

Capital Asset Realignment for Enhanced Services (CARES)

Business Plan Studies for Walla Walla VAMC

Presentation for Local Advisory Panel

September 30, 2005



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Recap of First LAP Meeting



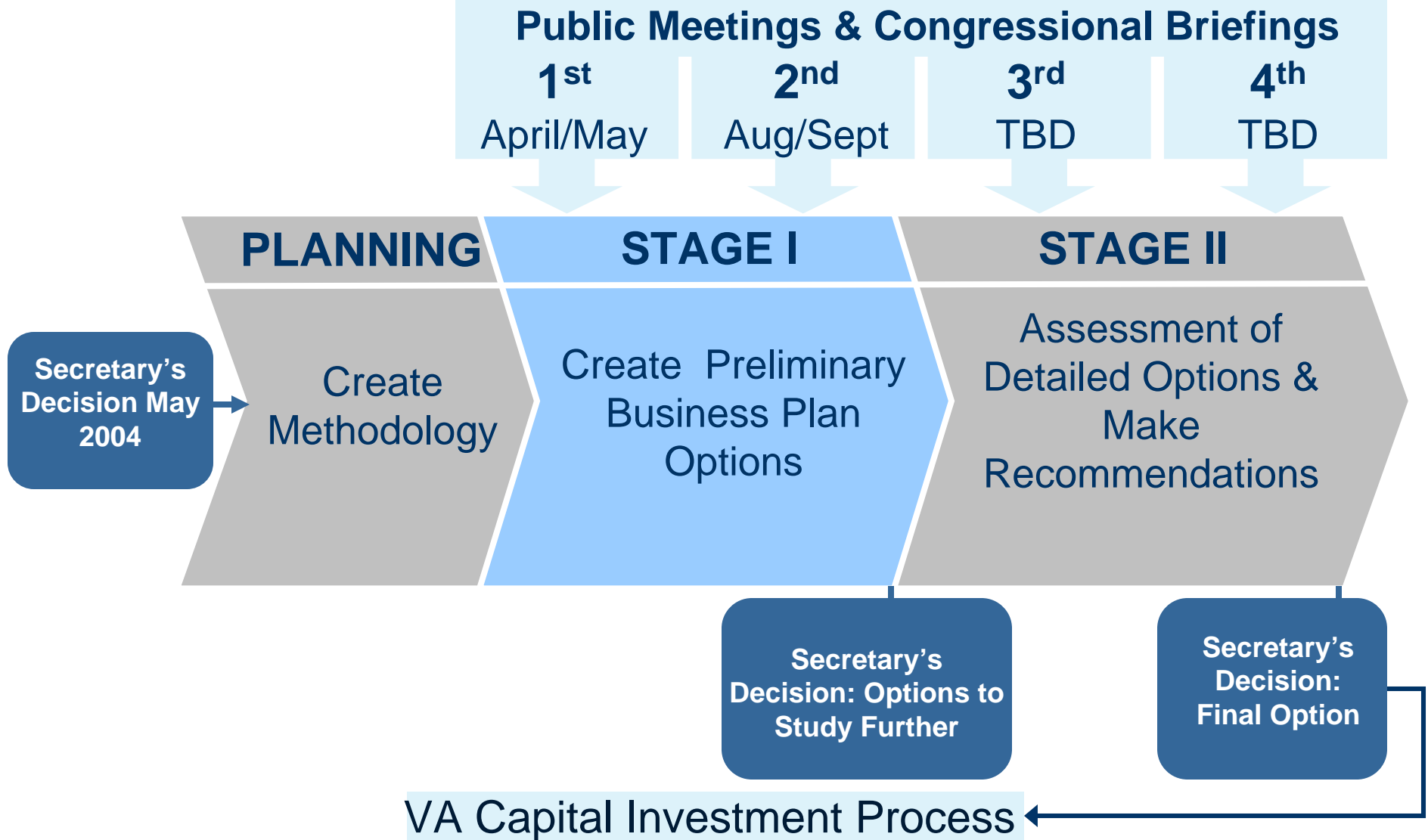
First Public Meeting Recap

- The Secretary's CARES Decision Document, MAY 2004, calls for additional studies to improve the previous analyses for eighteen sites including Walla Walla, Washington
- Study Objective:

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

Access
Quality
Cost Effectiveness

Project Overview



2004 Secretary's Decision for Walla Walla

- Develop a comprehensive study to determine how to improve the healthcare environment of care in Walla Walla, while maximizing use of VA resources.
- The study will evaluate demand for healthcare against the availability of care in the community and patient safety concerns as well as consider the limitations and substantial costs of maintaining an aging and expensive medical center campus for a current total inpatient and nursing home average daily census of 53.
- The study will include multiple options and will include the potential for partnership with the community and private sector organizations to provide nursing home and psychiatric inpatient care to veterans in the community.
- VA will consider options for moving into a more modern and efficient infrastructure designed to provide quality patient care.
- The study will take into account the fact that the existing campus is much larger than needed to provide VA medical care and consumes scarce resources that could be better applied to meeting veterans' needs. The study will identify the appropriate physical resources needed for VA's mission and identify options to divest or lease excess property to generate revenues that could be applied to VA's healthcare mission. Particular sensitivity will be devoted to the clinical and psychosocial needs of nursing home and psychiatric inpatients.

What's Being Studied at Walla Walla

- **Healthcare Study**

Identify the best way to provide current and projected veterans with healthcare equal to or better than is currently provided in terms of access, quality, and cost effectiveness

- **Capital Planning Study**

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

- **Re-Use Study**

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 healthcare 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, or the contractor's recommendation.

