
# Capital Asset Realignment for Enhanced Services (CARES)

**Stage I Report**
**Site:** St. Albans

**June 2006**

Contract Number V776P-0515. PricewaterhouseCoopers' LLP work was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). PricewaterhouseCoopers' LLP 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 (VA) or any financial or other information or on internal controls of the VA.

The VA has also contracted with another government contractor, The Pruitt Group EUL, LP, to develop re-use options for inclusion in 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, St. Albans, New York,* and as directed by the VA, PricewaterhouseCoopers LLP has included information from its report in the following sections in this report: Environment, Outleased Areas/Use Agreements, Re-Use, 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.

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# 1.0 Introduction

CARES (Capital Asset Realignment for Enhanced Services) is the Department of Veterans Affairs' (VA's) effort to produce a logical, national plan for modernizing healthcare facilities. The objective is to identify 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 owned by VA. The Secretary's Decision Document of May 2004 called for additional studies in certain geographic locations to refine the analyses developed in Phase I of the CARES planning and decision-making process. Team PricewaterhouseCoopers (Team PwC) is assisting VA in conducting VA CARES Business Plan Studies at 17 sites around the United States as selected by the Secretary, which include site-specific requirements for Healthcare Delivery Studies, Capital Plans, and Re-use Plans.

The St. Albans Primary & Extended Care Center (PECC), New York is one of the CARES study sites and includes capital planning and re-use planning studies, but not healthcare delivery. The Secretary's Decision Document of May 2004 makes the following decisions for St Albans:

- The St. Albans PECC campus was not designed for modern health care delivery, is aging, and is in need of replacement.
- VA will develop a Master Plan that will propose an efficient and cost-effective design for the replacement buildings at the St. Albans PECC and ensure an effective transition of services.
- VA will develop plans for the size of the nursing home and domiciliary buildings using its mental health and long-term care strategic plans.
- The Master Plan also will describe the most effective footprint for the campus and ensure that any plans for alternate use or disposal of VA property serve to enhance the Department's mission.

# 2.0 Purpose of this Report

The CARES studies are being performed in three stages: an initial planning phase and two phases centered on option development and selection. This report presents the results of Stage I (option development). In Stage I, Team PwC develops and assesses a broad range of potentially viable business plan options (BPOs) that meet the forecast healthcare needs for the study sites. Based upon an initial analysis of these BPOs, Team PwC recommends up to six BPOs to be taken forward for further development and assessment in Stage II. VA decides which BPOs should be studied further in Stage II. During Stage II, a more detailed assessment is conducted including a financial analysis with refined inputs and consideration of second-order impacts such as the implications on the community. After Stage II, Team PwC recommends a single BPO to the Secretary.

Stakeholder input from veterans, veterans advocates, and the community play an important role in BPO development and assessment. A Local Advisory Panel (LAP) has been established at each study site to ensure veterans' issues and concerns are heard throughout the study process.

Veterans' and other stakeholder views are presented at a series of public meetings and through written and electronic communication channels.

Team PwC has prepared this report in accordance with the CARES Business Plan Studies Methodology and Statement of Work (SOW) for the CARES studies. The SOW calls for submission in Stage I of a range of BPOs that are at the concept stage and represent feasible choices that have the potential to meet VA objectives. In Stage II, Team PwC will further develop selected BPOs into technical data driven analyses and a recommended primary BPO.

# 3.0 Site Overview

The St. Albans PECC is located in the St. Albans community of the Borough of Queens, in New York City. It is part of the VA New York Harbor Healthcare System (VA NYHHS) which is an integrated healthcare organization within Veterans Integrated Service Network (VISN) 3. VA NYHHS consists of three main campuses: Brooklyn, New York (referred to in this study as the Manhattan Campus) and St. Albans. VISN 3 has three markets; Long Island, Metro New York, and New Jersey. St. Albans is in the Metro New York market.

## Current Healthcare Provision

The St. Albans PECC offers primary and nursing home services, including specialized geriatric and restorative rehabilitation programs, as well as inpatient extended care services including IV antibiotic therapy, skilled nursing, palliative care and respite care. The campus hosts an outpatient Adult Day Health Care Program and Home Based Primary Care Program, as well as a psychosocial rehabilitation domiciliary program. Ambulatory services offered include optometry, podiatry, audiology and dental services. The St. Albans PECC is authorized to operate 386 beds, and is currently operating 181 nursing home and 50 domiciliary beds with an average daily census of 176 and 50, respectively.

## Facilities

The St. Albans PECC is located on 55 acres in the Queens Borough of New York City, in a residential area of predominantly two- and three-story single family houses. The entry to, and the address of the campus is 17900 Linden Boulevard, St Albans, NY. It is approximately 2.25 miles from the Southern (Nassau) Expressway, 2.5 miles from Interstate 678, 3 miles from Grand Central Parkway, 13 miles from the center of Manhattan, and 15 miles northeast of the VAMC campus in Brooklyn. It is served by MTA bus route Q4 that runs along Linden Boulevard and is near the St. Albans station on the Long Island Rail Road (LIRR). There are no subway stops near to the campus; the Q4 bus does link the Center with Independent (IND) and Brooklyn-Manhattan Transit (BMT) subway lines.[1] The main entry to the site is on the north side off Linden Boulevard and a secondary entrance is to the south off Baisley Boulevard. The LIRR is on the east side of the site, 115th Street is on the northwest side of the site, and a community park is on the west side of the site.

[1] http://www.mta.info/nyct/maps/connect-jamaica.htm.

The site includes 19 buildings totaling approximately 707,000 square feet, the largest of which is Building 89, the Nursing Home Care/Clinics (approximately 156,000 GSF). The buildings are described in Table 1 and the distribution of buildings is depicted in Figure 1. The St. Albans PECC's grounds and buildings stand out in visible contrast to the local residential setting due to the generous open space within the campus, and the institutional appearance and greater height of the VA buildings. The campus has twelve buildings which were constructed as part of the Naval Hospital in 1948-1950 and a more recently constructed freestanding laundry facility. Currently, St. Albans PECC provides laundry and kitchen services to VISN 3. Parking is dispersed throughout the campus and is located primarily in front of the buildings, but there is also one lot dedicated to outpatients on the west side of the campus and one lot dedicated to staff on the east side of the campus.

Two buildings at the southeastern end of the site have been outleased to the New York State Drug Treatment Center and the Jamaica Community Adolescent Program (J-CAP), and those leasehold agreements are discussed in more detail below in the "Outleased Areas/Use Agreements" section. A New York State Veterans Nursing Home, constructed in 1992, is in immediate proximity to the St. Albans campus, sitting on approximately 7.7 acres of land that was deeded from VA to the State of New York.

There are no listed historical buildings or parcels located on the campus of the St. Albans PECC, yet many of the buildings are over 50 years old and are therefore considered historically eligible. Neither the site nor the buildings are registered nor listed as historical by any local, state, or federal agency.

Buildings 91, 23, and 93 were used for nursing home services, but now each of those buildings is used for services as described in Table 1. Specifically, Building 91 provides administrative services in the basement and on the first floor while the second and third floors are left vacant. Building 92 houses shops in the basement while the first, second, and third floors are vacant. Finally, Building 93 provides Emergency Medical Services (EMS) in the basement but the first through fifth floors are vacant.

*Figure 1: Existing Building Distribution*

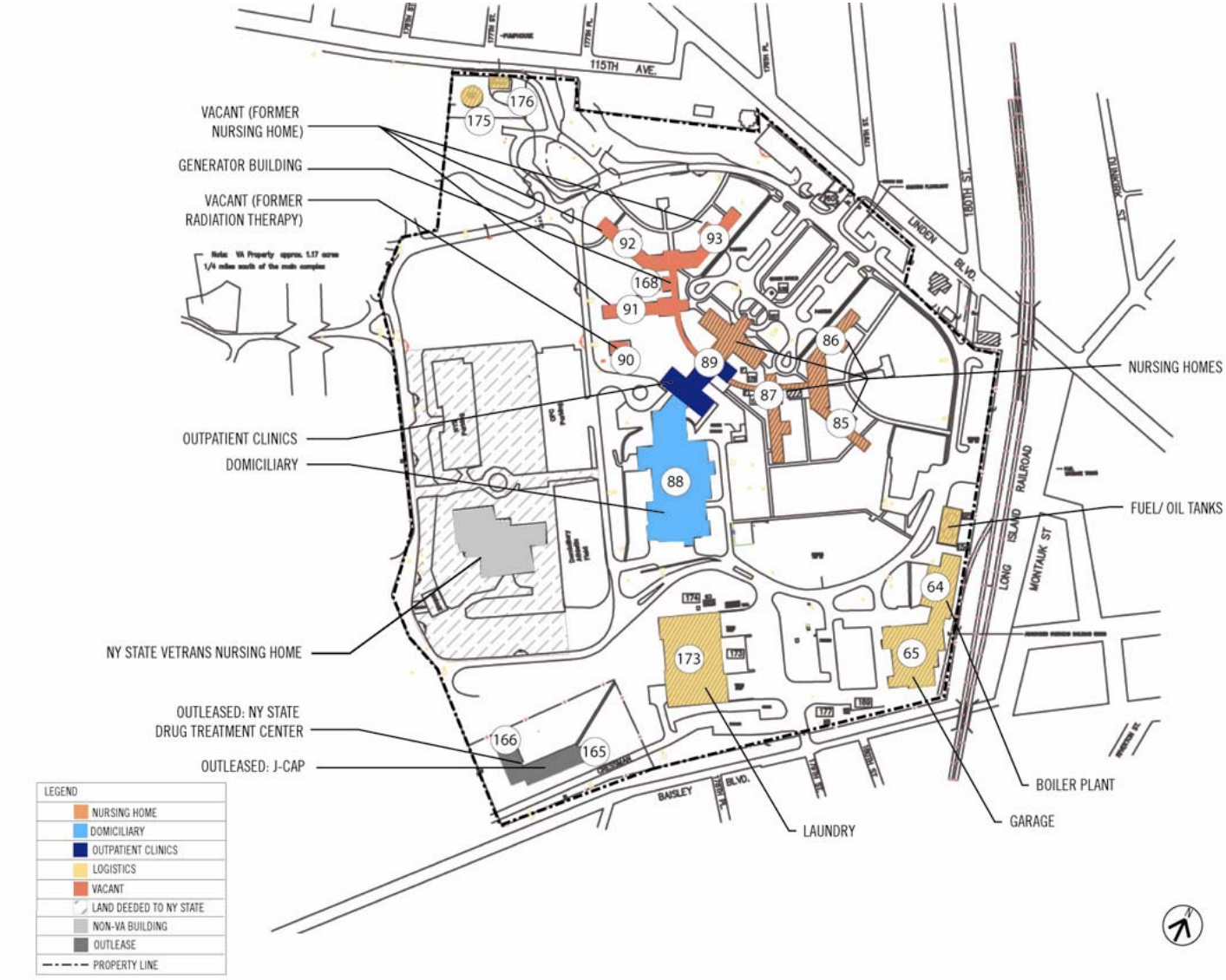


Table 1 lists the existing departmental distribution at St. Albans PECC by building. All information was provided by the VA CAI database except for year of renovation, which was determined through on site interviews.

*Table 1: Existing Departmental Distribution by Building*[2]

| Building | Floor | Function | Year Built | Year Renovation | Floors | Building Total GSF |
|---|---|---|---|---|---|---|
| 60 | | Guard House | 1948 | | 2 | 1,541 |
| 64 | | Boiler Plant | 1948 | | 2 | 28,284 |
| 65 | | Garage | 1948 | | 2 | 24,364 |
| 85 | | Nursing Home Care (C wing) | 1948 | 1995 | 6 | 40,511 |
| | Basement | Support/Logistics | 1948 | 1995 | | |
| | First | Nursing Home Care Unit (NHCU) | 1948 | 1995 | | |
| | Second | NHCU | 1948 | 1995 | | |
| | Third | NHCU | 1948 | 1995 | | |
| | Fourth | Offices | 1948 | 1995 | | |
| | Fifth | Mechanical | 1948 | 1995 | | |
| 86 | | Nursing Home Care (D wing) | 1948 | | 4 | 37,955 |
| | Basement | Support/Logistics | 1948 | | | |
| | First | Adult Day Care; Support | 1948 | | | |
| | Second | Outleased; Vacant Space | 1948 | | | |
| | Third | NHCU | 1948 | | | |
| 87 | | Nursing Home Care (B wing) | 1948 | 1995 | 4 | 36,966 |
| | Basement | Support/Logistics | 1948 | 1995 | | |
| | First | Chapel | 1948 | 1995 | | |
| | Second | NHCU | 1948 | 1995 | | |
| | Third | NHCU | 1948 | 1995 | | |
| 88 | | Subsistance Bldg. | 1948 | | 3 | 130,088 |
| 89 | | Nursing Home Care/Clinical | 1948 | | 10 | 155,996 |
| | Basement | Canteen, Cafeteria, Warehouse, Food Service Distribution | 1948 | | | |
| | First | Offices, Nursing Education, Chapel, Human Resources, OP Pharmacy | 1948 | | | |
| | Second | Dental, Main Dining, Recreation | 1948 | | | |
| | Third | Radiology, Offices | 1948 | | | |
| | Fourth | NHCU | 1948 | | | |
| | Fifth | NHCU | 1948 | | | |
| | Sixth | Rehab Medicine, Offices | 1948 | | | |
| | Seventh | Mechanical | 1948 | | | |
| | Eighth | Mechanical | 1948 | | | |
| | Ninth | Mechanical | 1948 | | | |
| 90 | | Radiation Therapy | 1948 | | 1 | 6,122 |
| 91 | | Admin/Vacant NHCU | 1948 | | 4 | 43,979 |

[2] VA Capital Asset Inventory (CAI) database

| | | | | | | |
|---|---|---|---|---|---|---|
| 92 | | Shops/Vacant NHCU | 1948 | | 4 | 37,984 |
| 93 | | EMS/Vacant NHCU | 1948 | | 6 | 40,510 |
| | Basement | Pathology, Mechanical, Storage | 1948 | | | |
| | First | Vacant | 1948 | | | |
| | Second | Vacant | 1948 | | | |
| | Third | Vacant | 1948 | | | |
| | Fourth | Vacant | 1948 | | | |
| | Fifth | Vacant | 1948 | | | |
| 165 | | NYS Drug Treatment/J-CAP | 1960 | | 1 | 24,454 |
| 166 | | NYS Drug Treatment/J-CAP | 1960 | | 1 | 8,838 |
| 167 | | Generator Building | | | 1 | 711 |
| 168 | | Generator Building | | | 1 | 711 |
| 169 | | Electrical Substation | | | 1 | 702 |
| 173 | | Laundry | 1984 | | 2 | 63,413 |
| 176 | | Pump Station | | | 1 | 1,540 |
| CC | | Connecting Corridor | 1948 | | 4 | 21,960 |

### *Facilities Condition*

The buildings have received ratings between 1 and 5 on a scale of "5" for critical values such as accessibility, applicable building codes, functional space, and facility conditions.[3] Definitions of the ratings are as follows: "5" is best, "3" is average, and "1" is poor. Although they are in differing states of repair and actual use, the campus buildings' general condition is average to good, as they have enjoyed generally consistent maintenance since their original construction as well as modernization upgrades in certain areas. Building 85 is the only building with lower than average ratings, which are due to inefficient layout, inadequate privacy, and poor floor to floor heights. Plumbing, electrical wiring, and certain equipment and fixtures have been replaced in a substantial portion of the buildings. Wall, ceiling, and floor finishes have also been upgraded or modified. The campus requires general site repairs such as repairing roads, parking, and landscaping. Additionally, repairs need to be made to the steam distribution system and water main pipes. Finally, existing asbestos must undergo a hazmat cleanup.

