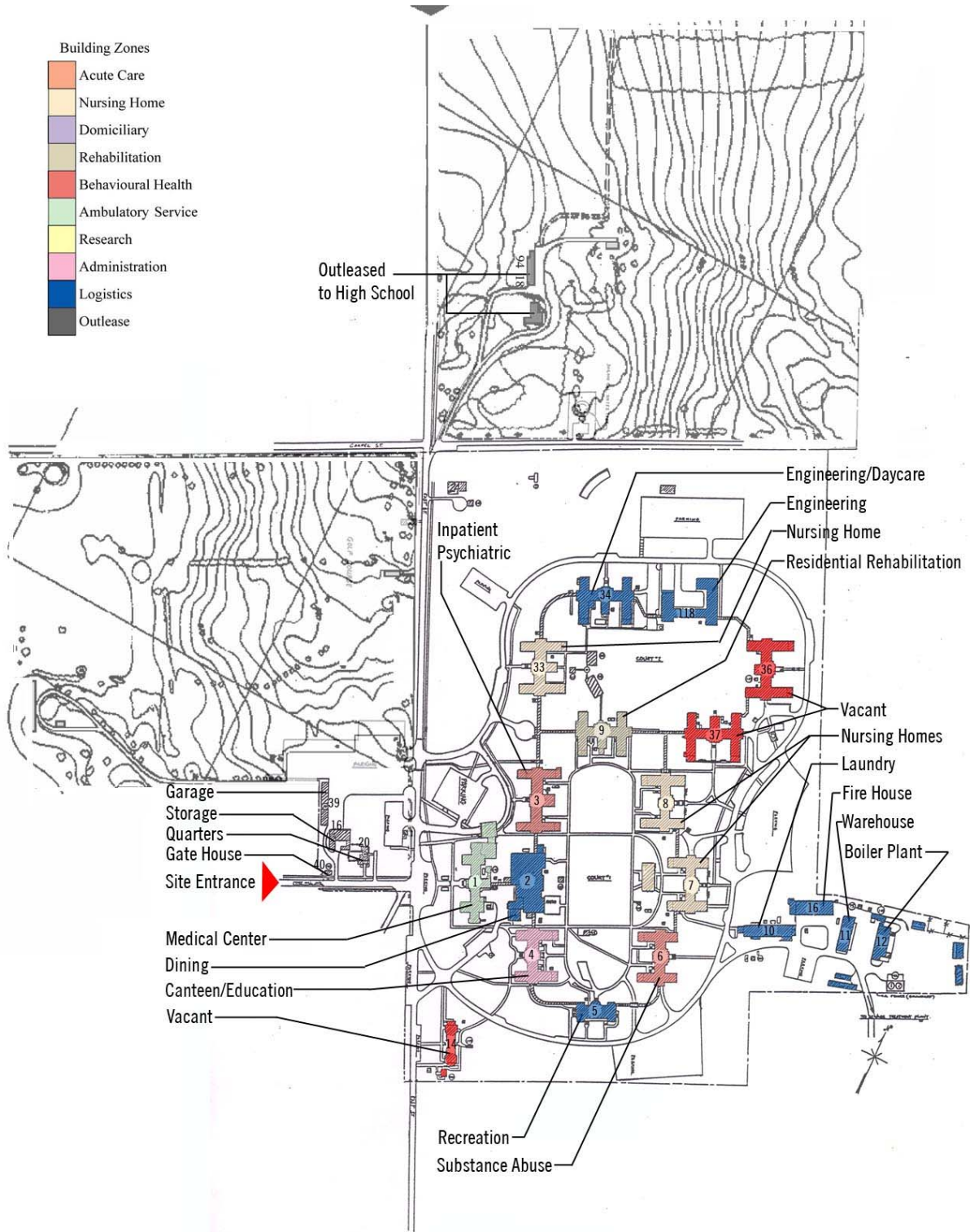
The campus has 45 buildings, with an average age of 70-plus years. The majority of the buildings were renovated in the 1980s or early 1990s. Approximately 300,000 of 945,000 square feet of the campus are vacant or underused.

Many of the patient care buildings on campus have been determined eligible for inclusion on the National Register of Historic Places.

The patient care buildings have received facility assessment ratings of “less acceptable” for nursing home beds. All buildings have asbestos. Mechanical systems are reported to be in poor condition, except where recently replaced. All buildings are fully sprinklered; a new water tower was constructed to provide adequate pressure. Significant capital investments are required for the facility to meet modern and safe standards. The facility did not meet secure standards due to location of existing buildings that remain in use.