Walla Walla Public Input



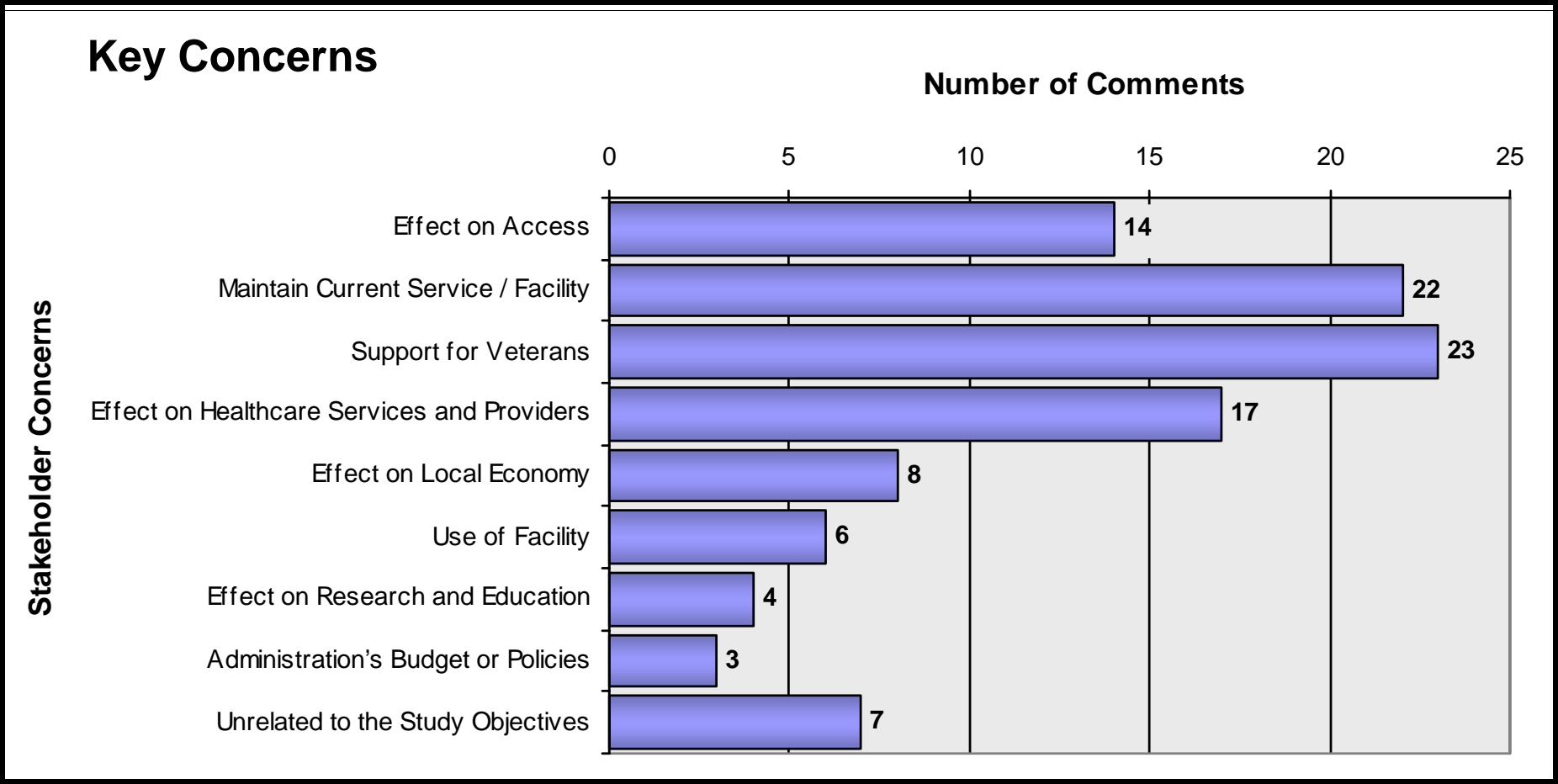
Walla Walla Public Input

- 126 forms of stakeholder input were received between January 1, 2005 and June 30, 2005.
- The greatest amount of written and electronic input was received from veterans.
- Top key concerns:
 - Support for veterans
 - Keeping the facility open
 - Potential effect on healthcare services and providers