The buildings were constructed with high quality materials and craftsmanship. Service and corridor areas are large, and most rooms have generous dimensions. There are many windows which provide natural light that illuminate traffic ways and patient care rooms. In those areas where most recent refinishing has occurred, the atmosphere and aesthetic quality for occupants is considered above average.

### *Environment*[4]

There are several environmental considerations identified for the St. Albans PECC. These relate to Asbestos Containing Materials (ACMs) and a possible landfill site on the campus.

A comprehensive asbestos study was performed in 1989 that identified areas of suspected or known ACMs in Buildings 65 and 85 through 93, all connecting corridors, and all active steam line tunnels. Issues related to ACMs and lead would be remediated as a part of the construction process for potential re-use.

During interviews on site, it was reported that there may have been an area of the campus that was used as a landfill for construction debris. The actual location and size of the site is undetermined. The other government contractor recommends that further investigation be undertaken to ascertain (i) if there was a landfill use on the campus and (ii) determine its actual location and size. This information can be developed by introducing test pits that will provide data as to the area, contents and depth of the landfill. Once conclusive evidence is developed, it can be determined how the area might affect future re-use options. It was also reported that Buildings 85 and 87 were renovated in 1995.

[3] Ibid.

[4] Source: Pruitt Group EUL, LP Report, *Enhanced Use Lease Property Re-use/Redevelopment Plan Phase One: Baseline Report, Veterans Affairs Medical Center, St. Albans, New York.*

### *Outleased Areas/Use Agreements*[5]

Two leasehold interests encumber the site: two existing adjacent VA buildings (Buildings 165 and 166) at the south end of the site, previously Naval officers quarters, are currently leased to the New York State Drug Treatment Program and J-CAP, respectively, which uses the building as a dormitory and derives local utilities independent of the PECC's facilities. A linked fence separates the leased grounds from non-leased campus grounds. By letter agreement, VA has granted use of its roadway path between Linden Boulevard and the campus fence at the north end of the site to the neighboring funeral home operation. VA does not utilize the roadway and allows the funeral home to frequently park cars on the surface.

### *Current and Forecast Investment Requirements*

Significant capital expenditure is required to renovate and upgrade facilities to modern, safe, and secure standards. VA has identified a need for a total of $17.5 million in building condition corrections, which includes periodic and recurring maintenance and renovation costs.[6] Specifically, these corrections and upgrades include the following:

- General site repairs such as repairing roads, parking, and landscaping are at a cost of $328,500.
- Repairs need to be made to the steam distribution system at a cost of $86,500.
- Hazmat cleanup of asbestos on site is at a cost of $12,605,000. In most cases the asbestos is not accessible.
- Additional costs as listed in the CAI are $4,471,300.

Additionally, on site interviews found that the water main pipes need to be replaced at an estimated cost of $3,350,000. This forecasted investment requirement was not included in the CAI database.

### *Summary of Current Surplus / Vacant Space*

The St.Albans campus contains approximately 11.6 acres of vacant land area. The CAI database indicates that there is currently approximately 67,000 square feet of vacant building space out of the total approximate 707,000 square feet of available building space on the campus.

Campus space requirements for the planning horizon of 2023 compared to the baseline year of 2003 indicates an overall campus surplus of approximately 46,000 gross square feet (in addition to vacant space). Relatively significant areas of surplus or shortage include nursing home care and ambulatory services.

[5] Ibid.

[6] VA Capital Asset Inventory (CAI) database

Declining demand for specialty ambulatory services (primary care, eye clinic, dermatology, orthopedics, and radiology) between 2003 and 2023 results in a surplus of approximately 10,000 square feet.

While the VA-owned bed requirement for nursing home care is held constant between 2003 and 2023, the square footage requirements needed to bring the nursing home up to modern, safe, and secure standards result in a shortage of approximately 53,000 square feet.

## Re-Use[7]

This section describes the real estate market and re-use potential of the St. Albans PECC campus.

### *Real Property*

The densely populated Borough of Queens is primarily residential, lacks any agricultural land use, and has undeveloped land only in the form of municipal parks. The neighborhood surrounding the St. Albans PECC contains predominantly single-family housing stock on small lots, with the majority of the houses over 50 years in age. The St. Albans neighborhood is encircled by a network of limited access freeways, but the neighborhood cannot be seen from any of those freeways. The closest freeway is the Belt (Southern) Parkway, which is approximately one mile to the south of St. Albans.

Compared to the overall homeownership rate in the City of New York of about 33.0%, Queens Community District 12 (where the St. Albans campus is located) has a disproportionate share of owner-occupied units (58.5%); the overwhelming proportion of these owner-occupied units is in conventional homes (89%), as compared to cooperative and condominium apartments. Prices of single family homes in the Community District increased about 80% between 1998 and 2004; this increase is larger than for other Community Districts in Queens. The median monthly rent in Community District 12 in 2002 was $695, nearly identical to the $700 median monthly rent in the City of New York, but lower than the $797 median for Queens County.

Healthcare and "other services" account for the largest share of business establishments within the area that includes the St. Albans Zip code. As of 2001, about 44% of the 194 establishments within the St. Albans zip code were classified in either of those two categories. Retail establishments (14.9%) were the next largest category; the remaining establishments are distributed across professional services, hotels and food services, financial, insurance, real estate, and wholesale.

The large proportion of healthcare employment is certainly related to the presence of the St. Albans PECC. However, there are other hospitals and nursing homes within the Community District. Saint Vincent Catholic Medical Centers (SVCMC)-Mary Immaculate is a 261-bed acute care hospital that is located in the Community District on 89th Avenue.

[7] Source*:* Pruitt Group EUL, LP Report, *Enhanced Use Lease Property Re-use/Redevelopment Plan Phase One: Baseline Report, Veterans Affairs Medical Center, St. Albans, New York.*

In addition to the New York State Veterans Nursing Home located on the St. Albans PECC site, there are four other residential healthcare facilities in the Community District. The largest, with 320 beds, is the Highland Care Center, located on 175th St. The next largest, Holliswood Care Center, is a 314-bed facility located on Woodhull Avenue.

***Regulatory Environment***

The properties surrounding the St. Albans PECC are zoned R3-2, which is a zoning classification for general residences. These residences are restricted to being built to the lot line. In an area zoned as R3-2, buildings are permitted to have a maximum floor area ratio (FAR) of 0.5 (plus a 0.1 attic allowance), while the maximum building height is 35 feet. Detached structures require at least a 40-foot lot width and 3,800 square feet of lot area. Attached and semi-detached structures require lots that are at least 18 feet wide with 1,700 square feet of lot area. One parking space per dwelling unit is required. Community facilities are permitted at an FAR of 1.0.

***Key Observations from Other Government Contractor***

Based on the initial analysis of attributes and constraints of the St. Albans PECC campus, combined with known private interest in the property, this project is likely to generate enhanced-use lease opportunities.

***Potential for Non-VA Re-use/Redevelopment***

Figure 2 illustrates the parcels of land on the current St. Albans PECC campus. (Note that these parcels will be referenced in the BPO Development section of this report and in the corresponding re-use options for assessment in Stage I.) Parcels have been identified as discrete portions of the campus with relatively unique characteristics based on location, topography and, importantly, re-use/redevelopment potential. For St. Albans PECC, five parcels are identified on the site plan below.

*Figure 2: Map of Campus Parcels*

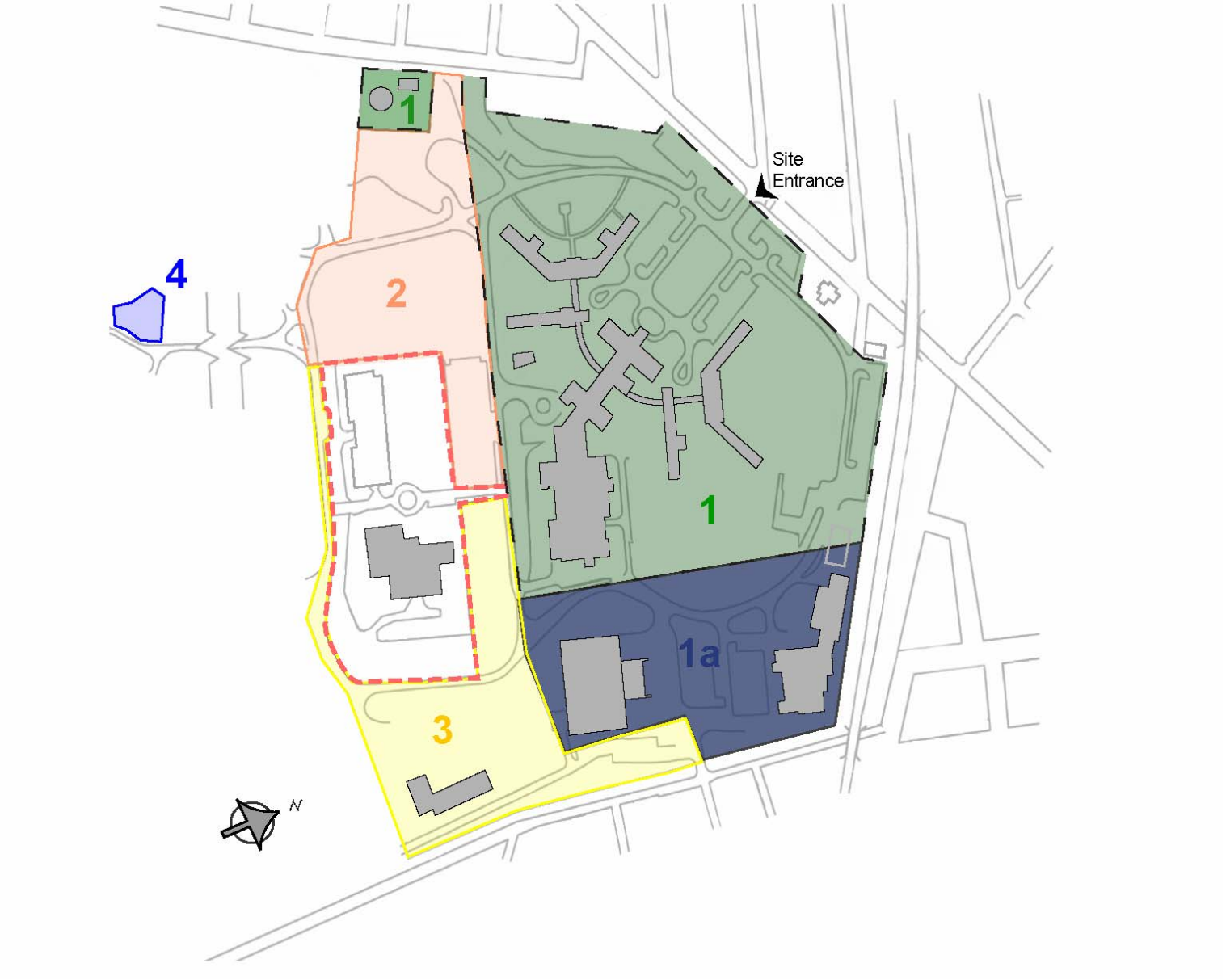


Table 2 identifies the discrete parcels for potential re-use based on implementation of the capital planning options prepared by Team PwC.

*Table 2: Re-use Options, St. Albans PECC*

| Name | Description | Acreage | Re-use Potential |
|---|---|---|---|
| **Parcel 1** | Buildings 85, 86, 87, 88, 89, 90, 91, 92, 93, 175, and 176 and surrounding infrastructure and green space | 29.7 | The following single or mixed uses within the surrounding low density residential area exist:<br>• Single and multifamily residential (including senior living and assisted living)<br>• Nursing homes and healthcare<br>• Large-scale retail<br>• Office<br>• Educational and other institutional<br>• Civic/public |
| **Parcel 1A** | Buildings 64, 65, and 173, and surrounding infrastructure and green space. In all options, the existing laundry services for VISN 3, currently provided in Building 173, would be contracted out, and Building 173 would be vacated and made available for re-use or demolition. | 9.0 | The following single or mixed uses within the surrounding low density residential area exist:<br>• Single and multifamily residential (including senior living and assisted living)<br>• Nursing homes and healthcare<br>• Retail<br>• Office<br>• Educational and other institutional<br>• Civic/public |
| **Parcel 2** | Vacant parcel located in the southwest corner of campus | 6.6 | The following single or mixed uses for the vacant land within the surrounding low density residential area exist:<br>• Single and multifamily residential (including senior living and assisted living)<br>• Nursing homes and healthcare<br>• Retail<br>• Office<br>• Educational and other institutional<br>• Civic/public |
| **Parcel 3** | Buildings 165 and 166 and surrounding infrastructure and green space | 8.0 | The following single or mixed uses within the surrounding low density residential area exist:<br>• Single and multifamily residential (including senior living and assisted living)<br>• Nursing homes and healthcare<br>• Retail<br>• Office<br>• Educational and other institutional<br>• Civic/public |

| Name | Description | Acreage | Re-use Potential |
|---|---|---|---|
| **Parcel 4** | Vacant parcel isolated approximately 640 feet south of Parcel 2 | 1.8 | The following single or mixed uses for the vacant land within the surrounding low density residential area exist:<br>• Single and multifamily residential (including senior living and assisted living)<br>• Nursing homes and healthcare<br>• Retail<br>• Office<br>• Educational and other institutional<br>• Civic/public |

Because of VA's known desire to continue to use some portion of the St. Albans PECC property whether for construction of new facilities or for re-use of existing buildings (or both), it is not anticipated that the entire site would be leased or transferred to a non-VA user. However, as VA's future use may ultimately involve a small portion of the site, VA may lease or transfer a large amount of the 55-acre site and its improvements. If a large parcel were transferred to a single (non-VA) user, that user would have more flexibility in choice of land/building re-use or redevelopment, but would be simultaneously burdened with more costly lease/acquisition terms. The user must then seek to extract full utility from a large leasehold or purchase, or anticipate sublet or sale of parts of the property after acquisition.

VA may consider planning its leasing or disposition of the site in parts, and evaluate whether or not better terms in sum (maximum benefit to the VA) might result from such parceled lease or disposition. This can only be measured after Stage II analysis, and after VA needs and choices of use are established. Aside from VA's chosen future utilization, the potential for lease or disposition of the entire site, or its parts, appears eminently feasible, reflecting the facts of an apparent likelihood of demand in the Queens "infill" location (while abiding limitation to uses compatible with the community and zoning), and the absence of severe, or even material, constraints. Of course, as the site is not homogeneous in character throughout, certain parts of the site will present contrast in desirability.

# 4.0 Overview of Healthcare Demand and Trends

Veteran enrollment and utilization for healthcare services was projected for 20 years, using 2003 data as supplied by VA as the base year and projecting through 2023. Projected utilization data is based upon market demand allocated to the St. Albans PECC. The following section describes these long-term trends for veteran enrollment and utilization for healthcare services at the St. Albans facility.

## Enrollment Trends

The Metro New York market (Table 3) contains approximately 169,000 enrolled veterans. Over the next 20 years, the number of enrolled veterans in Priority Groups 1-6 (veterans with the greatest service-connected needs) is expected to decrease 21%, from approximately 100,000 to

79,000, while the number of enrolled veterans in Priority Groups 7-8 is expected to decline by 70%, from approximately 69,000 to 21,000. The enrollment forecast for Priority 7-8 veterans assumes an annual enrollment fee and the continued freeze on new Priority 8 enrollment.