\$13 million is required for capital enhancements through the year 2010. This maintenance includes replacement of roofs, brickwork, utility lines and windows. Asbestos will require remediation and mechanical systems will need upgrading.

Figure 1: Site Map for Canandaigua



Healthcare Market Assessment

Thompson Health, VA, and the Canandaigua City School District are the three largest employers in the city of Canandaigua. Thompson Health is the parent corporation that provides health care to more than 120,000 residents and their families and oversees the operation of seven affiliate health care organizations on a variety of campuses in Ontario and Livingston Counties. The facilities include FF Thompson Hospital, with 113 acute-care beds, MM Ewing Continuing Care Center, with 188 beds, Finger Lakes Community Care Network, Ontario County Advanced Life Support and FFT Senior Communities. Thompson has a medical staff of more than 250 physicians and a community volunteer group with over 400 members and 1200 associations.

Real Estate Market Assessment

According to Pruitt Group, Canandaigua is a relatively undeveloped part of the state where the supply of land is plentiful and demand for land and buildings is not robust. If Canandaigua were to be ranked against other VA sites in urban areas with strong real estate fundamentals, its potential would not be high. It is within driving distance of Rochester, Buffalo and Syracuse, and is located seven miles from the New York State Thruway. Canandaigua area's civilian population is about 19,000. The population growth since 1990 has outpaced Ontario County's. Overall, annual employment in Ontario County grew by 25 percent between 1998 and 2002.

In absolute numbers, manufacturing firms and retail trade added the largest number of jobs, but on a percentage basis other services such as information and education grew the fastest. Closer to the VAMC, the City of Canandaigua's economy is driven by the presence of large governmental, educational and healthcare institutions. Two private firms employ more than 250 full time employees. Lake Canandaigua is a regional recreational and tourist attraction that creates a variety of tourism related jobs. There are also several post-secondary institutions within and near the Canandaigua area. Finger Lakes Community College leased 17,000 square feet of space in Building 36 of the Medical Center. That lease expires July 31, 2005, and will not be renewed (at the choice of VA).

There has been relatively modest new residential, office and retail development in the Canandaigua area over the past 10 years, which may reflect modest demand for such space. Should the VA decide to locate all of its activities in a new facility, finding users for the roughly 945,000 square feet of existing space would require reaching beyond normal local demand.

For a site this large with multiple buildings, there is an array of potential development options, depending on market interest. The entire site and buildings, minus property to be used for VA's operations, could be developed under a lease to a single entity if a party is identified with interest in the entire property. It is also important to note that potential re-use options for the property, such as multi-family and single family housing, office, retail, industrial, tourism and education, are limited.

BUSINESS PLAN OPTION DEVELOPMENT

Option Development Process

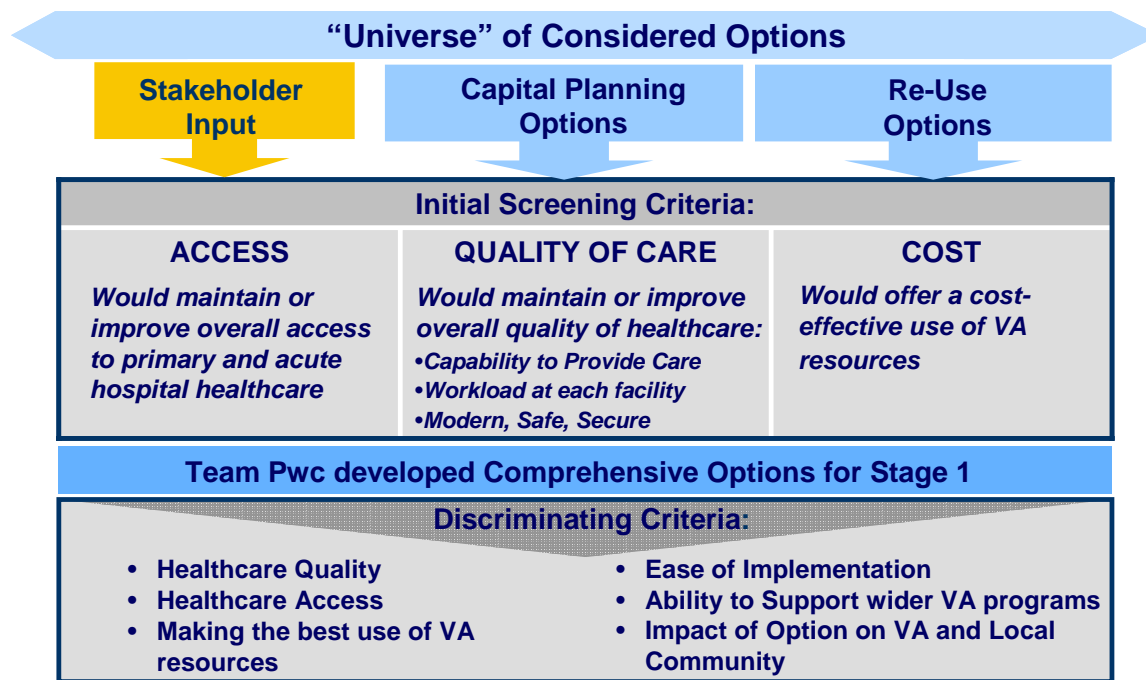
Team PwC in collaboration with its re-use/redevelopment counterpart, Pruitt Group, developed a set of comprehensive BPOs to be considered for the Canandaigua VAMC. A comprehensive BPO at Canandaigua is defined as consisting of a single capital option (CP) and at least one re-use option (RU). Therefore, 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 these comprehensive BPOs to be further assessed. Initially, a broad range or “universe” of discrete and credible capital planning options and associated re-use options were 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 more detailed level according to set of discriminating criteria.