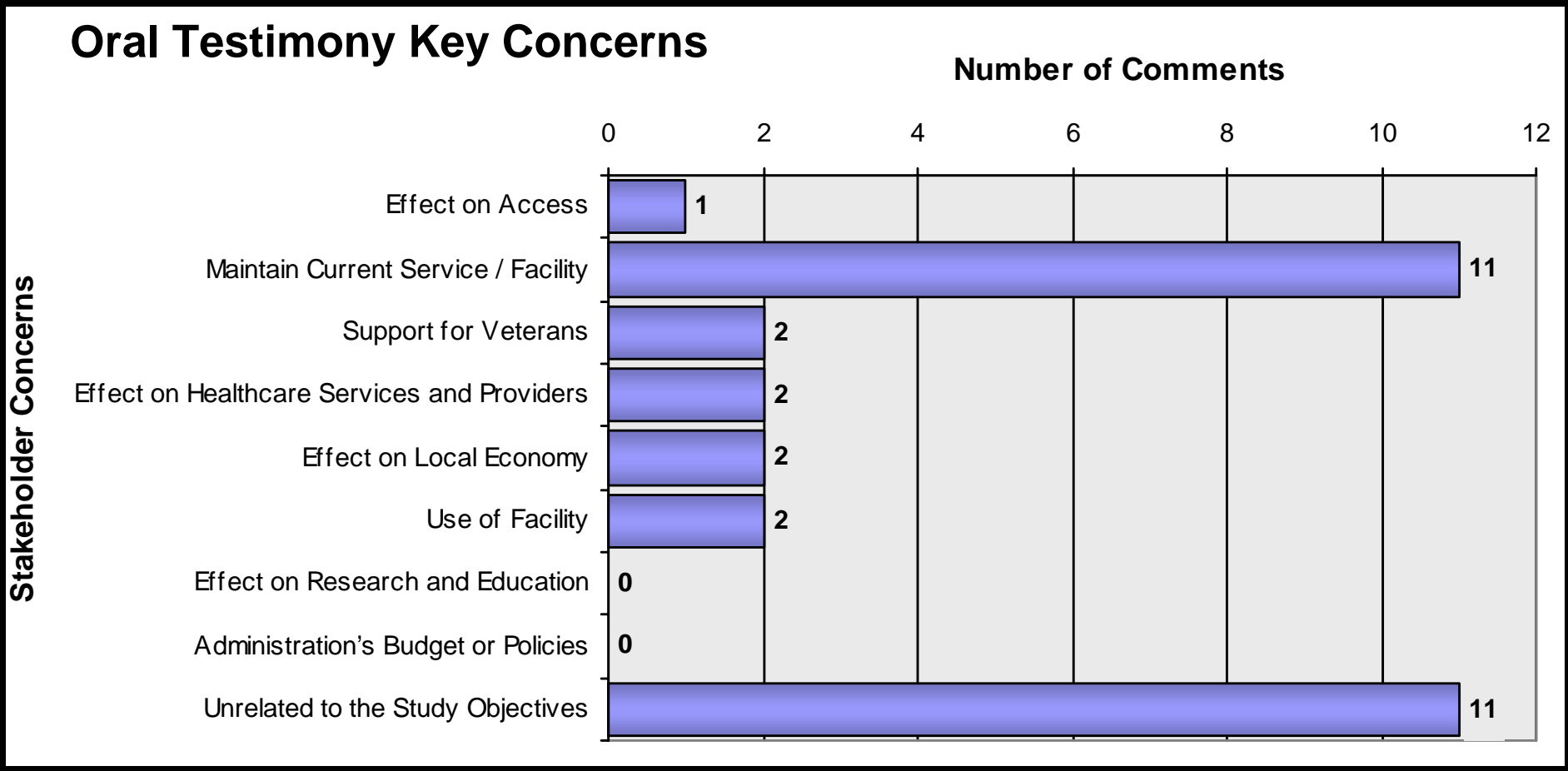
Categories of Stakeholder Concerns

- 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

Key Concerns – Written and Electronic Input



Key Concerns – Oral Testimony



Notable Stakeholder Input

- The Walla Walla Community Task Force, comprised of Walla Walla VAMC stakeholders, submitted a detailed proposal that would maintain current health care services for veterans on the existing Walla Walla campus.
- Option 5 provides most if not all of the health care services and facilities envisioned in the submission by the Task Force.

Current Status and Business Plan Options

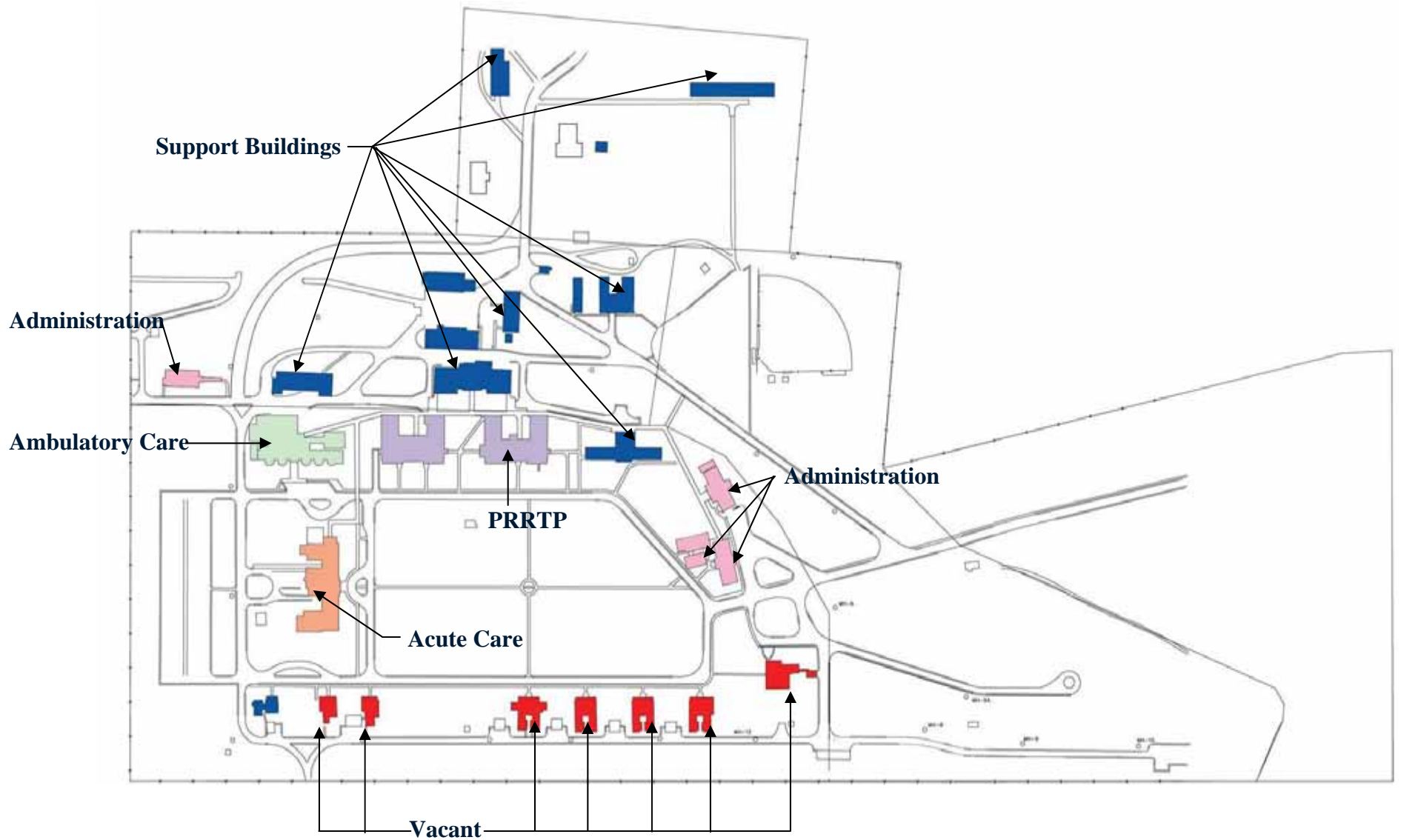


Stage I Study Findings for Walla Walla

Jonathan M. Wainwright Memorial VA Medical Center (Walla Walla VAMC)



Map of Walla Walla VAMC



Walla Walla Site Overview

■ Walla Walla VAMC:

- ◆ Is located in the VA's Inland North Market within VISN 20 on an 88-acre campus, and is comprised of 29 structures
- ◆ Serves veterans residing in a 42,000-square-mile primary service area
- ◆ Is on the site of an historic cavalry fort, Fort Walla Walla, established in 1858
- ◆ Employs approximately 327 Full Time Employee Equivalents, comprised of 13 physicians, 154 clinical staff and 160 administrative staff