*Table 3: Projected Veteran Enrollment for the Metro New York Market by Priority Group*

| Fiscal Year | Enrolled 2003 | Projected 2013 | % Change (2003 to 2013) | Projected 2023 | % Change (2003 to 2023) |
|---|---|---|---|---|---|
| Priority 1-6 | 100,062 | 98,428 | -2% | 78,963 | -21% |
| Priority 7-8 | 69,314 | 29,982 | -57% | 20,583 | -70% |
| **Total** | **169,376** | **128,410** | **-24%** | **99,546** | **-41%** |

## Utilization Trends

Utilization was analyzed for those CARES Implementation Categories (CICs) for which the St. Albans PECC has projected demand. A summary of utilization data is provided for each CIC in the following tables. Inpatient utilization is measured in number of beds, while both ambulatory and outpatient mental health utilization are measured in number of clinic stops. A clinic stop is a visit to a clinic or service rendered to a patient. As demonstrated in Table 4, total clinic stops are projected to increase by 1% from about 45,100 stops in 2003to about 45,700 stops in 2023.

*Table 4: Inpatient and Outpatient Utilization Summary for St. Albans*

| CARES Implementation Category (CIC) | 2003 Actual | 2013 Projected | 2023 Projected | % Change (2003 to 2013) | % Change (2013 to 2023) | % Change (2003 to 2023) |
|---|---|---|---|---|---|---|
| Total Clinic Stops | 45,103 | 55,128 | 45,676 | 22% | -17% | 1% |

Demand for inpatient services varies slightly by CIC (Table 5). Due to a VA strategic planning decision, nursing home beds will be held constant at 176 beds over the next 20 years. In addition, inpatient domiciliary beds will be held at 50 through 2013, but are projected at 40 beds in the year 2023.

*Table 5: St. Albans PECC Projected Utilization for Inpatient CICs*

| CIC | 2003 Actual Beds | 2013 Beds Needed | 2023 Beds Needed | % Change (2003 to 2013) | % Change (2013 to 2023) | % Change (2003 to 2023) |
|---|---|---|---|---|---|---|
| Nursing Home | 176 | 176 | 176 | 0% | 0% | 0% |
| Residential Rehab and Domiciliary | 50 | 50 | 40 | 0% | -20% | -20% |
| **Total**[8] | **226** | **226** | **216** | **N/A** | **N/A** | **N/A** |

[8] Nursing home and domiciliary beds can not be interchanged in function, and therefore percent change of total inpatient projected utilization should not be examined.

Overall, the utilization for all ambulatory CICs (Table 6) is projected to increase by 28% over the initial ten years of the study period, but decrease rapidly over the final ten years. This combination results in an overall increase in utilization of 6% over the 20-year period. In particular, cardiology and primary care and related specialties show increased utilization by veterans over the next 20 years, while the demand for eye clinic, non-surgical specialties, and surgical and related specialties is projected to decline. Because of a strategic decision from the VA, demand for rehab medicine services is held constant.

*Table 6: Projected Utilization for Ambulatory CICs for St. Albans PECC*

| CIC | 2003 Actual Stops | 2013 Projected Stops | 2023 Projected Stops | % Change (2003 to 2013) | % Change (2013 to 2023) | % Change (2003 to 2023) |
|---|---|---|---|---|---|---|
| Cardiology | 878 | 2,313 | 1,889 | 163% | -18% | 115% |
| Eye Clinic | 3,788 | 4,037 | 3,457 | 7% | -14% | -9% |
| Non-Surgical Specialties | 1,412 | 1,236 | 1,040 | -12% | -16% | -26% |
| Primary Care & Related Specialties | 23,264 | 33,187 | 26,754 | 43% | -19% | 15% |
| Rehab Medicine | 4,155 | 4,155 | 4,155 | 0% | 0% | 0% |
| Surgical & Related Specialties | 3,374 | 2,104 | 1,734 | -38% | -18% | -49% |
| **Total** | **36,871** | **47,032** | **39,029** | **28%** | **-17%** | **6%** |

When evaluating projections for outpatient mental health services (Table 7), total projected utilization is expected to decline by 19% over the next 20 years. Unlike the ambulatory services in Table 6, there is no near-term growth through 2013 with the exception of demand for homeless services. Overall, utilization of the homeless program is projected to increase by 13% over the 20-year time period. In contrast, behavioral health and work therapy programs steadily decline, each by 22%.

*Table 7: Projected Utilization for Outpatient Mental Health CICs for St. Albans PECC*

| CIC | 2003 Actual Stops | 2013 Projected Stops | 2023 Projected Stops | % Change (2003 to 2013) | % Change (2013 to 2023) | % Change (2003 to 2023) |
|---|---|---|---|---|---|---|
| Behavioral Health | 4,284 | 3,674 | 3,353 | -14% | -9% | -22% |
| Homeless | 608 | 904 | 688 | 49% | -24% | 13% |
| Work Therapy | 3,340 | 3,518 | 2,606 | 5% | -26% | -22% |
| **Total** | **8,232** | **8,096** | **6,647** | **-2%** | **-18%** | **-19%** |

In summary, the analysis of the projected enrollment and utilization data highlights several opportunities and challenges for the St. Albans PECC. Demand requires the study to address the growing needs for outpatient cardiology and primary care services. In contrast, St. Albans will need to balance those needs with the declining need for the other ambulatory care CIC services currently provided as well as all mental health programs with the exception of homeless services.

The space requirements to deliver the projected volume of healthcare services in a modern, safe, and secure environment were calculated using Team PwC's capital planning methodology. The St. Albans PECC currently has surplus space to accommodate the projected utilization of specialty ambulatory services (primary care, eye clinic, dermatology, orthopedics, and radiology) projected through 2023. However, it is expected that some of this surplus building stock will not be cost effective to retrofit to a modern, safe, and secure environment.

While the demand for nursing home services has remained constant, the square footage requirements needed to bring it up to modern, safe, and secure standards requires additional space in an appropriate setting. Surplus buildings are available to accommodate projected additional administrative support functions. BPOs will consider current clinical inventory and the impacts of changes in demand on the space requirements for these services.

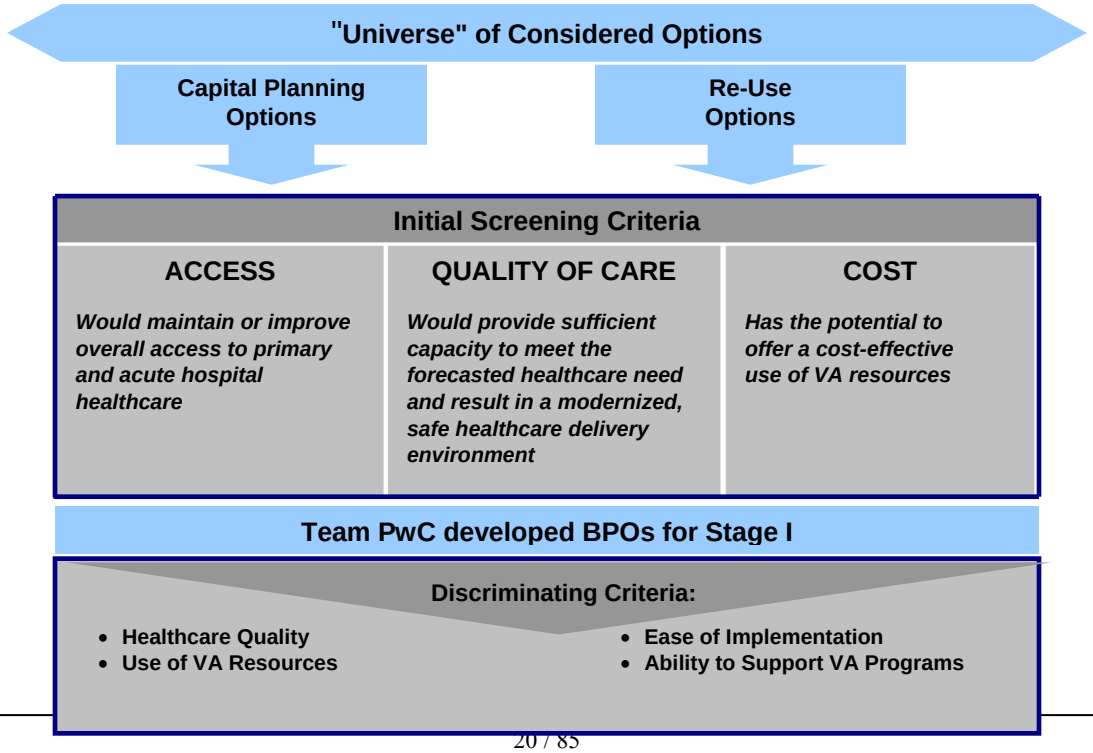
# 5.0 Business Plan Option Development Approach

## Options Development Process

Using VA furnished information, site tours and interviews, as well as stakeholder and LAP member input, Team PwC developed a broad range of discrete and credible capital planning options and associated re-use options. Each capital planning option that passed the initial screening served as a potential component of BPOs. A review panel of experienced Team PwC consultants, including capital planners and real estate advisors considered the assessment results and recommended the BPOs. Each of the BPOs was then assessed at a more detailed level according to a set of discriminating criteria.

The following diagram illustrates the complete options development process:

*Figure 3: Options Development Process*



## Initial Screening Criteria

Discrete capital planning options were developed for the St. Albans PECC and were subsequently screened to determine whether or not a particular option had the potential to meet or exceed the CARES objectives. The following describes the initial screening criteria that were used during this process:

- **Access**: *Would maintain or improve overall access to primary and acute hospital healthcare* – No capital planning study sites involve relocation of healthcare services unless directed by the Secretary's Decision Document, May 2004. If relocation of healthcare services is directed by the Secretary, the relocation would be reflected in the baseline BPO. Although the baseline BPO may result in a change to access from the current state, the CARES methodology states that all options should be compared to the baseline BPO. Therefore, access should be maintained for all capital options as compared to the baseline. Drive-time analysis was not performed to measure impact on access to care for capital planning study sites.

- **Quality of Care:** *Would provide sufficient capacity to meet the forecasted healthcare need and result in a modernized, safe healthcare delivery environment that is compliant with existing laws, regulations, and VA requirements* – This was assessed by consideration of whether the option provides sufficient capacity (space) to meet the CIC workload requirements. Additionally, the physical environment proposed in the option was considered and any material weaknesses identified in VA's space and functional surveys, and facilities' condition assessments and application of a similar process to any alternative facilities proposed.

- **Cost**: *Has the potential to offer a cost-effective use of VA resources* – This was assessed as part of Team PwC's initial cost effectiveness analysis. A 30-year planning period was used in the cost effectiveness analysis. Any option that did not have the potential to provide a cost effective physical and operational configuration of VA resources as compared to the baseline failed this test.

## Discriminating Criteria

After passing the initial screening, BPOs were developed and the following discriminating criteria were applied to assess the overall attractiveness of the BPO.

- **Healthcare Quality** – These criteria assess the following:
  - If the BPO can ensure the forecasted healthcare need is appropriately met.
  - Whether each BPO will result in a modernized, safe, and secure healthcare delivery environment.

- **Use of VA Resources** – These criteria assess the cost effectiveness of the physical and operational configuration of the BPO over a 30-year planning horizon. Costs were assessed at an "order of magnitude" level of analysis in Stage I. Detailed costing will be conducted in Stage II. These criteria include:

  - Operating Cost Effectiveness: The ability of the BPO to provide recurring/operating cost increases or savings as compared to the baseline.
  - Level of Capital Expenditures: The amount of investment required relevant to the baseline based on results of initial capital planning estimates.
  - Level of Re-use Proceeds: The amount of re-use proceeds and/or demolition/clean-up cost based on results of the initial re-use study.
  - Cost Avoidance: The ability to obtain savings in necessary capital investment as compared to the baseline BPO.
  - Overall Cost Effectiveness: The initial estimate of net present cost as compared to the baseline.

- **Ease of Implementation** – These criteria assess the risk of implementation associated with each BPO. The following major risk areas were considered:

  - Reputation
  - Continuity of Care
  - Organization & Change
  - Legal & Contractual
  - Compliance
  - Security
  - Political
  - Infrastructure
  - Financial
  - Technology
  - Project Realization

- **Ability to Support VA programs** – These criteria assess how the BPO would impact the sharing of resources with DoD, enhance One-VA integration, and impact special considerations, such as DoD contingency planning, Homeland Security needs, or emergency need projections.

***Operational Costs***

The objective of the cost analysis in Stage I is to support the comparison of the estimated cost effectiveness of the baseline with each BPO. The Study Methodology calls for an "order of magnitude" level of analysis in Stage I and detailed costing in Stage II. The total estimated costs include operating costs, initial capital planning costs, re-use opportunities, and any cost avoidances. The operating costs for the baseline and each BPO are a key input to the financial analysis for Stage II. Operating costs considered for the Stage I analysis include direct medical care, administrative support, engineering and environmental management, and miscellaneous benefits and services.

The baseline operating costs were provided to Team PwC by VA. The 2004 costs were obtained from the Decision Support System (DSS), VA's official cost accounting system. This information was selected for use because DSS provides the best available data for identifying

fixed direct, fixed indirect, and variable costs. The data can be rolled up to the CIC level and the data is available nationally for all VAMCs and CBOCs. These costs are directly attributable costs and generally do not reflect the total costs of the operation.

The costs were obtained for each facility within the study scope and were aggregated into the CICs. The costs were categorized as total variable (per unit of care), total fixed direct, and total fixed indirect costs. The definition of each cost category is as follows:

- Total Variable (Direct) Cost: The costs of direct patient care that vary directly and proportionately with fluctuations in workload. Examples include salaries of providers and the cost of medical supplies. Variable direct cost = variable supply cost + variable labor cost. The cost of purchased care is considered a variable direct cost.

- Total Fixed Direct Cost: The costs of direct patient care that do not vary in direct proportion to the volume of patient activity. The word “fixed" does not mean that the costs do not fluctuate, but rather that they do not fluctuate in direct response to workload changes. Examples include depreciation of medical equipment and salaries of administrative positions in clinical areas.

- Total Fixed Indirect Cost: The costs not directly related to patient care, and, therefore, not specifically identified with an individual patient or group of patients. These costs are an allocation of the total other costs (i.e. not direct costs) associated with the operation of the facility. These costs are allocated to individual medical departments through VA’s existing indirect cost allocation process. Examples of indirect costs include utilities, maintenance, and administration costs.

FY 2004 operating costs from DSS were deflated to FY 2003 dollars to create the costs for FY 2003 which is the base date for current cost comparison. These costs (fixed and variable) were then inflated for each year of the study period. Variable costs were multiplied by the forecasted workload for each CIC and summed to estimate total variable costs. Variable costs were also provided by VA for non-VA care. These are based on VA’s actual expenses and are used in the BPOs where care is contracted.

These costs are used together with initial capital investment estimates as the basis for both the baseline option and each BPO with adjustments made to reflect the impact of implementation of the capital option being considered. Potential re-use proceeds are added to provide an overall indication of the cost of each BPO.