Figure 2: Options Development

Options Development



Stakeholder Concerns

For the Canandaigua CARES Study Site, 44 stakeholder comments were received between January 1, 2005 and June 30, 2005. This input came via 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 and VA or medical center employees.

Stakeholders who submitted written and electronic input indicated that their top three key concerns centered on keeping the facility open, the effect on services and providers, and the use of the facility. No stakeholders expressed written or electronic input regarding access or budget/policy concerns. Stakeholders who contributed oral testimony at the Local Advisory Panel public meeting indicated key concerns of keeping the facility open, the effect on services and providers, and budget/policy issues. Several stakeholders also expressed extreme dissatisfaction with the quality of the inpatient services.

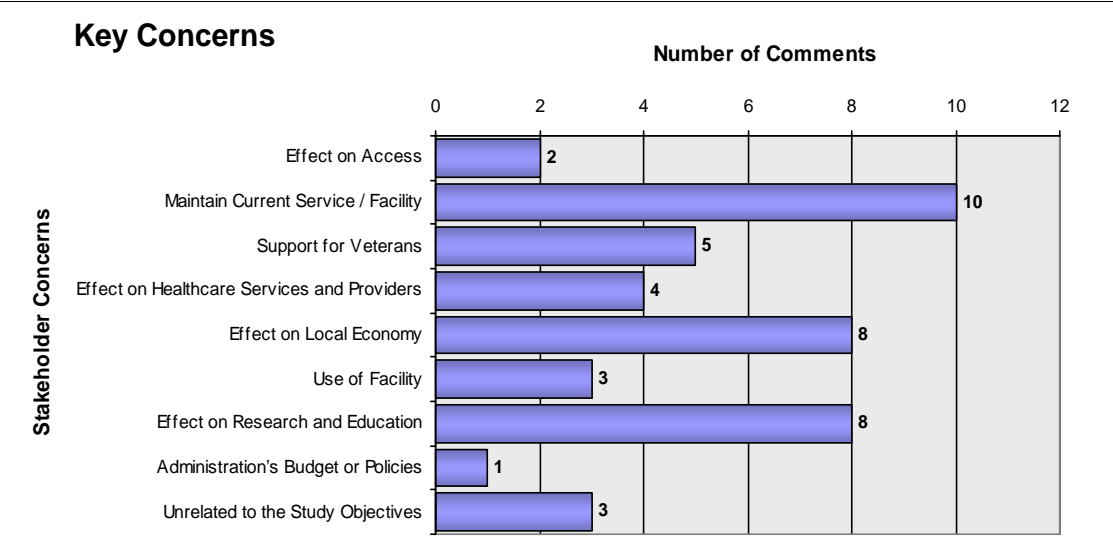
Table 1: Stakeholder Concerns

<i>Stakeholder Concern</i>	<i>Definition</i>
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 and 4: Key Concerns and Oral Testimony Key Concerns