Walla Walla Services Overview

Walla Walla VAMC:

- ◆ Offers outpatient services, limited inpatient medical care, plus psychiatry and substance abuse residential rehabilitation and work therapy programs
- ◆ Houses 66 beds of which 14 are acute care beds, 30 are Nursing Home Care Unit beds and 22 are Psychiatry and Substance Abuse Residential Rehabilitation and Treatment Program beds
- ◆ Most emergency cases are handled by non-VA contractors such as Walla Walla General and St. Mary Medical Center in Walla Walla
- ◆ Medical/surgical and specialty services not provided at Walla Walla are referred either to other VAMCs, primarily Seattle, Portland and Spokane, or contracted out to the private sector

Current Status & Projections

- The Inland North Market does not meet the national drive time standard for primary care, nor does it meet the standard for acute and tertiary care.
- Over the next 20 years the number of enrolled veterans in priority groups 1-6 for the Inland North Market will increase by 10% from 35,086 to 38,656.
- Projected utilization presents an opportunity as there appears to be unmet market needs for inpatient mental health services such as PR RTP.
- Walla Walla VAMC is a small facility which presently runs an average daily census of approximately five inpatient medicine/observation beds (excluding psychiatric, substance abuse and nursing home care).
- There are seven wholly or partially vacant buildings on the Walla Walla campus
- Asbestos and lead paint will require remediation.
- Mechanical systems will need upgrading.
- The campus includes 15 buildings listed on the National Historic Register; six of them are in use.

Options Development

“Universe” of Considered Options

**Stakeholder
Input**

**Healthcare
Options**

**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

Has the potential to offer a cost-effective use of VA resources

Team PwC developed Comprehensive BPOs for Stage I

Discriminating Criteria:

- Healthcare Quality
- Healthcare Access
- Making the best use of VA resources
- Ease of Implementation
- Ability to Support Wider VA Programs
- Impact of BPO on VA and Local Community

Options Overview

“Universe” of Considered Options

Healthcare
Options

TOTAL = 9

Capital Planning
Options

TOTAL = 19

Re-Use
Options

TOTAL = 5

Initial Screening for Access, Quality, Cost

Business Planning
Options (BPOs)

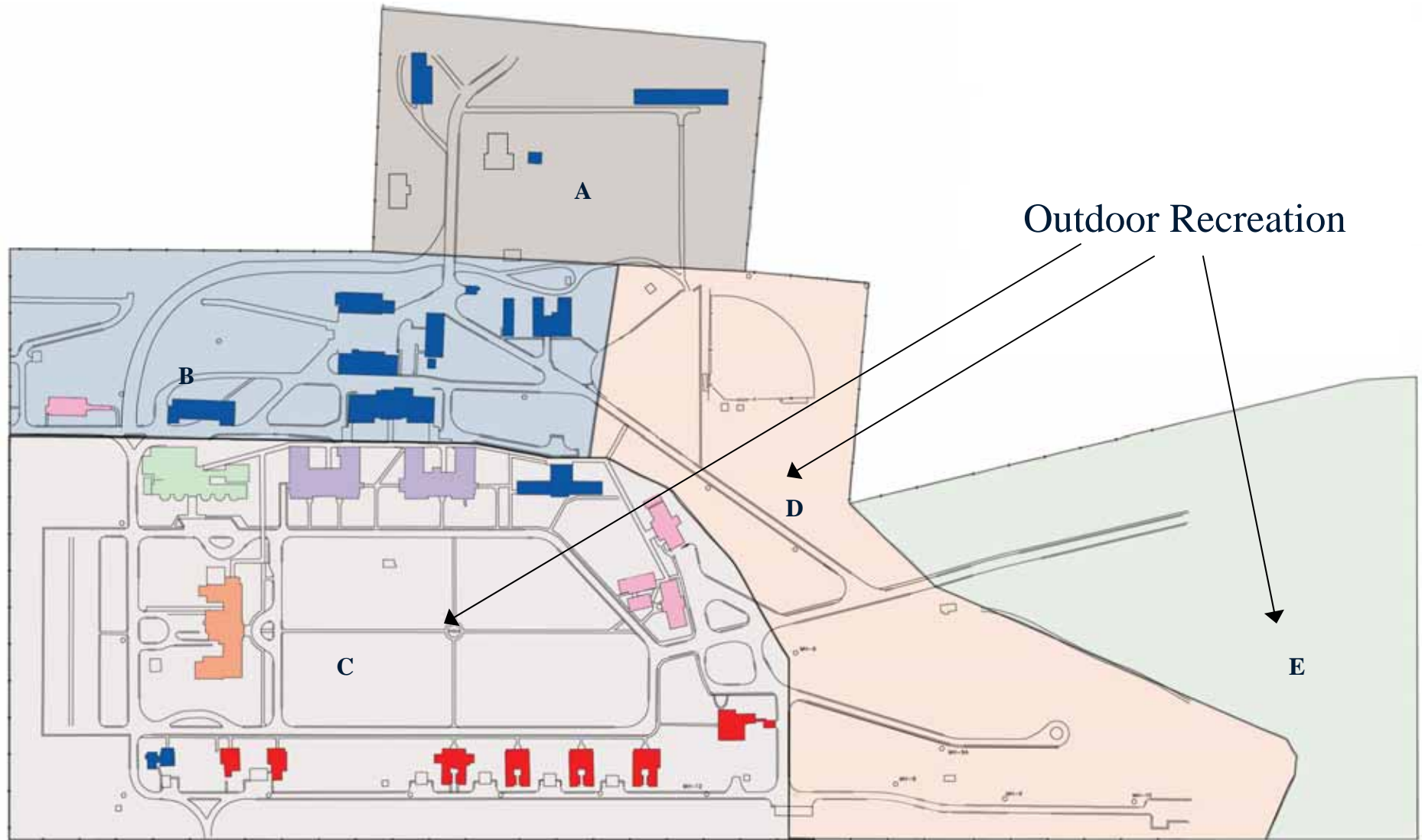
TOTAL = 7

Assessed for Stage I Report

Options for Walla Walla

- Developed several options for services
 - Contract for a combination of inpatient medicine, surgery, psychiatric, PR RTP or nursing home care from local/regional community providers
 - Expand outpatient services with new construction at the existing Walla Walla VAMC
 - Contract for both inpatient and outpatient services from local/regional community providers
 - Build a new hospital in the Tri-Cities (Pasco, Richland, and Kennewick) area
 - Utilize existing Walla Walla VAMC
 - Construct new inpatient and outpatient facility on existing VAMC site
- Limited re-use potential