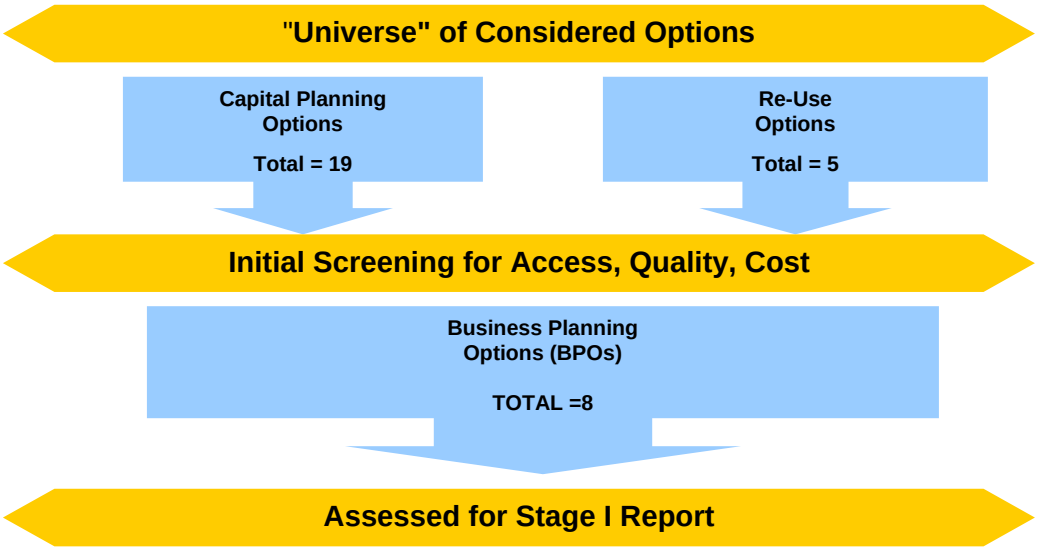
## Summary of Business Plan Options

The individual capital planning and re-use options that passed the initial screening were further considered as options to comprise a BPO. A BPO is defined as consisting of a single capital option and its associated re-use option(s).[9] Therefore, the formula for a BPO is:

**BPO = Capital Planning option + Re-use option(s)**

The following diagram illustrates the final results of all alternate options given consideration:

*Figure 4: Final Screening Results of Alternate BPOs*




## Options Not Selected for Assessment

Eleven additional options created during the option development process did not pass the initial screening criteria. Table 8 lists those options that either did not pass the initial screening criteria or were deemed inferior to other options that did pass the initial screening. The table details the results of the initial screening and the reasons why these options were not selected.

[9] In Stage I, re-use options are described in terms of available re-use parcels, their potential re-use (residential, office, etc.), and their potential re-use value (high, medium, low).

*Table 8: Capital Options Not Selected for Assessment*

| Label | Description | Reason(s) Not Selected |
|---|---|---|
| Alternative Replacement Facilities: Full replacement in one building. Multiple potential locations such as by 115th Street, by Baisley Boulevard, and by NY State Veterans Home. (Five options) | Build one facility to house all replacement inpatient, outpatient, and support services | Options were rejected since the combination of nursing home, domiciliary and high volume ambulatory services into one structure does not meet modern standards. In addition, such a facility would be less flexible than two adjacent buildings. |
| Off-Campus Development: Outpatient Relocations (Three options) | Moving/consolidating ambulatory and/or outpatient services to other VAMCs and CBOCs in Brooklyn, Manhattan, or Queens | Compared to options retaining services on the St. Albans campus, option was inferior due to its potentially more negative effect on veteran access to healthcare services since other VA providers are significant distance from the St. Albans campus. Also, provides a potentially less cost effective physical and operational configuration of VA resources since any splitting of volumes between sites would increase staff and equipment inefficiencies compared to options that keep all services at St. Albans. |
| Off-Campus Development: Inpatient Relocations (Three options) | Moving/consolidating inpatient services to other VAMCs in Brooklyn, Manhattan, or Queens | Compared to options retaining services on the St. Albans campus, option was inferior due to its potentially more negative effect on veteran access to healthcare services since other VA providers are significant distance from the St. Albans campus. Also, provides a potentially less cost effective physical and operational configuration of VA resources since any splitting of volumes between sites would increase staff and equipment inefficiencies compared to options that keep all services at St. Albans. |

## Baseline BPO

Based upon Team PwC's methodology, the baseline BPO advances in the Stage I process. The baseline is the BPO under which there would not be significant changes in either the location or type of services provided at the St. Albans PECC campus. In the baseline BPO, the Secretary's May 2004 Decision and forecasted long-term healthcare demand forecasts and trends, as indicated by the demand forecasted for 2023, are applied to the existing healthcare provision solution for the St. Albans PECC campus.

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 thresholds.
- Capital planning investments rectify any material deficiencies (e.g., size of patient units) in the existing facilities in order to provide a modern, safe, and secure healthcare delivery environment.
- Life cycle capital costs provide on-going preventative maintenance and life-cycle maintenance of existing facilities.
- Buildings and/or land that become surplus as a result of changes in demand for healthcare services and/or capital plans for facilities are made available for re-use.

## Evaluation System for BPOs

Each BPO is evaluated against the baseline BPO in an assessment table providing comparative rankings across several categories and an overall attractiveness rating. The results of the BPO assessment and the Team PwC recommendation are provided in subsequent sections.

*Table 9: Evaluation System Used to Compare BPOs to Baseline BPO*

| **Ratings to Assess Quality and Ability to Support VA Programs** | |
|---|---|
| ↑ | The BPO has the potential to provide a slightly improved state compared to the baseline BPO for the specific discriminating criteria (e.g., quality and ability to support VA programs) |
| ↔ | The BPO has the potential to provide materially the same state compared to the baseline BPO for the specific discriminating criteria (e.g., quality and ability to support VA programs) |
| ↓ | The BPO has the potential to provide a slightly lower or reduced state compared to the baseline BPO for the specific discriminating criteria (e.g., quality and ability to support VA programs) |
| **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 compared to the baseline BPO (>5%) |
| ↓↓ | The BPO has the potential to require slightly higher operating costs compared to the baseline BPO (>10%) |
| ↓↓↓ | The BPO has the potential to require slightly higher operating costs compared to the baseline BPO (>15%) |

| | |
|---|---|
| **Level of Capital Expenditures Estimated** | |
| ↓↓↓↓ | Very significant investment required compared to the baseline BPO **(≥ 200%)** |
| ↓↓ | Significant investment required compared to the baseline BPO **(121% to 199%)** |
| - | Similar level of investment required compared to the baseline BPO **(80% to 120% of Baseline)** |
| ↑↑ | Reduced level of investment required compared 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 the baseline (+/- 20% of baseline) |
| ↑↑ | Higher level of re-use proceeds compared to the baseline (e.g., 1-2 times) |
| ↑↑↑ | Significantly higher level of re-use proceeds compared to the 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 compared to the baseline BPO |
| ↑↑↑↑ | Very significant savings in essential capital investment compared the baseline BPO |
| **Overall Cost Effectiveness (Based on Initial Net Present Cost Calculations)** | |
| ↓↓↓↓ | Very significantly higher net present cost compared to the baseline BPO (>1.15 times) |
| ↓↓ | Significantly higher net present cost compared to the baseline BPO (1.10 – 1.15 times) |
| ↓ | Higher net present cost compared 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 compared to the baseline (90-95% of Baseline) |
| ↑↑ | Significantly lower net present cost compared to the baseline BPO (85-90% of baseline) |
| ↑↑↑↑ | Very significantly lower net present cost compared to the baseline BPO (<85% of baseline) |
| **Ease of Implementation of the BPO** | |
| ↑ | The BPO has the potential to provide a slightly improved state compared to the baseline BPO based upon the level of impact and likelihood of occurrence of risks to its implementation plan. |
| ↔ | The BPO has the potential to provide materially the same state as the baseline based upon the level of impact and likelihood of occurrence of risks to its implementation plan. |
| ↓ | The BPO has the potential to provide a slightly lower or reduced state compared to the baseline BPO based upon the level of impact and likelihood of occurrence of risks to its implementation plan. |
| **Overall "Attractiveness" of the BPO Compared to the Baseline** | |
| ↑↑↑↑ | Very "attractive" – highly likely to offer a solution that improves quality and/or access compared to the baseline while appearing significantly more cost effective than the baseline |
| ↑↑ | "Attractive" - likely to offer a solution that at least maintains quality and access compared to the baseline while appearing more cost effective than the baseline |
| - | Generally similar to the baseline |
| ↓↓ | Less "attractive" than the baseline - likely to offer a solution that while maintaining quality and access compared to the baseline appears less cost effective compared to the baseline |

| | |
|---|---|
| ↓↓↓↓ | Significantly less "attractive" – highly likely to offer a solution that may adversely impact quality and access compared to the baseline and appearing less (or much less) cost effective than the baseline |

## Stakeholder Input: Purpose and Methods

VA determined at the beginning of the CARES process that it would use the Federal Advisory Committee Act (FACA) process to solicit stakeholder input and to provide a public forum for discussion of stakeholder concerns because "[t]he gathering and consideration of stakeholder input in this scope of work is of great importance." According to the Statement of Work, the purpose of the Local Advisory Panel (LAP) appointed under the FACA is to

> provide the Contractor with a perspective on previous CARES local planning products, facility mission and workload, facility clinical issues, environmental factors, VISN referral and cross cutting issues in order to assist the Contractor in the refinement of the options the Contractor shall recommend. The Federal Advisory Committee will also provide feedback to the Contractor on proposed options and recommendations.

The LAP is required to hold at least four public meetings at which stakeholders would have an opportunity to present testimony and comment on the work performed by Team PwC and the deliberations of the LAP.

Team PwC also devised methods for stakeholders to communicate their views without presenting testimony at the LAP meetings. Throughout Stage I, a comment form was available electronically via the CARES website and in paper form at the first LAP public meeting. In addition, stakeholders were advised that they could submit any written comments or proposals to a central mailing address, and a number of stakeholders used this method as well.

The time in which stakeholder input was collected during Stage I can be divided into two input periods – Input Period One and Input Period Two. The intent of Input Period One was to collect general stakeholder input to assist in the development of potential BPOs, while Input Period Two allowed stakeholders to comment on the specific BPOs presented at the public LAP meeting. Input Period One started in April 2005 and ended on the day that the comment form with specific BPOs was available for public comment on the CARES website. For both periods, stakeholder input was reviewed and categorized into nine categories of concern which are summarized in Table 10.

For Input Period Two, stakeholders were provided with a brief description of the BPOs and asked to indicate whether they favored the option, were neutral about the option, or did not favor the option. Ten days after the second LAP meeting was held, Team PwC summarized all of the stakeholder views that were received during Input Period Two, and this information is included in this report.

*Table 10: Definitions of Categories of Stakeholder Concern*

| *Stakeholder Concern* | *Definition* |
|---|---|
| **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. |

Summarized stakeholder views were available to LAP members for their review and consideration when evaluating BPOs as well as in defining new BPOs.

## Stakeholder Input to Business Plan Option Development

Approximately 75 members of the public attended the first LAP meeting held on May 5, 2005 and approximately 90 members of the public attended the second LAP meeting held on September 29, 2005. A total of 115 forms of stakeholder input (general comments on the study as well as specific BPOs) were received between April 20 and October 9, 2005. The concerns of stakeholders who submitted general comments not related to specific BPOs are summarized in Table 11.

*Table 11: Analysis of General Stakeholder Concerns (Periods One and Two)*

| Key Concern | Number of Comments | | |
|---|---|---|---|
| | Oral | Written and Electronic | **Total** |
| Effect on Access | 6 | 0 | **6** |
| Maintain Current Service/ Facility | 17 | 12 | **29** |
| Support for Veterans | 5 | 6 | **11** |
| Effect on Healthcare Services and Providers | 2 | 1 | **3** |
| Effect on Local Economy | 0 | 2 | **2** |
| Use of Facility | 24 | 10 | **34** |
| Effect on Research and Education | 0 | 2 | **2** |
| Administration's Budget or Policies | 0 | 2 | **2** |
| Unrelated to the Study Objectives | 11 | 4 | **15** |

# 6.0 Business Plan Options

The option development process resulted in a multitude of discrete capital and re-use options, which were subsequently screened to determine whether a particular option had the potential to meet or exceed the CARES objectives (i.e., access, quality, and cost). Overall, there were eight BPOs (comprising capital and re-use components) which passed initial screening and were developed for Stage I (see Figure 4).

Each BPO was assessed at a more detailed level according to the discriminating criteria. Each BPO examines renovating and upgrading facilities to modern, safe and secure standards, while at the same time consolidating the footprint of the campus in order to make surplus land available for potential non-VA re-use.

One additional BPO (BPO 10) was proposed by the LAP at the second LAP Public Meeting. BPO 10 modifies BPO 4 to build a new facility but preserve the chapel and auditorium.

Site plans and overall project timing have been included for the BPOs developed by Team PwC (see Figures 5 through 12). The site plan for the baseline BPO (BPO 1) is the existing site plan (see Figure 1). The site plans are for reference only. They illustrate the magnitude of land and buildings required to meet projected utilization and are not designs.

*Table 12: Business Plan Options*

| **BPO 1: Baseline** |
|---|
| Renovation and maintenance of existing buildings for a modern, safe, and secure healthcare environment. Extensively renovate current nursing home buildings (Buildings 85, 86, 87, 88, 89, and 91) to accommodate consolidation of services. Primary site entrance remains on Linden Boulevard. Six buildings are vacated (Buildings 64, 65, 90, 92, 93, and 173), and no buildings are demolished. Two buildings continue to be outleased (Building 165 to NY State Drug Treatment Program and Building 166 to J-CAP). Parking space around campus is considered adequate.<br><br>There is no re-use in the baseline. |
| **BPO 2: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus)** |
| This BPO uses new construction to achieve a modern, safe, and secure healthcare environment. All new construction takes place on west campus near the NY State Veterans Nursing Home. Primary site entrance is on 115th Avenue. Nursing home and domiciliary services are consolidated into a new residential building, which is five floors (three stories above grade plus basement and mechanical penthouse) and houses 176 nursing home beds and 50 domiciliary beds. Ambulatory and outpatient mental health services are consolidated into a new outpatient/clinic building, which is six floors (four stories above grade plus basement and mechanical penthouse) and houses clinics, administration, education, adult day care, and food service. Nine buildings are vacated (Buildings 64, 65, 85, 86, 87, 88, 89, 93, and 173), and four buildings are demolished (Buildings 90, 91, 92, and 168). Parking space around campus is considered adequate. Depending on the location chosen for new construction as well as site work, utilities, landscaping, and parking will need to be reconfigured.<br><br>Portions of Parcels 1, 1A, 3, and 4 are available for re-use. Potential re-uses include residential, assisted living, office, educational, and large-scale retail. |
| **BPO 3: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus)** |
| This BPO is similar to BPO 2. However, while the new construction is near the NY State Veterans Nursing Home, the new construction is closer to 115th Avenue than in BPO 2. Also, Building 93 must be demolished in this BPO.<br><br>As compared to BPO 2, portions of the same parcels are made available for re-use with the same potential re-uses. |
| **BPO 4: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus)** |

This BPO is similar to BPO 2. However, the new construction takes place on north campus near Linden Boulevard, and the primary site entrance would be on Linden Boulevard. Also, Buildings 86 and 93 must be demolished in this BPO.

As compared to BPO 2, different parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added and re-use/redevelopment of portions of Parcel 1 is lost. Similar potential re-uses exist, but this BPO does not allow for large-scale retail, but small-scale retail remains possible.

**BPO 5: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus)**

This BPO is similar to BPO 2. However, the new construction takes place on northeast campus close to the LIRR station, and the primary site entrance would be on Linden Boulevard. Also, no buildings are demolished in this BPO.

As compared to BPO 2, more parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added, and the same potential re-uses exist.

**BPO 6: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus)**

This BPO is similar to BPO 2. However, the new construction takes place on east campus between the current laundry building and the garage, and the primary site entrance would be on Baisley Boulevard. Also, no buildings are demolished in this BPO.

As compared to BPO 2, more parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added, and the same potential re-uses exist.

**BPO 7: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus)**

This BPO is similar to BPO 2. However, the new construction takes place on southeast campus near the NY State Drug Treatment Center and J-CAP, and the primary site entrance would be on Baisley Boulevard. Also, Buildings 165 (NY State Drug Treatment Center), 166 (J-CAP), and 173 (Laundry) are demolished while Buildings 90, 91, 92, and 168 are not required to be demolished in this BPO.

As compared to BPO 2, different parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added, and re-use/redevelopment of portions of Parcel 3 is lost, and the same potential re-uses exist.

**BPO 8: Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd.**

This BPO is similar to BPO 2. However, this BPO uses a combination of new construction and renovation. New construction takes place on northwest campus near Linden Boulevard, renovation takes place near central campus, and the primary site entrance is on Linden Boulevard. Ambulatory and outpatient mental health services are consolidated into a new outpatient/clinic building, but nursing home and domiciliary services are consolidated into renovated residential space. Also, Building 93 must be demolished, Buildings 85, 86, 87, 88, and 89 are renovated, and all support buildings are maintained in this BPO.