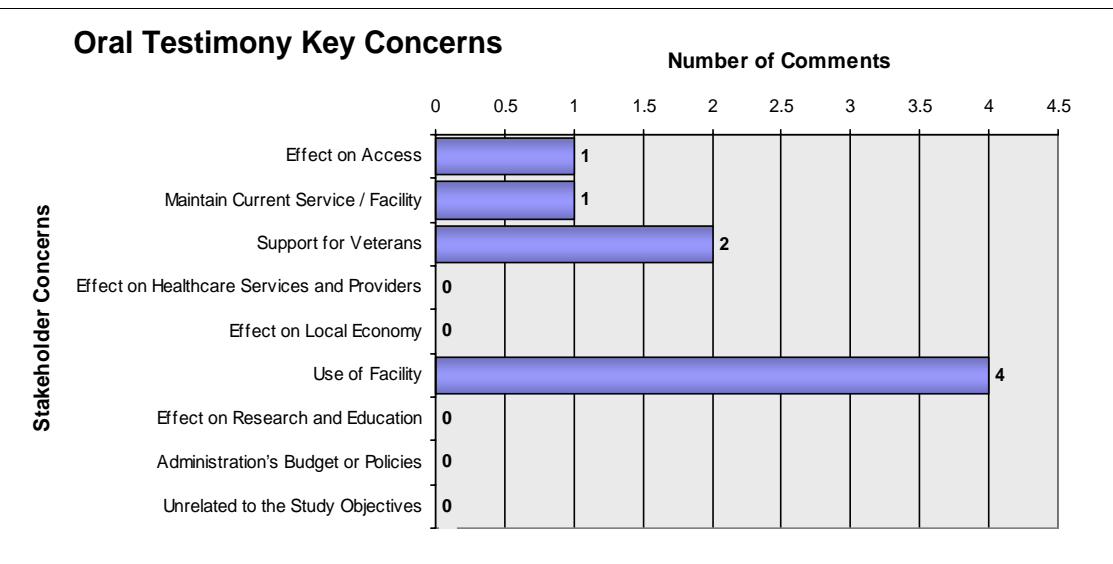
Analysis of Written and Electronic Inputs (Written and Electronic Only):

The breakout of "Key Stakeholder Concerns" regarding the Canandaigua 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 Canandaigua study site is as follows*:



* Note that totals reflect the number of times a "key concern" was raised by a stakeholder. If one stakeholder addressed multiple "key concerns", each concern is included in the totals.

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 as emerge as a result of the changes in demand for services and the facilities in which they reside.

In the baseline option at Canandaigua, all services will remain on campus, except for the acute inpatient psychiatric beds. Currently, there are 12 acute inpatient psychiatric beds, which will be moved to the Syracuse and Buffalo VAMCs in 2007 as specified in the May 2004 Secretary's CARES Decision document. All other services remain part of the Canandaigua VAMC. The VA continues to contract for care for the majority of inpatient medical/surgical services. No new contract arrangements are included in the baseline. Also, it continues to allow re-use/redevelopment of the golf course and Canandaigua Academy site parcels. Current State accounts for projected utilization changes and assumes 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.

Table 2: Options Not Selected for Assessment

Label	Description	Screening Results
Golf Course West	Two Options building new facilities on the West portion of the Golf Course.	Site is unsuitable for new healthcare facilities. Not cost-effective construction.
Courtyard 2	Four Options building new/renovated facilities in the Courtyard 2 area.	Cost considerations and quality of renovated buildings.
Courtyard 1	Two Options building new/renovated facilities in the Courtyard 1 area.	Cost considerations and quality of renovated buildings.
Canandaigua Academy Site	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.
Rochester	One Option relocating Ambulatory Services to Rochester.	Current drive-time access level would not be sustained.

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 in order to arrive at the most appropriate options for the site. They will be more thoroughly assessed according to the discriminating criteria in the subsequent sections. The following describes each of the BPOs and professional judgment that supports the construction of the BPOs.