Walla Walla VAMC – Site Parcels

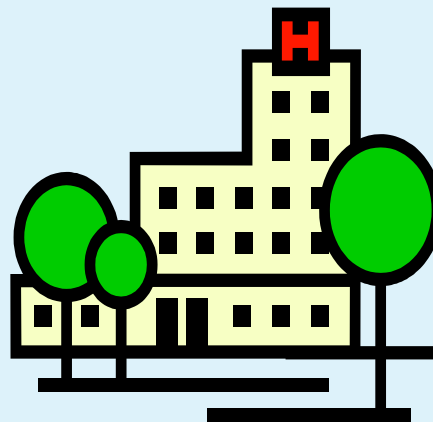


BPO 1: Baseline Option

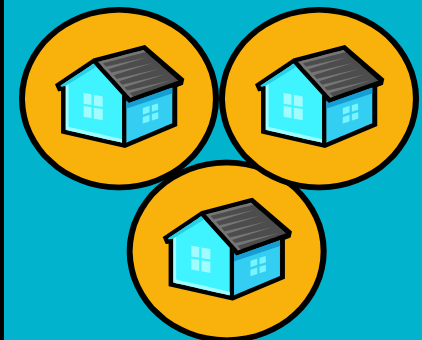
A Baseline option reflects the current state projected out to 2013 and 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality, and necessary improvements for a safe, secure, and modern healthcare environment.

Outpatient and limited inpatient medical care plus psychiatry and substance abuse residential rehabilitation and work therapy programs are provided at Walla Walla VAMC. Other services are referred to area VAMCs.

Walla Walla VAMC



Local Community Providers/ Other VAMCs

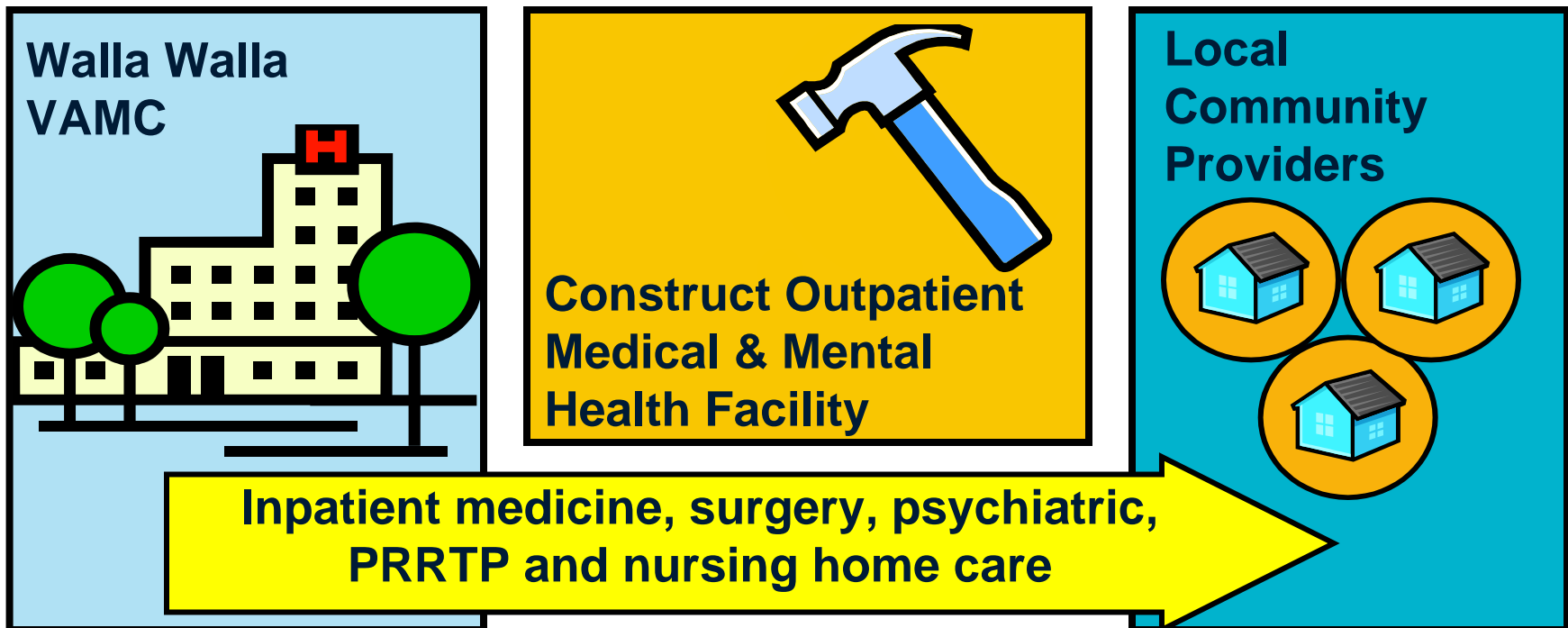


BPO 1: Assessment

Healthcare Access	54% of enrollees meet drive time access guideline, where the threshold is 70%. 60% of enrollees meet drive time access guideline where the threshold is 65%, and 55% of enrollees meet drive time access guideline where the threshold is 65%.
Healthcare Quality	Comparable to VISN and National VA results on most quality measures. Walla Walla VAMC will be modified to be modern, safe, and secure.
Impact on VA & Local Community	No expected change to recruitment and retention of employees. Level of access and support to established training programs is anticipated to remain the same.
Cost Effectiveness	Operating cost levels are expected to remain the same, but significant investment required to bring buildings up to standards of modern, safe, and secure.
Ease of Implementation	Risk associated with extensive and extended renovation of facilities.
Wider VA Program Support	The option will not change the current level of One-VA integration.