As compared to BPO 2, fewer parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added and re-use/redevelopment of portions of Parcels 1 and 3 is lost. Similar potential re-uses exist, but this BPO does not allow for large-scale retail, but small-scale retail remains possible.

**BPO 9: Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd.**

This BPO is similar to BPO 2. However, this BPO uses a combination of new construction and renovation. New construction takes place on east campus near the LIRR station, renovation takes place near central campus, and the primary site entrance is on Linden Boulevard. Nursing home and domiciliary services are consolidated into a new residential building, but ambulatory and outpatient mental health services are consolidated into renovated outpatient/clinic space. Also, no buildings must be demolished, Buildings 88 and 89 are renovated, and all support buildings are maintained in this BPO.

As compared to BPO 2, different parcels are made available for re-use. Under this modified BPO, re-use/redevelopment of portions of Parcel 2 is added and re-use/redevelopment of portions of Parcels 3 is lost. Similar potential re-uses exist, but this BPO does not allow for large-scale retail, but small-scale retail remains possible.

**BPO 10: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus), Maintain Chapel and Auditorium (Central Campus)**

This BPO is similar to BPO 4. However, the chapel (located in Building 87) and auditorium (located in Building 88) are maintained.

As compared to BPO 4, portions of the same parcels are made available for re-use with the same potential re-uses.

## BPO Site Plans

*Figure 5: Proposed Site Plan – BPO 2: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus)*

*Figure 6: Proposed Site Plan – BPO 3: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus)*

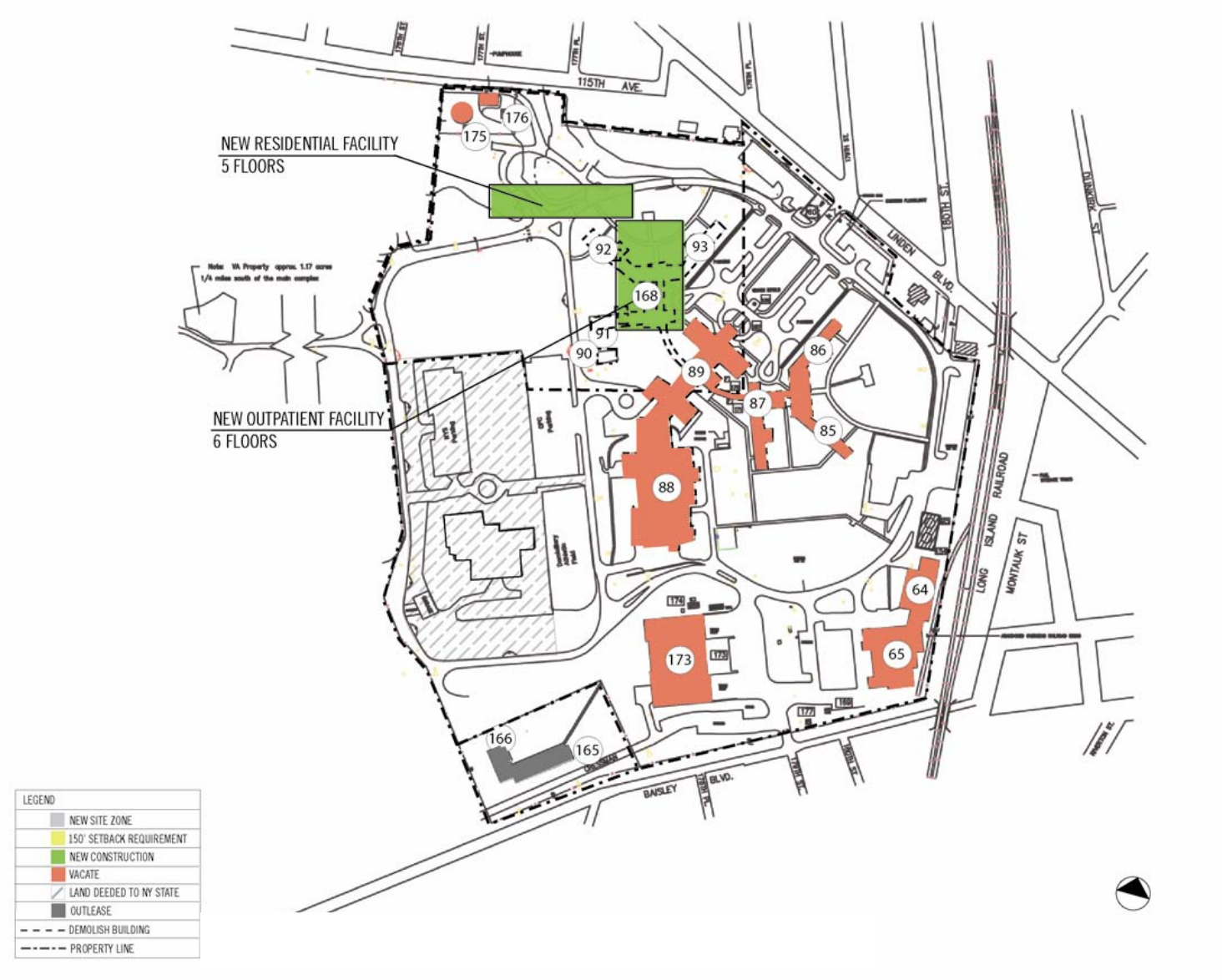


*Figure 7: Proposed Site Plan – BPO 4: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus)*

*Figure 8: Proposed Site Plan – BPO 5: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus)*

*Figure 9: Proposed Site Plan – BPO 6: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus)*

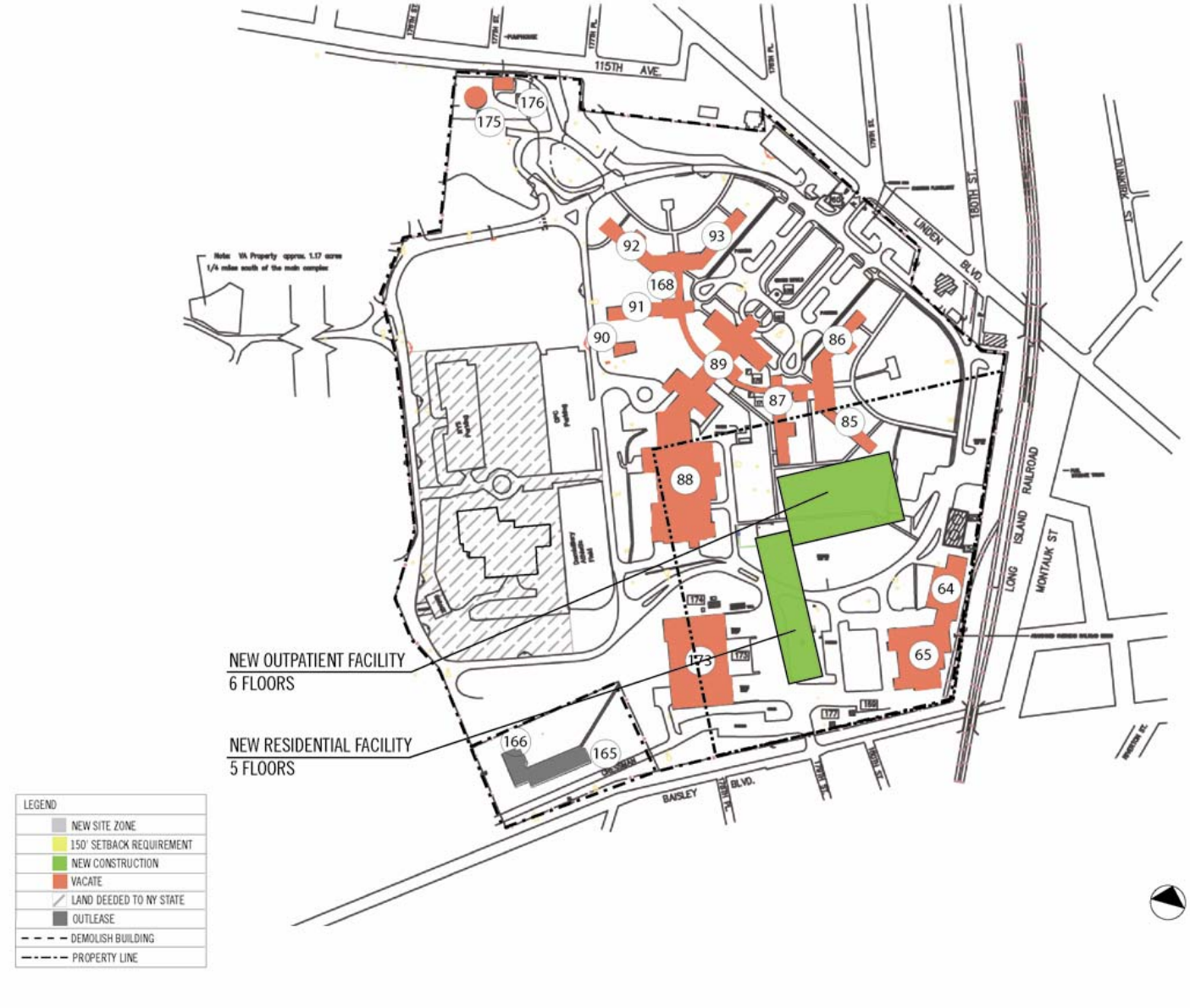


*Figure 10: Proposed Site Plan – BPO 7: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus)*

*Figure 11: Proposed Site Plan – BPO 8: Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd.*

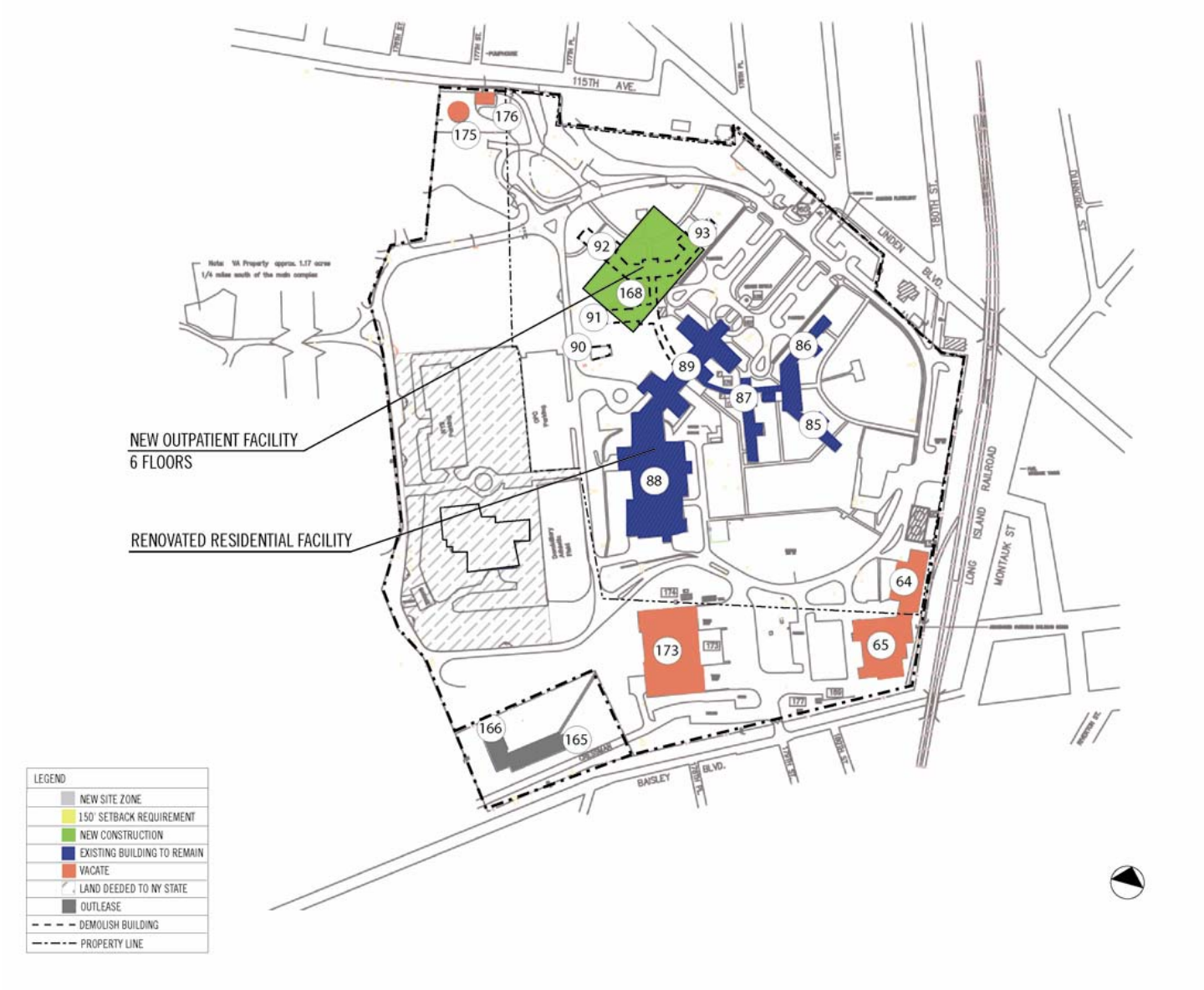
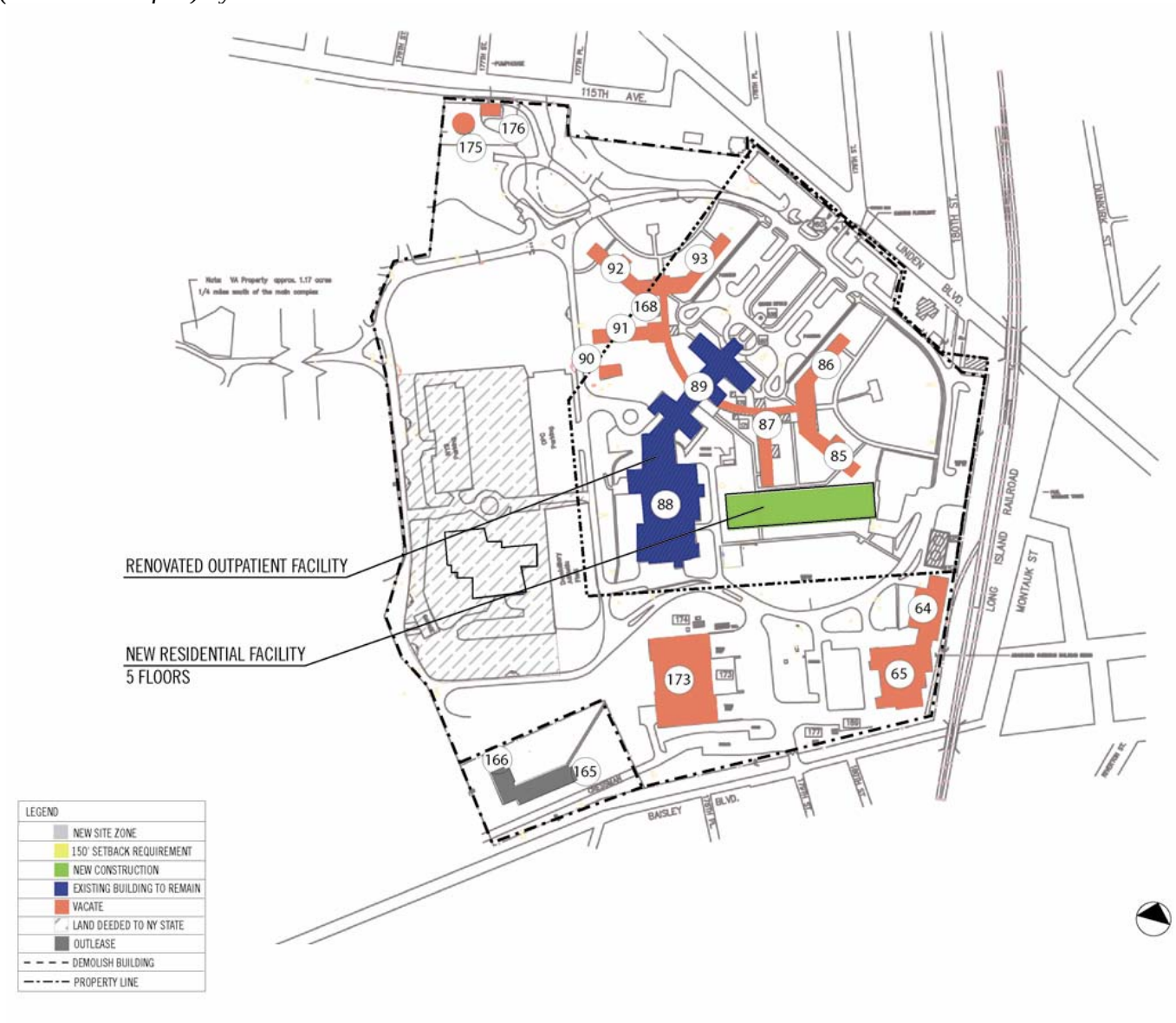


*Figure 12: Proposed Site Plan – BPO 9: Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd.*



## BPO Schedules

The following schedules were developed for the baseline and the alternate BPOs. All schedules are preliminary and tentative.