Table 3: Comprehensive BPOs to be Assessed in Stage I

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 1 Comprising: CP-1</p>	<p>Baseline</p>	<p>Current state projected out to 2013 and 2023 without any additional 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.</p> <p>Right size and relocate Nursing Home, Domiciliary, Other Inpatient Mental Health and all Ambulatory/Outpatient services in phased renovations to buildings in Courtyard 1. Vacate all Courtyard 2 buildings except Engineering. Keep water tower, fire station, and boiler.</p>	<ul style="list-style-type: none"> • Services remain on campus, and costs to render them modern, safe and secure are implemented • Recurring maintenance costs for buildings 33, 34, 36 and 37 will be eliminated as these facilities are vacated • Smaller cluster of buildings enhances continuity of care • Vacates several Courtyard 2 buildings, which can be leased for compatible use
<p>BPO 2 Comprising: CP-2C/ RU-1,2,3,5</p>	<p>Redevelopment of Campus: Golf Course East</p>	<p>Replace Nursing Home, Domiciliary, Other Inpatient Mental Health and all Ambulatory/Outpatient services in new construction on eastern half of golf course land. Potential re-use/redevelopment of Main Campus, Chapel Street, Bushwood and Canandaigua Academy parcels.</p>	<ul style="list-style-type: none"> • Meets several stakeholder concerns by keeping all services on current grounds, with new facilities for inpatient and outpatient services • Replaces aging, inefficient facilities with new facilities • Easy in terms of design, construction and transition • Permits re-use/redevelopment of parcels 1,2,3 and 5 • Vacates Courtyards 1 and 2, allowing re-use of buildings for complementary services • Sustains school site as a single parcel for re-use/redevelopment • Better re-use potential of West portion of golf course
<p>BPO 3 Comprising: CP-2D/ RU-1,2,3,5</p>	<p>Redevelopment of Campus: Golf Course East Inpatient Only with Ambulatory Services in Canandaigua area</p>	<p>Replace Nursing Home, Domiciliary, Other Inpatient Mental Health and Outpatient Mental Health in new construction on eastern half of golf course land. Ambulatory services replaced in new construction off-campus in the Canandaigua area (location to be determined). Potential re-use/redevelopment of Main Campus, Chapel</p>	<ul style="list-style-type: none"> • Sustains at least partial use of current grounds while replacing aging, inefficient facilities with new facilities • Allows for easy design, construction and transition • Maintains or enhances access for outpatient services if the new CBOC is located within 5

BPO Designation	Label	Description	Support for BPO Selection
		Street, Bushwood and Canandaigua Academy parcels.	<p>miles of Canandaigua along routes 322 (North), 21/488 (East), 247 (Southeast) or 20 (West)</p> <ul style="list-style-type: none"> • Reduces traffic on campus by relocating high-volume outpatient services off-site • Permits re-use/redevelopment of parcels 1,2,3 and 5 . . . and vacates Courtyards 1 and 2, allowing re-use for complementary services • Sustains school site as parcel for re-use/redevelopment
<p>BPO 4</p> <p>Comprising: CP-2F/ RU-1,2,3,4</p>	<p>Redevelopment of Campus: Canandaigua Academy Site Inpatient Only, with Ambulatory Services in Canandaigua area</p>	<p>Replace Nursing Home, Domiciliary, Other Inpatient Mental Health and Outpatient Mental Health in new construction in northeast portion of Canandaigua Academy site. Ambulatory services replaced in new construction off-campus in the Canandaigua area (location to be determined). Potential re-use/redevelopment of Main Campus, Chapel Street, Bushwood and Golf Course parcels.</p>	<ul style="list-style-type: none"> • Provides new facilities for inpatient and outpatient services and sustains at least partial use of current grounds • Replaces aging and inefficient facilities with new facilities • Easy in terms of design, construction and transition • Vacates Courtyards 1 and 2, allowing for re-use/redevelopment of buildings for complementary services • Maintains or enhances access for outpatient services if new CBOC is located within five miles of Canandaigua along routes 322 (North), 21/488 (East), 247 (Southeast) or 20 (West) • Reduces traffic on campus by relocating high-volume outpatient services off-site • Permits re-use/redevelopment of parcels 1, 2, 3, and 4
<p>BPO 5</p> <p>Comprising: CP-2J/ RU-2,3,4,5</p>	<p>Redevelopment of Campus: Phased Replacement in Courtyard 1 Inpatient Only, with Ambulatory Services in Canandaigua area</p>	<p>Replace Nursing Home, Domiciliary, Other Inpatient Mental Health and Outpatient Mental Health through phased replacement in Courtyard 1 area. Ambulatory services replaced in new construction off-campus in the Canandaigua area (location to be determined). Potential re-use/redevelopment of Canandaigua Academy,</p>	<ul style="list-style-type: none"> • Sustains at least partial use of current grounds • Replaces aging and inefficient facilities with new facilities for inpatient and outpatient services • Maintains use of historic front of the campus • Does not impinge on Canandaigua Academy property