BPO 2: Contract All Inpatient Care, Construct New Outpatient Medical and Mental Health (HC-2A / CP-2B / RU-1-4)

Contract for inpatient medicine, surgery, psychiatric, PRRTTP and nursing home care. Expand outpatient medical and mental health services at Walla Walla in new construction on Parcel E, on the flat parcel currently occupied by the football field and surface parking. All remaining parcels (Parcels A-D) of the campus would be available for re-use/redevelopment.

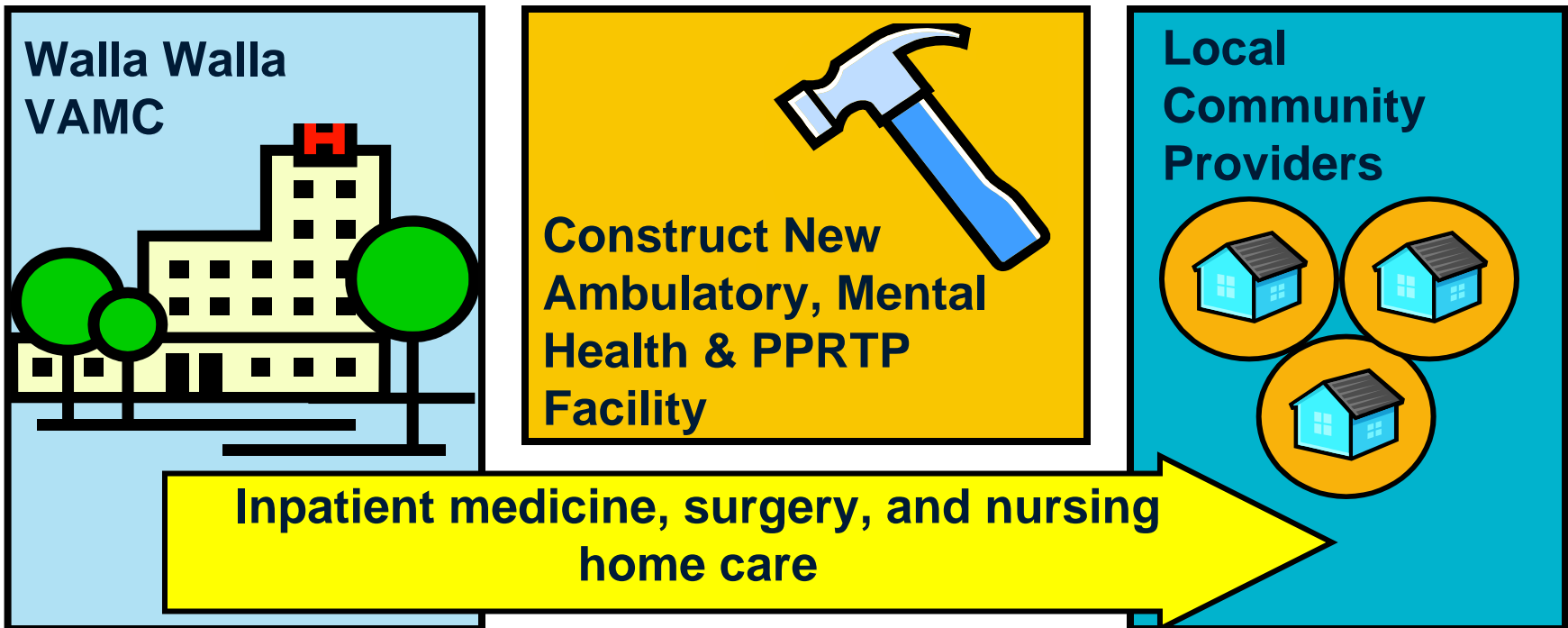


BPO 2: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	New construction would allow for facility to meet all current standards; contracted facilities would also meet the safe, modern and secure criterion. Option is expected to accommodate projected workload volumes.
Impact on VA & Local Community	Option is anticipated to cause a decrease in FTEEs as a result of smaller campus. Potential to minimize recruitment/retention during the transition. Nurse training programs are expected to be downsized.
Cost Effectiveness	Similar operating costs as the baseline. Overall, more cost effective than the baseline.
Ease of Implementation	Risk is expected to be low given the construction requirements and execution of re-use opportunities.
Wider VA Program Support	Similar to baseline.

BPO 3: Contract Inpatient Medicine, Surgery, & Nursing Home Care; Expand Ambulatory Care, Outpatient & Inpatient Mental Health and PR RTP at Walla Walla & CBOCs (BPO HC-2B/CP2B-3D/RU-1-4)

Contract for inpatient medicine, surgery and nursing home care services with local/regional providers. Expand ambulatory and outpatient mental health services, as well as inpatient mental health and PR RTP at Walla Walla in new construction on Parcel E, the lower field currently used as a football field and surface parking. All remaining portions of the campus (Parcels A-D) would then be available for re-use/redevelopment.