*Figure 13: BPO 1 – Baseline*

| ID | Task Name | Duration | Start | Finish |
|---|---|---|---|---|
| 1 | **Nursing Home** | **720 days** | **Thu 1/1/09** | **Wed 10/5/11** |
| 2 | Renovation phase 1 | 12 mons | Thu 1/1/09 | Wed 12/2/09 |
| 3 | Renovation phase 2 | 12 mons | Thu 12/3/09 | Wed 11/3/10 |
| 4 | Renovation phase 3 | 12 mons | Thu 11/4/10 | Wed 10/5/11 |
| 5 | **Outpatient Clinics** | **720 days** | **Thu 10/6/11** | **Wed 7/9/14** |
| 6 | Renovation phase 1 | 12 mons | Thu 10/6/11 | Wed 9/5/12 |
| 7 | Renovation phase 2 | 12 mons | Thu 9/6/12 | Wed 8/7/13 |
| 8 | Renovation phase 3 | 12 mons | Thu 8/8/13 | Wed 7/9/14 |

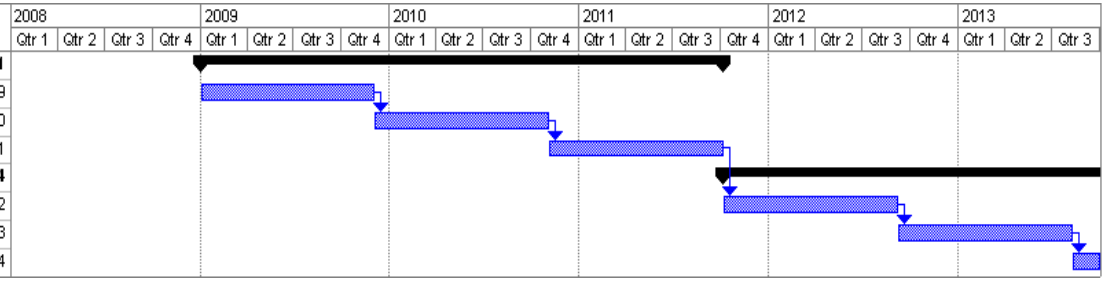



*Figure 14: BPO 2 – Construct New Residential and Outpatient/Clinic Buildings by 115th Ave (West Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

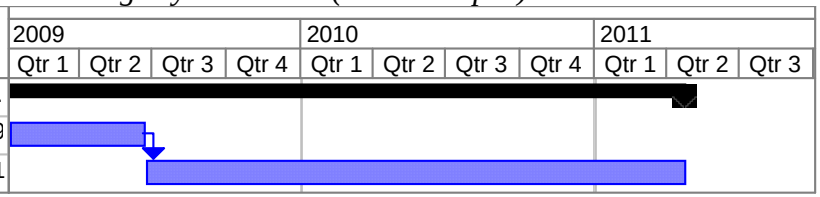



*Figure 15: BPO 3 – Construct New Residential and Outpatient/Clinic Buildings by 115th Ave (Northwest Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

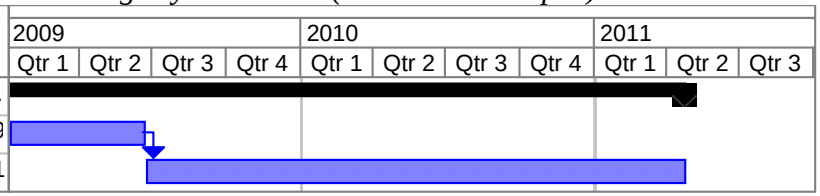



*Figure 16: BPO 4 – Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (North Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

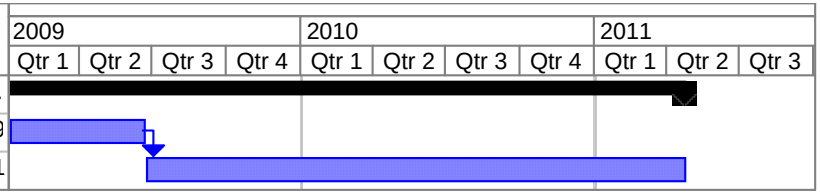



*Figure 17: BPO 5 – Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (Northeast Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

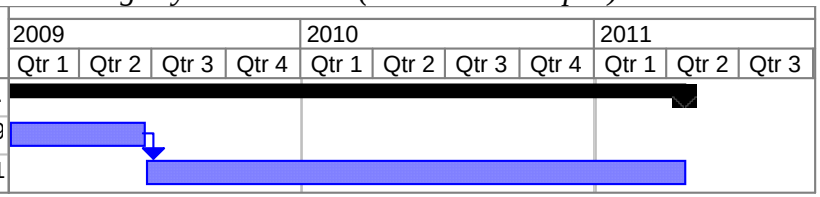



*Figure 18: BPO 6 – Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd (East Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

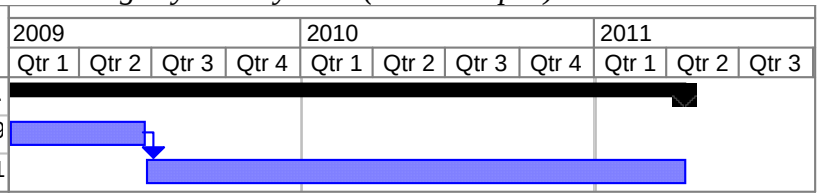



*Figure 19: BPO 7 – Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd (Southeast Campus)*

| ID | Task Name | Start | Finish |
|---|---|---|---|
| 1 | **Nursing Home and Outpatient Clinics** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | Mon 6/22/09 | Fri 4/22/11 |

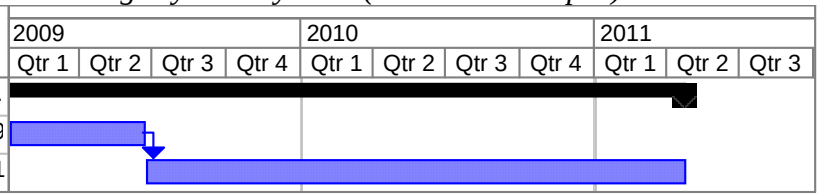


*Figure 20: BPO 8 – Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd*

| ID | Task Name | Duration | Start | Finish |
|---|---|---|---|---|
| 1 | **Outpatient Clinics** | **600 days** | **Mon 1/5/09** | **Fri 4/22/11** |
| 2 | Demolition existing buildings | 6 mons | Mon 1/5/09 | Fri 6/19/09 |
| 3 | Construction of new building | 24 mons | Mon 6/22/09 | Fri 4/22/11 |
| 4 | **Nursing Home** | **720 days** | **Thu 1/1/09** | **Wed 10/5/11** |
| 5 | Renovation phase 1 | 12 mons | Thu 1/1/09 | Wed 12/2/09 |
| 6 | Renovation phase 2 | 12 mons | Thu 12/3/09 | Wed 11/3/10 |
| 7 | Renovation phase 3 | 12 mons | Thu 11/4/10 | Wed 10/5/11 |

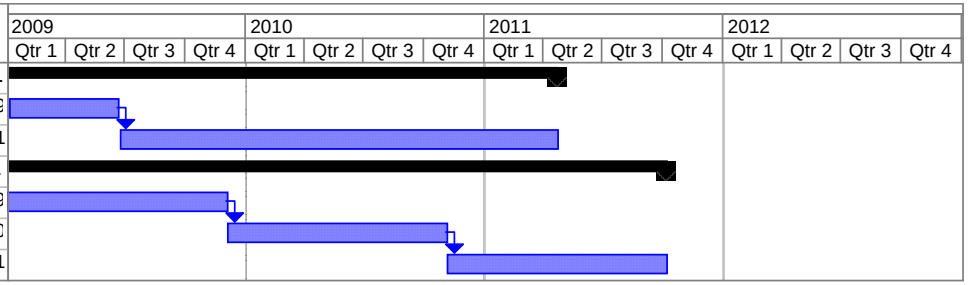
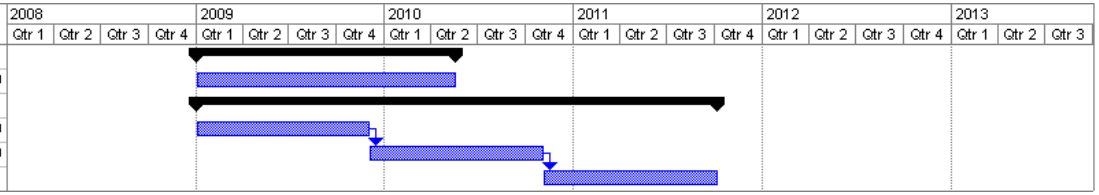



*Figure 21: BPO 9 – Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd*

| ID | Task Name | Duration | Start | Finish |
|---|---|---|---|---|
| 1 | **Nursing Home** | **360 days** | **Thu 1/1/09** | **Wed 5/19/10** |
| 2 | Construction of new building | 18 mons | Thu 1/1/09 | Wed 5/19/10 |
| 3 | **Outpatient Clinics** | **720 days** | **Thu 1/1/09** | **Wed 10/5/11** |
| 4 | Renovation phase 1 | 12 mons | Thu 1/1/09 | Wed 12/2/09 |
| 5 | Renovation phase 2 | 12 mons | Thu 12/3/09 | Wed 11/3/10 |
| 6 | Renovation phase 3 | 12 mons | Thu 11/4/10 | Wed 10/5/11 |



## Assessment Drivers

These drivers for development and evaluation of BPOs were developed by aggregating guidance from the Secretary's Decision, enrollment and utilization data, and factors particularly noticeable at St. Albans PECC.

### *Secretary's Decision for St. Albans*

The St. Albans study follows guidance from the Secretary's Decision Document of May 2004 to replace the current facilities with modern, efficient, and cost-effective buildings for continuing to provide nursing home, domiciliary, and outpatient/clinic services at the St. Albans PECC. The Secretary's Decision also calls for an effective transition of services, for the new buildings to be sized according to VA mental health and long-term care strategic plans, and for the most effective campus footprint that ensures re-use or disposal of excess VA property will enhance the VA mission at St. Albans.

### *Enrollment and Utilization Trends for St. Albans*

The St. Albans PECC provides nursing home, domiciliary, cardiology, eye clinic, non-surgical specialties, primary care and related specialties, rehab medicine, surgical and related specialties, behavioral health, homeless, and work therapy services. Total enrollment for the Metro New York market is projected to decrease by 41% from about 170,000 in 2003 to about 100,000 in 2023. However, enrollment of Priority 1 – 6 veterans (those with the greatest service-connected needs) is projected to decrease by only 21% from about 100,000 in 2003 to about 79,000 in 2023. At St. Albans, total inpatient beds are projected to decrease by 4%, and total clinic stops are projected to increase by 1% from about 45,100 stops in 2003 to about 45,700 stops in 2023.

Projected utilization trends for particular services vary. Specifically with regard to nursing home and domiciliary, ambulatory, and outpatient mental health services:

- Nursing home and domiciliary beds projected to slightly decrease from 226 beds to 216 beds total
- Ambulatory stops projected to slightly increase from about 37,000 stops to about 39,000 stops
- Outpatient mental health stops projected to decrease from about 8,200 stops to about 6,600 stops

These long-term healthcare trends for St. Albans, combined with the parameters of the Secretary's Decision, and important local factors result in the drivers below which were used in the development and evaluation of business plan options.

The key drivers for St. Albans are:

1. Existing outdated buildings at the St. Albans PECC require significant capital expenditure over the next 20 years to upgrade and right-size facilities to meet modern, safe, and secure

standards and to meet projected demand. This right-sizing of the St. Albans campus will help realize greater operating efficiencies and greater re-use/redevelopment proceeds potential.

2. The campus land and buildings have significant re-use potential. Re-use proceeds have the potential to partially offset the capital investment needed for construction costs.
3. When right-sizing the St. Albans PECC, several types of implementation risk arise. Renovating existing facilities presents greater implementation risk than new construction due to potential disruptions to continuity of care during complex phasing, limited future flexibility, and lengthier implementation time. Finally, there are unique veteran access to care, contractual obligations, VA mission, and local acceptance implications that may affect implementation efforts.

Further explanation of the drivers is found below.

**Operating Cost Effectiveness and Level of Capital Expenditure Estimated through Right-Sizing –** The St. Albans buildings have received ratings between 2 and 5 on a scale of "5" based on the VA CAI database and require significant capital expenditures when right-sizing to meet modern, safe, and secure standards and to meet projected demand. Complete renovation would enable the currently outdated St. Albans facilities to meet these standards. Compared to renovating the existing buildings, constructing new facilities at St. Albans would require a similar level of capital expenditure, provide similar gains in operating efficiencies, and allow similar levels of cost avoidance, but new buildings would make more of the campus available for re-use and, therefore, provide significantly greater re-use proceeds potential.

**Re-Use Potential** – Although the surrounding uses are low density residential, re-use potential for the St. Albans campus is significant based on overall demand for land and facilities in the Borough of Queens, New York. According to the other government contractor, each acre of land at the St. Albans campus could realize an equal amount of re-use proceeds. Therefore, from a re-use perspective, the location of the land available for re-use is not as important in terms of re-use proceeds potential as the number of acres available for re-use. As the proposed new campus footprint gets smaller, the re-use proceed potential increases. Still, re-use proceeds will not offset the total capital investment required.

**Ease of Implementation** – Renovating the existing facility to achieve a modern, safe, and secure environment has the potential to disrupt continuity of care. When renovating, patients are required to relocate at least two times during lengthy renovation sequences. With newly constructed facilities, this continuity of care issue should present a much lower risk since patients are only transitioned once when the replacement facility is open and operational. Also, entirely new construction would take less than one-third the time of only renovating through complex phasing. Generally, options involving renovation take longer to complete, and this lengthier implementation time results in potential risks that may hamper project completion.

In addition, there are implementation risks related to veteran access to care, contractual obligations, VA mission, and local acceptance. The current site entrance is located on Linden Boulevard, which is a major thoroughfare in the Borough of Queens. A bus stop is located on Linden Boulevard

immediately near the entrance. If the primary site entrance is moved from Linden Boulevard to either 115th Avenue or Baisley Boulevard, it is unlikely that the City of New York will re-route bus service or add a new bus stop on either of those roads near the new site entrance. Therefore, it may be more difficult or time consuming for patients using public transportation to arrive at the appropriate building if the primary site entrance is not on Linden Boulevard. Locating the primary entrance of the site on 115th Avenue or Baisley Boulevard also presents a potential local acceptance risk.