BPO Designation	Label	Description	Support for BPO Selection
		Chapel Street, Bushwood and Golf Course parcels.	<ul style="list-style-type: none"> • Maintains or enhances access for outpatient services if new CBOC is located within 5 miles of Canandaigua along routes 322 (North), 21/488 (East), 247 (Southeast) or 20 (West) • Reduces traffic on the campus by relocating high-volume outpatient services off-site • Permits re-use/redevelopment of re-use parcels 2, 3, 4, and 5 • Vacates all of Courtyard 2, allowing for re-use/redevelopment of buildings for complementary uses • Sustains golf course and school site as parcels for re-use/redevelopment
<p>BPO 6</p> <p>Comprising: CP-2L/ RU-2,3,4,5</p>	Redevelopment of Campus: Phased Replacement in Courtyard 1, Inpatient and Outpatient/Ambulatory	Renovate buildings in Courtyard 1 for Outpatient/Ambulatory and augment with new building in Courtyard 1 for inpatient services. Potential re-use/redevelopment of Canandaigua Academy, Chapel Street, Bushwood and Golf Course parcels.	<ul style="list-style-type: none"> • Meets several stakeholder concerns by keeping all services on current grounds • Provides new facility for inpatient services and more efficient facilities for inpatient and outpatient services • Replacement location is near historic “core” of campus, and maintains use of historic front of campus, including buildings 1, 3 and 4 • Veterans and public are more familiar with Courtyard 1 than Courtyard 2 • Does not impinge on Canandaigua Academy property • Permits re-use/redevelopment of re-use parcels 2, 3,4 and 5 • Requires demolition of building 2 • Vacates all of Courtyard 2, allowing re-use/redevelopment of buildings for complementary uses • Sustains golf course and school sites as parcels for re-use/redevelopment

BPO Designation	Label	Description	Support for BPO Selection
<p>BPO 7</p> <p>Comprising: CP-20/ RU-1,2,4,5</p>	<p>New Construction for Inpatient and Outpatient/Ambulatory: Northern parcel</p>	<p>Build replacement inpatient and outpatient facility in Northern parcel of campus between Ring Road and south of Chapel Street. Potential re-use/redevelopment of Canandaigua Academy, Chapel Street, Main Campus and Golf Course parcels.</p>	<ul style="list-style-type: none"> • Meets several stakeholder concerns by keeping all services on current grounds • Replaces aging and inefficient facilities with new facilities for inpatient and outpatient services • Allows easy design, construction and transition • This portion of the site is easily accessible from East or Chapel Streets, and more easily accessible than options using the West portion of the golf course. • Permits the re-use/redevelopment of re-use parcels 1,2,4 and 5 • Vacates all of Courtyards 1 and 2, allowing buildings to be re-used/redeveloped for complementary services • Sustains golf course as a single parcel for re-use/redevelopment. Provides better re-use potential than options using the West portion of the golf course • Sustains the school site as a single parcel for re-use/redevelopment
<p>BPO 8</p> <p>Comprising: CP-3/ RU-1,2,3,4,5</p>	<p>Off-Site Replacement: Full</p>	<p>Replace nursing home, Domiciliary, Other Inpatient Mental Health and all Ambulatory/Outpatient services in new construction off-campus in the Canandaigua area. Entire site made available for re-development.</p>	<ul style="list-style-type: none"> • Replaces aging and inefficient facilities with new facilities for inpatient and outpatient services • Offers easy transition from existing to new facilities • Completely vacates current site – a “pro” from a re-use/redevelopment perspective • Maintains or enhances access for services, provided the new CBOC is located within 5 miles of Canandaigua along routes 322 (North), 21/488 (East), 247 (Southeast) or 20 (West) • Permits the re-use/redevelopment of re-use parcels 1, 2, 3, 4, and 5

ASSESSMENT SUMMARY

Table 4: Assessment Summary

Assessment Summary	BPO 2	BPO 3	BPO 4	BPO 5	BPO 6	BPO 7	BPO 8
Healthcare Access	↔	↔	↔	↔	↔	↔	↔
Healthcare Quality							
Modern, safe, and secure environment	↑	↑	↑	↑	↑	↑	↑
Meets forecasted service need	↔	↔	↔	↔	↔	↔	↔
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 BPOs to Baseline BPO.

Table 5: Evaluation System for BPOs

Rating for all categories except cost and overall evaluation	
↑	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).
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.