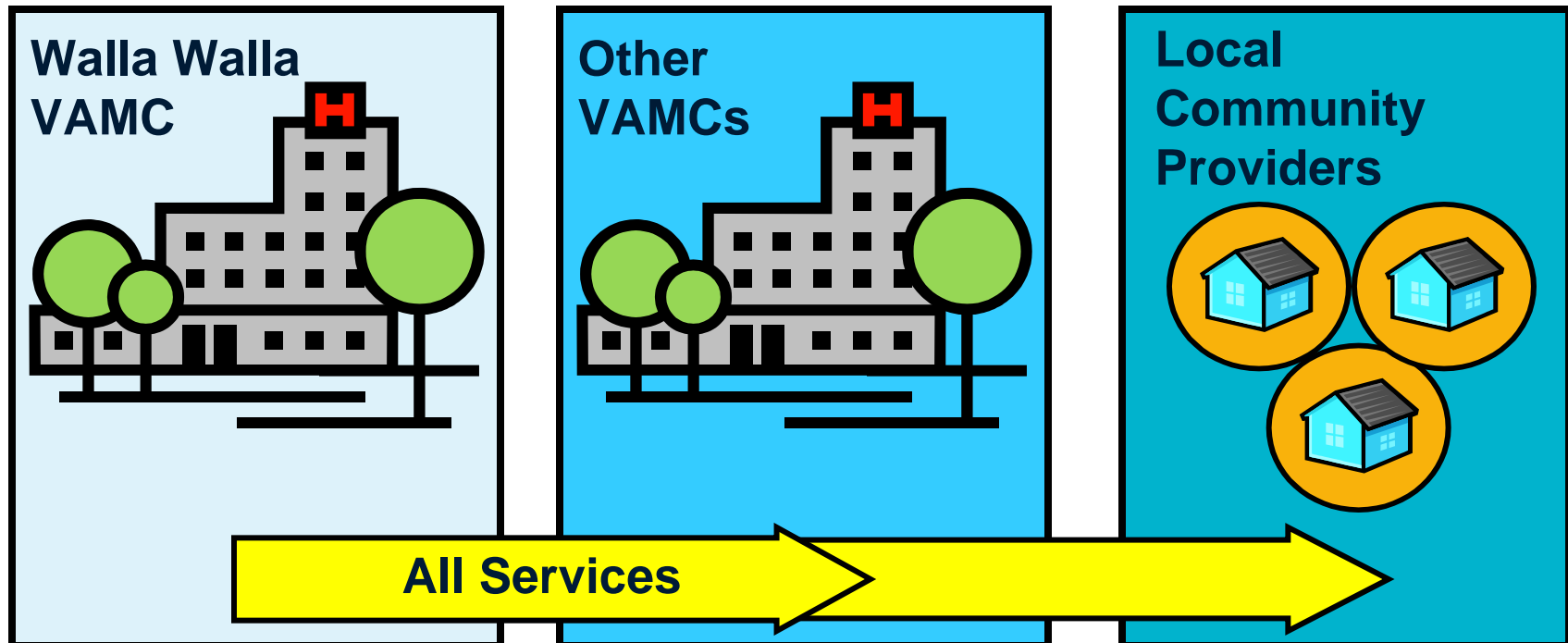


BPO 3: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	New construction would allow for facility to meet current standards; contracted facilities would also meet the safe, modern and secure criterion. Option is expected to accommodate projected workload volumes.
Impact on VA & Local Community	Decrease in FTEEs as a result of smaller campus. Some staff loss expected due to fewer services though recruitment and retention expected to be mitigated with right-sized, new facilities once completed. Unknown effect on nurse training and other education/academic affiliations expected with change in delivery and venue of VA-sponsored services.
Cost Effectiveness	Overall may result in increased cost effectiveness.
Ease of Implementation	Risk is expected to be low given construction requirements and the execution of re-use opportunities.
Wider VA Program Support	Similar to baseline.

BPO 4: Contract for all Inpatient and Outpatient Care (HC-2C/RU-1-5)

Contract for all services with local and regional Walla Walla providers and other VAMCs. Vacate campus in phased process and make entire campus (all Parcels A-E) available for redevelopment/re-use.



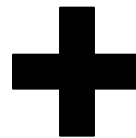
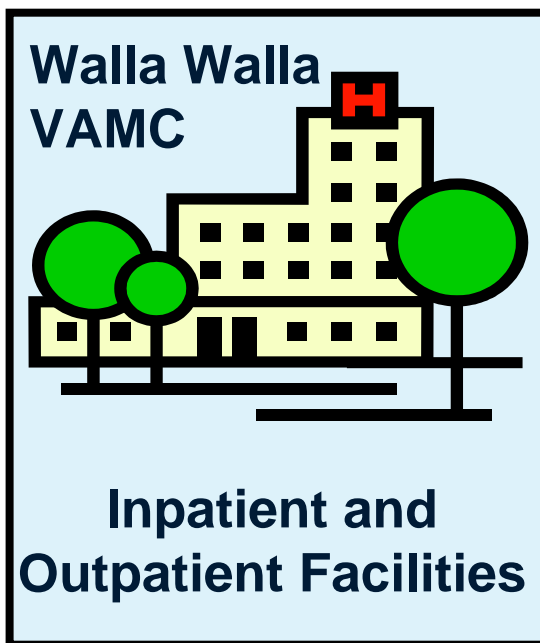
BPO 4: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care. May have opportunity to improve access.
Healthcare Quality	Modern, safe and secure environment is assumed to be as good or better with contracted providers. Option will meet forecasted service needs of market area veterans through contracted care with local and regional providers for specific care programs/services.
Impact on VA & Local Community	Elimination of services provided by VA affects current employees. Uncertain if nurse training programs may be reassigned to contracted providers; pending further investigation.
Cost Effectiveness	Overall may result in increased cost effectiveness.
Ease of Implementation	Risk is expected to be low given the available contract-service alternatives and re-use opportunities.
Wider VA Program Support	Similar to baseline.

BPO 5: Construct All New Inpatient and Outpatient Facilities - Replacement of Walla Walla VAMC

(HC-2D/CP-2D,3B,3D/RU-1-4)

Construct new inpatient and outpatient facilities, and contract as-needed for capacity above need for 2023 requirement. Phased construction of new facilities on Walla Walla VAMC campus in consolidated location on Parcel E, on the lower field currently occupied by the football field and surface parking. All remaining portions of the campus (Parcels A-D) would be available for re-use / redevelopment by non-VA parties.



BPO 5: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	Modern, safe and secure environment is assumed to be as good or better with contracted providers. Provides VA services to veteran population at current site, right-sized to meet projected demand and workload.
Impact on VA & Local Community	Similar to baseline.
Cost Effectiveness	Similar overall cost effectiveness as the baseline.
Ease of Implementation	Risk is expected to be low, through moderately higher than smaller construction projects, given construction requirements on a clear site and some re-use opportunities.
Wider VA Program Support	Similar to baseline.

BPO 6: Relocate Services and Construct New Facilities in Tri-Cities Area (HC-3A / CP-4H / RU-1, 2, 4, 5)

Construct new inpatient and outpatient care facilities, including inpatient medicine, psychiatric, PR RTP and nursing home care, as well as ambulatory care and outpatient mental health in the Tri-Cities area. Upon conclusion, Building 74 would be renovated on the Walla Walla campus to retain ambulatory care/outpatient mental health on-site as a CBOC. All remaining portions of the campus would be available for re-use/redevelopment.