Current contractual obligations also pose potential implementation risks. St. Albans PECC currently leases space to the NY State Drug Treatment Center and J-CAP. Terminating or negotiating these contractual obligations may cause delays in implementation, and presents a potential local acceptance risk.

Finally, potential implementation risk related to local acceptance exists if the new residential facility is built near the LIRR or if the auditorium or the chapel is demolished. Building a residential facility too close in proximity to the nearby railroad tracks may be perceived locally as VA compromising its mission due to the significant potential of noise disruption to the veteran's healthcare environment. Additionally, demolition of either the auditorium or the chapel, located in Buildings 88 and 89, respectively, would present a potential risk of local acceptance.

## Assessment Results

The following section summarizes the results of applying discriminating criteria to each BPO and comparing them to the baseline in accordance with the Evaluation System for BPOs (Table 9). Subsequent sections describe the reactions of the Local Advisory Panel and Stakeholders to these BPOs and Team PwC's overall recommendations for each BPO.

*Table 13: Baseline Assessment*

| Assessment Summary | Baseline |
|---|---|
| **Healthcare Quality** | |
| Modern, safe, and secure environment | Conditions of buildings on the St. Albans PECC campus vary. The buildings have ratings between 1 and 5 for critical values such as accessibility, applicable building codes, functional space, and facility conditions. Renovation of facilities in the baseline enables compliance with modern, safe, and secure standards. |
| Ensures forecasted need is appropriately met | Facility is sized to meet projected 2023 demand which decreases to 216 total inpatient beds and 45,676 clinic stops. |
| | |
| **Use of VA Resources** | |
| Operating cost effectiveness | Renovations should improve facility operating costs compared to the current state. However, given the original design limitations of existing facilities, renovations to achieve a modern, safe, and secure environment do not achieve all efficiencies which would exist under new construction alternatives. |

| Assessment Summary | Baseline |
|---|---|
| Level of capital expenditure estimated | In order to meet modern, safe and secure standards, significant capital investment is required to renovate facilities. Those investments would include implementing all forecasted investments listed in the CAI database, replacing the water main, and complete phased renovations that vary from low to high complexity. High complexity phased renovations would be required for Buildings 85, 86, 87, and 91. These buildings are currently occupied with nursing home patients (except Building 91) and would require multiple moves of patients. Buildings 88 and 89, which primarily house the outpatient clinics, would also require high complexity phased renovations. |
| Level of re-use proceeds | Not applicable for the baseline. |
| Cost avoidance opportunities | In the baseline, it is assumed that renovation and periodic and recurring maintenance costs for some vacated buildings (Buildings 92 and 93) would be eliminated. The majority of the $17.5 million identified in the CAI database for facility improvements would be expended. |
| Overall cost effectiveness | Not applicable for the baseline. |
| | |
| **Ease of Implementation** | |
| Ease of BPO implementation | The risk factor for implementation is moderate since the baseline represents the current state with improvements to meet modern, safe, and secure standards and to meet demand projections, but requires complex phasing during renovation. These risks are moderate since the facility is currently in fair condition, but this BPO does present implementation risk in terms of the following major areas:<br>▪ Continuity of care, since complex phasing during renovation of the patient care facilities would disrupt provision of care to patients<br>▪ Infrastructure, since facilities may unveil unforeseen environmental, systematic, and/or structural issues during renovation<br>▪ Project realization, since renovations present exposure to delays, budget variances and transition complications. |
| | |
| **Ability to Support VA Programs** | |
| DoD sharing | No DoD sharing arrangements are expected in the baseline. |
| One-VA integration | Some office space for VBA is provided on the St. Albans campus. |
| Special considerations | The baseline does not impact DoD contingency planning, Homeland Security needs, or emergency projections. |
| | |
| **Overall Attractiveness** | Not applicable for the baseline. |

Table 14 provides an overall summary of the BPOs assessed for comparative purposes.

*Table 14: BPO Assessment Summary*[10]

| Assessment Summary | BPO 2 | BPO 3 | BPO 4 | BPO 5 | BPO 6 | BPO 7 | BPO 8 | BPO 9 |
|---|---|---|---|---|---|---|---|---|
| | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus) | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus) | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus) | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus) | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus) | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus) | Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd. | Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd. |
| | | | | | | | | |
| **Healthcare Quality** | | | | | | | | |
| Modern, safe, and secure environment | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Ensures forecasted need is appropriately met | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ |
| | | | | | | | | |
| **Use of VA Resources** | | | | | | | | |
| Operating cost effectiveness | - | - | - | - | - | - | - | - |
| Level of capital expenditure estimated | - | - | - | - | - | - | ↓↓ | - |
| Level of re-use proceeds | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑↑ |
| Cost avoidance opportunities | - | - | - | - | - | - | - | - |
| Overall cost effectiveness | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↓ | ↑ |
| | | | | | | | | |
| **Ease of Implementation** | | | | | | | | |
| Ease of BPO implementation | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↔ | ↔ |
| | | | | | | | | |

[10] BPO 10 is not included in the Assessment Summary Table. It was created during the second LAP meeting at the suggestion of the LAP and, therefore, only the initial screening criteria of access, quality, and cost were applied to determine if the BPO has the potential to meet or exceed the CARES objectives. If BPO 10 is selected for Stage II, a more detailed analysis will be completed.

| Assessment Summary | BPO 2 | BPO 3 | BPO 4 | BPO 5 | BPO 6 | BPO 7 | BPO 8 | BPO 9 |
|---|---|---|---|---|---|---|---|---|
| | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus) | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus) | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus) | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus) | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus) | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus) | Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd. | Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd. |
| **Ability to Support VA Programs** | | | | | | | | |
| DoD sharing | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ |
| One-VA integration | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ |
| Special considerations | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ | ↔ |
| | | | | | | | | |
| **Overall Attractiveness** | ↑↑ | ↑↑ | ↑↑ | ↑↑ | ↑↑ | ↑↑ | ↓↓ | ↑↑ |

### *BPO 10: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (North Campus), Maintain Chapel and Auditorium (Central Campus)*

The initial screening criteria of access, quality, and cost were applied to the new BPO (BPO 10) to determine if these BPOs, created by the LAP, have the potential to meet or exceed the CARES objectives.

*Table 15: Screening Results for BPO 10*

| Criteria | Screening Result |
|---|---|
| **Access** | Since all services will remain on the campus, assume current access levels will be maintained. |
| **Quality** | Similar to BPO 4, this BPO improves site safety by bringing buildings up to code. New construction for residential and outpatient/clinic facilities provides physical layouts and unit sizes that reflect modern healthcare practice. |
| **Cost** | This BPO will likely be similar to BPO 4 in overall cost-effectiveness; however, recurring maintenance costs for maintaining the chapel and auditorium will be higher and re-use proceeds will be diminished since less land and buildings will be made available than BPO 4. A financial analysis would be required to more properly assess the impact of these factors on the overall cost effectiveness of this BPO. |

## Local Advisory Panel and Stakeholder Reactions/Concerns

### *Local Advisory Panel Feedback*

The St. Albans PECC LAP consists of seven members: Robert Schuster (Chair); Andrew Adler, MD; Ralph DeMarco; Seth Bornstein; Ben Weisbroth; Olivia Coleman Banks; and Mark McMillan. Two of the members are VA staff, the rest are representatives of the community, veteran service organization, and where appropriate, medical affiliates and the Department of Defense.

At the second LAP meeting on September 29, 2005, following the presentation of public comments, the LAP conducted its deliberation on the BPOs. At that time, the LAP proposed one new BPO, BPO 10. Table 16 presents the results of the LAP deliberations. BPOs 4, 7, 9, and 10 were recommended by the LAP for further study, while BPOs 2, 3, 5, 6 and 8 were not.

The LAP generally focused on implementation risk related to veteran access to care and on the necessity for facilities that conform to generally accepted standards for modernity. The LAP discouraged demolition of buildings and deemphasized the importance of potential re-use proceeds. Specifically, the LAP felt that constructing new facilities with main entrances on either 115$^{th}$ Avenue or Baisley Boulevard would create too much disturbance in the residential communities along those roads and would create excessive traffic congestion due to lower traffic volume capacities on those roads compared to Linden Boulevard. Additionally, the LAP believed that the residential facility should be as close to one story as possible in order to promote community and to conform to generally accepted standards for similar residential healthcare facilities. Finally, the LAP showed special interest in preserving the chapel,

auditorium, J-CAP, and NY State Drug Treatment Center buildings in all BPOs. The LAP's voting on BPOs and creation of BPO 10 reflect these general sentiments.

*Table 16: LAP BPO Voting Results*

| BPO | Label | Yes | No |
|---|---|---|---|
| 1 | Baseline | Not Voted | Not Voted |
| 2 | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave (West Campus) | 1 | 5 |
| 3 | Construct New Residential and Outpatient/Clinic Buildings by 115th Ave (Northwest Campus) | 0 | 6 |
| 4 | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (North Campus) | 4 | 2 |
| 5 | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (Northeast Campus) | 0 | 6 |
| 6 | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd (East Campus) | 3 | 3 |
| 7 | Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd (Southeast Campus) | 6 | 0 |
| 8 | Construct New Outpatient/Clinic Building (Northeast Campus), Renovate Residential Building (Central Campus) by Linden Blvd | 0 | 6 |
| 9 | Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd | 6 | 0 |
| 10* | Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd (North Campus), Maintain Chapel and Auditorium (Central Campus) | 4 | 2 |

* New option proposed by LAP

### ***Stakeholder Feedback on BPOs***

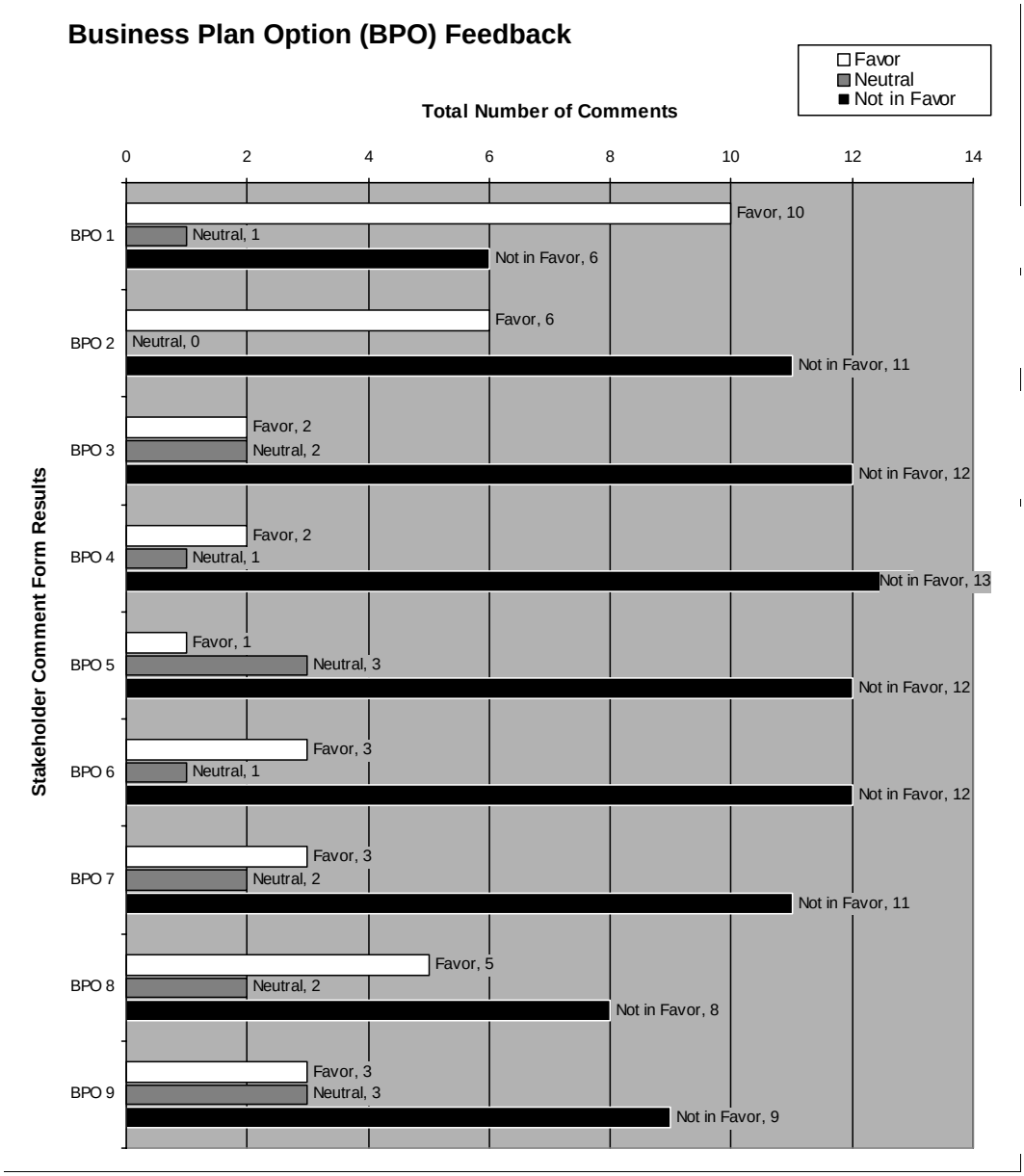
In addition to raising specific concerns, stakeholders were provided with the opportunity to provide feedback regarding the specific BPOs presented at the second LAP meeting. Through the VA CARES website and comment forms distributed at the public meeting, stakeholders were able to indicate if they "favor", are "neutral", or are "not in favor" of each of the BPOs. The results of this written and electronic feedback are provided in Figure 22.

Stakeholders reviewed the BPOs before the second public LAP meeting and were most supportive of the baseline option (BPO 1) that keeps services on site with as little change to the campus as possible. Stakeholders also showed some support for BPO 2 which calls for the construction of a facility on the site adjacent to the existing state veterans nursing home, and BPO 8 which calls for the construction of a new outpatient building and renovation of existing buildings for nursing home and domiciliary care. BPO 10 emerged as a result of LAP deliberations; therefore, stakeholders did not have the opportunity to provide feedback specific to this BPO.

*Figure 22: Stakeholder Feedback on BPOs*[11]

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

The feedback received from the Options Comment Forms for the St Albans study site is as follows:




Baseline

Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus)

Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus)

Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus)

Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus)

Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus)

Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus)

Construct New Outpatient/Clinic Building (Northeast Campus), Renovate Residential Building (Central Campus) by Linden Blvd.

Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd.

[11] Stakeholder feedback is reflected in this chart only for the BPOs which were presented by Team PwC at the LAP meeting (BPOs 1-9), and not the one created by the LAP at the second public LAP meeting. Any stakeholder feedback regarding additional options was captured in the open text boxes on the comment forms.

## BPO Recommendations for Assessment in Stage II

Team PwC's recommendation of BPOs to be further assessed in Stage II was determined based on several factors. Team PwC considered the pros and cons of each BPO, together with the results of assessments against discriminating criteria to determine the overall attractiveness of each BPO. Views and opinions of the LAP and oral and written testimony received from veterans and other interested groups were also considered. All of these inputs contributed to the selection of the BPOs to be recommended for further study in Stage II, which are summarized in Table 17 with pros and cons identified for each option.

The BPOs recommended for further study share some key similarities. All of them would provide an attractive solution to upgrading the campus to modern, safe, and secure standards, while right-sizing the campus for future demand. Additionally, all recommended BPOs other than the baseline involve all new construction for both the residential and outpatient/clinic facilities, which allows for better cost effectiveness, lower implementation risk related to continuity of care, and higher re-use proceeds potential than options involving renovation.