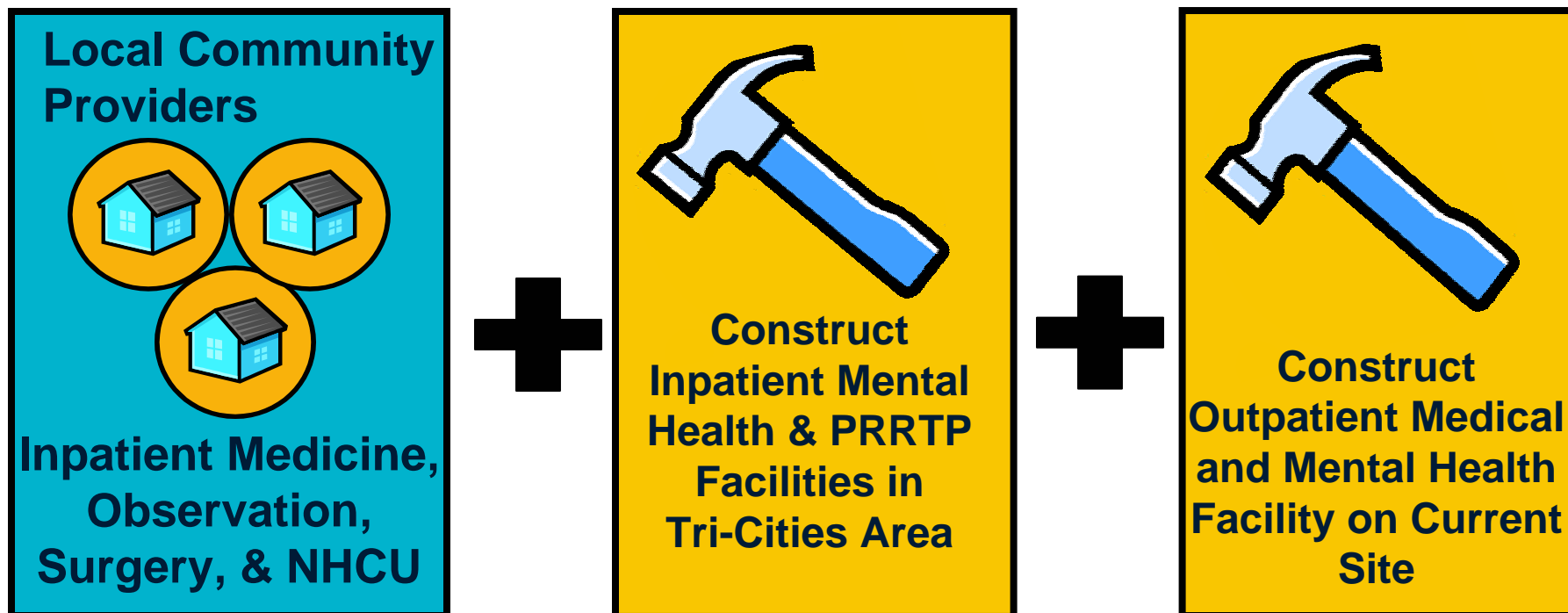


BPO 6: Assessment

Healthcare Access	No material impact is expected; but could be positive if located closer to center of high veteran population (Tri-Cities) v. Walla Walla
Healthcare Quality	Inpatient programs that relocate to Tri-Cities provided in new, state-of-the-art facilities. New construction would allow for facility to meet all current standards. Expected that new and renovated facilities will meet forecasted service need and projected workload volumes.
Impact on VA & Local Community	Reduction in FTEE at Walla Walla VAMC is due to transfer of services to Tri-Cities. Uncertain of impact on education and academic affiliations based on relocation of training programs to Tri-Cities and/or continuation at Walla Walla campus in renovated space.
Cost Effectiveness	Similar overall cost effectiveness as the baseline.
Ease of Implementation	Risk is expected to be moderately low based on assumption that the new site will accommodate relocated services/functions.
Wider VA Program Support	Similar to baseline.

BPO 7: Relocate Services to Tri-Cities: Contract Inpatient Medical and Surgical Care, Expand Outpatient Medical and Mental Health at New Walla Walla Facility (CBOC) (HC-3B / CP-2B, 4F, 4G / RU-1-4)

Contract with local community providers for inpatient medicine, observation, surgery and nursing home (NHCU) care. Construct new inpatient mental health and PR RTP in Tri-Cities area. Outpatient medical and mental health will be retained on the Walla Walla VAMC site as a CBOC in new construction. All remaining portions of the campus would then be available for re-use/redevelopment.



BPO 7: Assessment

Healthcare Access	No material impact is expected; but could be positive if located closer to center of high veteran population (Tri-Cities) v. Walla Walla.
Healthcare Quality	Inpatient programs that relocate to Tri-Cities provided in new, state-of-the-art facilities. New construction would allow for facility to meet all current standards. Expected that new and renovated facilities will meet forecasted service need and projected workload volumes.
Impact on VA & Local Community	Reduction in FTEE at Walla Walla VAMC is due to transfer of services to Tri-Cities. Uncertain of impact on education and academic affiliations based on relocation of training programs to Tri-Cities and/or continuation at Walla Walla campus in renovated space.
Cost Effectiveness	Overall may result in increased cost effectiveness.
Ease of Implementation	Risk is expected to be moderately low—lower than BPO 6—as lower-volume services will be contracted with regional providers, and assumes new site will accommodate relocated services and programs in market of high-density veteran population.
Wider VA Program Support	Similar to baseline.

Options Not Selected for Assessment

Option to rebuild a new nursing home care unit (NHCU) either on the Walla Walla VAMC campus or at another site



Rejected due to the limited number of projected beds required (20) and limited efficiencies to be gained from a stand-alone facility

Option to rebuild stand-alone inpatient care (Medicine) on the campus or off-campus



Rejected due to the limited number of projected beds (6) and limited efficiencies to be gained from this stand-alone facility/function, and reliance on adjacent ancillaries

Next Steps

- The LAP 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 public meetings
- ◆ Fill out a comment form at the public meetings

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

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