The BPOs which Team PwC eliminated from further consideration were BPOs 2, 5, 6, 7, 8, and 9. BPO 2 provides similar advantages and disadvantages as BPO 3, but the building configuration of BPO 3 would provide better accessibility to the new outpatient/clinic building if VA requests a primary entrance on Linden Boulevard for either option. BPOs 5, 6, and 7 all have one or more potential implementation risks related to local acceptance. BPOs 8 and 9 involve renovation that requires lower cost effectiveness and higher implementation risk related to continuity of care, and lower re-use proceeds than all construction-only BPOs.

*Table 17: BPO Recommendations*

| BPO | Pros | Cons | Rationale |
|---|---|---|---|
| **BPOs Recommended by Team PwC for Further Study** | | | |
| BPO 1: Baseline | • Permits re-use/redevelopment of Parcels 2, 3, and 4<br>• More cost effective than current state due to gains in operating cost efficiencies and realization of re-use proceeds potential<br>• Renovated facilities enable full compliance with modern, safe, and secure standards | • Operating inefficiencies and higher maintenance costs remain for older buildings<br>• Significant capital investment required to achieve modern, safe, and secure environment<br>• Implementation risk exists related to continuity of care since lengthy sequence of renovations are required | • The baseline is the BPO against which all other BPOs are assessed |
| BPO 3: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 3, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Potential implementation risk related to veteran access to care. Specifically, negatively affects vehicular/public transportation access due to lack of primary entrance on Linden Boulevard | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 3, and 4) available and by freeing up land more quickly<br>• Overall, lower implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline<br>• BPO 3 offers better potential accessibility from Linden Boulevard than BPO 2 |
| BPO 4: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1A, 2, 3, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Slightly lower re-use proceeds potential than BPOs 2 and 3 since less land is made available | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1A, 2, 3, and 4) available and by freeing up land more quickly<br>• Overall, lower implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline<br>• Retains primary vehicular access on Linden Boulevard |

| BPO | Pros | Cons | Rationale |
|---|---|---|---|
| BPO 10: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus), Maintain Chapel and Auditorium (Central Campus) | • Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline<br>• Potentially lower capital costs than BPO 4 since less demolition is required | Similar to BPO 4 except:<br>• May provide less re-use proceeds potential compared to BPO 4 since less land is made available<br>• Potentially higher operating cost to maintain the chapel and auditorium | • Overall, lower implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline<br>• Retains primary vehicular access on Linden Boulevard<br>• Provides potentially lower capital costs than BPO 4 since less demolition is required |
| **BPOs Not Recommended by Team PwC for Further Study** | | | |
| BPO 2: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 3, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Potential implementation risk related to veteran access to care. Specifically, negatively affects vehicular/public transportation access due to lack of primary entrance on Linden Boulevard. | • While this BPO provides similar advantages and disadvantages compared to BPO 3, BPO 3 offers better potential accessibility from Linden Boulevard than BPO 2. Therefore, BPO 2 is inferior to BPO 3. |
| BPO 5: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 2, 3, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Potential implementation risk related to local acceptance and possible perception that VA's mission is compromised by constructing nursing home/domiciliary in close proximity to the railroad | • Potential implementation risk related to local acceptance and possible perception that VA's mission is compromised by constructing nursing home/domiciliary in close proximity to the railroad<br>• While this BPO has similar advantages as BPO 4, the risks related to local acceptance for placing the new facilities near the LIRR are significant enough to make this BPO inferior to BPO 4 |

| BPO | Pros | Cons | Rationale |
|---|---|---|---|
| BPO 6: Construct New Residential and Outpatient/Clinic Buildings by Baisely Blvd. (East Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 2, 3, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Potential implementation risk related to veteran access to care. Specifically, negatively affects vehicular/public transportation access due to primary entrance on Baisley Boulevard, which is not a major thoroughfare and does not have adequate capacity to accommodate significantly higher traffic volume. | • Potential implementation risk related to veteran access to care. Specifically, negatively affects vehicular/public transportation access due to primary entrance on Baisley Boulevard, which is not a major thoroughfare and does not have adequate capacity to accommodate significantly higher traffic volume.<br>• While this BPO has similar advantages as BPO 4, the risks related to veteran access to care are significant enough to make these BPOs inferior to BPO 4. |
| BPO 7: Construct New Residential and Outpatient/Clinic Buildings by Baisely Blvd. (Southeast Campus) | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1, 1A, 2, and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Potential implementation risk related to current contractual obligations to NY State Drug Treatment Center and J-CAP, which are to be demolished, and renegotiating or terminating those contracts may lead to delays in timing<br>• Potential implementation risk related to veteran access to care. Specifically, negatively affects vehicular/public transportation access due to primary entrance on Baisley Boulevard, which is not a major thoroughfare and does not have adequate capacity to accommodate significantly higher traffic volume. | |
| BPO 8: Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd. | • Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Higher capital costs than the baseline due to construction for outpatient/clinic building and renovation for nursing home and domiciliary services<br>• Lower re-use proceeds potential than BPOs 2 through 7 and BPO 9 since less land is made available (portions of Parcels 1A, 2, and 4)<br>• Overall, less cost effective than the baseline due to higher expected capital investment | • Less cost effective than the baseline due to higher expected capital investment |

| BPO | Pros | Cons | Rationale |
|---|---|---|---|
| BPO 9: Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd. | • Provides significantly higher re-use proceeds potential compared to the baseline by making more land (portions of Parcels 1A, 2, 3 and 4) available and by freeing up land more quickly<br>• Low implementation risk related to continuity of care when transitioning to new facilities compared to renovation in the baseline and related to project realization since this BPO can be implemented more than two times faster than the baseline | • Higher risk of implementation than BPOs 2 through 7 related to continuity of care and future flexibility issues that result from complex phasing required during renovation for outpatient/clinic services | • Overall, higher risk of implementation than BPOs 2 through 7 related to continuity of care and future flexibility issues that result from complex phasing required during renovation for outpatient/clinic services and similar implementation risk compared to the baseline<br>• Provides lower re-use proceeds potential than BPOs 2 through7, but significantly higher re-use proceeds potential than the baseline |

# Appendix A - Assessment Tables

## BPO 1: Baseline

| Assessment Criteria | Description of Impact |
|---|---|
| | |
| **Healthcare Quality** | |
| Modern, safe, and secure environment | Conditions of buildings on the St. Albans PECC campus vary. The buildings have ratings between 1 and 5 for critical values such as accessibility, applicable building codes, functional space, and facility conditions. Renovation of facilities in the baseline enables compliance with modern, safe, and secure standards. |
| Ensures forecasted need is appropriately met | Facility is sized to meet projected 2023 demand which decreases to 216 total inpatient beds and 45,676 clinic stops. |
| | |
| **Use of VA Resources** | |
| Operating cost effectiveness | Renovations should improve facility operating costs compared to the current state. However, given the original design limitations of existing facilities, renovations to achieve a modern, safe, and secure environment do not achieve all efficiencies which would exist under new construction alternatives. |
| Level of capital expenditures estimated | In order to meet modern, safe and secure standards, significant capital investment is required to renovate facilities. Those investments would include implementing all forecasted investments listed in the CAI database, replacing the water main, and complete phased renovations that vary from low to high complexity. High complexity phased renovations would be required for Buildings 85, 86, 87, and 91. These buildings are currently occupied with nursing home patients (except Building 91) and would require multiple moves of patients. Buildings 88 and 89, which primarily house the outpatient clinics, would also require high complexity phased renovations. |
| Level of re-use proceeds | Not applicable for the baseline. |
| Cost avoidance opportunities | In the baseline, it is assumed that renovation and periodic and recurring maintenance costs for some vacated buildings (Buildings 92 and 93) would be eliminated. The majority of the $17.5 million identified in the CAI database for facility improvements would be expended. |
| Overall cost effectiveness | Not applicable for the baseline. |
| | |
| **Ease of Implementation** | |

| Assessment Criteria | Description of Impact |
|---|---|
| Ease of BPO implementation | The risk factor for implementation is moderate since the baseline represents the current state with improvements to meet modern, safe, and secure standards and to meet demand projections, but requires complex phasing during renovation. These risks are moderate since the facility is currently in fair condition, but this BPO does present implementation risk in terms of the following major areas:<br>▪ Continuity of care, since complex phasing during renovation of the patient care facilities would disrupt provision of care to patients<br>▪ Infrastructure, since facilities may unveil unforeseen environmental, systematic, and/or structural issues during renovation<br>▪ Project realization, since renovations present exposure to delays, budget variances, and transition complications. |
| | |
| **Ability to Support VA Programs** | |
| DoD sharing | No DoD sharing arrangements are expected in the baseline. |
| One-VA integration | Some office space for VBA is provided on the St. Albans campus. |
| Special considerations | The baseline does not impact DoD contingency planning, Homeland Security needs, or emergency projections. |
| | |
| **Overall Attractiveness** | Not applicable for the baseline. |

## BPO 2: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (West Campus)

| Assessment of BPO 2 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe, and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 2 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure sincenew construction compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 2 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 3: Construct New Residential and Outpatient/Clinic Buildings by 115th Ave. (Northwest Campus)

| Assessment of BPO 3 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe, and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe, and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 3 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure since new construction compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic, and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 3 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 4: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (North Campus)

| Assessment of BPO 4 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe, and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1A, 2, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 4 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure, since new construction, compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic, and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 4 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 5: Construct New Residential and Outpatient/Clinic Buildings by Linden Blvd. (Northeast Campus)

| Assessment of BPO 5 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe, and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 2, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 5 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure, since new construction, compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic, and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 5 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 6: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (East Campus)

| Assessment of BPO 6 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 2, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 6 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure, since new construction, compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 6 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 7: Construct New Residential and Outpatient/Clinic Buildings by Baisley Blvd. (Southeast Campus)

| Assessment of BPO 7 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction results in a more modern, safe and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | New construction eliminates recurring maintenance costs for aging existing buildings and enables operating efficiencies; however, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | Construction of new facilities results in a similar level of investment required compared to the baseline (80% - 120% of baseline) since the baseline already requires heavy renovation of existing facilities to make them modern, safe and secure. |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 2, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for some buildings exist. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 7 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↑ | The BPO is less risky than the baseline in terms of the following major risk categories:<br>• Continuity of care, lower than the baseline in terms of transitioning patients since transitioning patients to a new, fully operational facility presents less risk than transitioning those patients multiple times during sequenced renovation<br>• Infrastructure, since new construction, compared to the renovation in the baseline, may yield fewer unforeseen environmental, systematic, and/or structural issues<br>• Project realization, in terms of less complex and faster implementation for new construction compared to renovation in the baseline (more than three times faster). Faster and less complex implementation should result in less complicated project management required to control new construction and less potential for delays, budget variance, and transition complications than renovation. |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include additional provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. However, the BPO does not preclude additional provisions for these special considerations at a later date. |
| | | |

| Assessment of BPO 7 | Impact on Current State | Description of Impact |
|---|---|---|
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

## BPO 8: Construct New Outpatient/Clinic Building (Northwest Campus), Renovate Residential Building (Central Campus) by Linden Blvd.

| Assessment of BPO 8 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction of outpatient/clinic building results in a more modern, safe and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | The mix of new construction and renovation limits the reduction of recurring maintenance costs and increased operating efficiencies. Therefore, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | ↓↓ | The combination of construction for outpatient/clinic services and renovation for nursing home and domiciliary services results in significant investment compared to the baseline renovation (121% - 199% of baseline). |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1A, 2, 3, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for Buildings 85, 86, 87, 88, and 89 exists. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↓ | Higher net present cost compared to the baseline (1.05 - 1.09 times the baseline) resulting from the significant capital investment required for construction for outpatient/clinic services and renovation for nursing home and domiciliary services. |
| | | |

| Assessment of BPO 8 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↔ | This BPO has a similar level of implementation risk as the baseline since this BPO uses a mix of renovation and new construction. For this BPO, the risk factor for implementation is moderate since it requires complex phasing during renovation. Implementation risk in this BPO is present in the following areas:<br>▪ Continuity of care, since complex phasing during renovation of the patient care facilities would disrupt provision of care to patients<br>▪ Infrastructure, since facilities may unveil unforeseen environmental, systematic and/or structural issues during renovation<br>▪ Project realization, since renovations present exposure to delays, budget variances and transition complications |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. The BPO does not preclude future provisions for these special considerations. |
| | | |
| **Overall Attractiveness** | ↓↓ | This BPO is less attractive than the baseline since it is less cost effective due to significant capital investment for construction of the outpatient/clinic building and renovation of the residential building. |

## BPO 9: Construct New Residential Building (East Campus), Renovate Outpatient/Clinic Building (Central Campus) by Linden Blvd.

| Assessment of BPO 9 | Impact on Current State | Description of Impact |
|---|---|---|
| | | |
| **Healthcare Quality** | | |
| Modern, safe, and secure environment | ↑ | New construction for nursing home and domiciliary services results in a more modern, safe and secure environment than the baseline. |
| Ensures forecasted need is appropriately met | ↔ | There will be no material differences in the accommodation of projected demand compared to the baseline since the facility will be sized to meet the projected patient demand volume. |
| | | |
| **Use of VA Resources** | | |
| Operating cost effectiveness | - | The mix of new construction and renovation limits the reduction of recurring maintenance costs and increased operating efficiencies. Therefore, the BPO has the potential to require materially the same operating costs as the baseline (+/- 5%). |
| Level of capital expenditures estimated | - | The combination of construction for nursing home and domiciliary services and renovation for outpatient/clinic services results in a similar level of investment compared to the baseline (80% - 120% of baseline). |
| Level of re-use proceeds | ↑↑↑ | Significantly higher re-use proceeds potential compared to the baseline (2 or more times) afforded by making more land available for re-use. Portions of Parcels 1, 1A, 2, and 4 made available for re-use. |
| Cost avoidance opportunities | - | Given the type of buildings and the nature of the healthcare services provided at the campus, only marginal benefits from eliminating recurring maintenance costs, including those listed in the CAI database, for Buildings 88 and 89 exists. Therefore, cost avoidance opportunities are not expected to be significantly different than the baseline. |
| Overall cost effectiveness | ↑ | Significantly higher re-use proceed potential than the baseline combined with operating costs and capital investment similar to the baseline result in a lower net present cost compared to baseline (90% – 95% of baseline). |
| | | |

| Assessment of BPO 9 | Impact on Current State | Description of Impact |
|---|---|---|
| **Ease of Implementation** | | |
| Ease of BPO implementation | ↔ | This BPO has a similar level of implementation risk as the baseline since this BPO uses a mix of renovation and new construction. For this BPO, the risk factor for implementation is moderate since it requires complex phasing during renovation. Implementation risk in this BPO is present in the following areas:<br>▪ Continuity of care, since complex phasing during renovation of the patient care facilities would disrupt provision of care to patients<br>▪ Infrastructure, since facilities may unveil unforeseen environmental, systematic and/or structural issues during renovation<br>▪ Project realization, since renovations present exposure to delays, budget variances and transition complications |
| | | |
| **Ability to Support VA Programs** | | |
| DoD sharing | ↔ | No new DoD sharing relationships are included in this BPO. However, the BPO does not preclude any potential collaboration between VA and DoD. |
| One-VA integration | ↔ | This BPO does not include additional provisions for enhancing One-VA integration since there are no significant changes to the existing relationship with VBA and no new collaboration with NCA. However, this BPO does not preclude additional provisions for One-VA integration at a later date. |
| Special considerations | ↔ | This BPO does not include provisions for enhancing DoD contingency planning, meeting Homeland Security needs, or enabling emergency preparedness. The BPO does not preclude future provisions for these special considerations. |
| | | |
| **Overall Attractiveness** | ↑↑ | Since this BPO improves quality and cost effectiveness while offering a solution that has similar access compared to the baseline, this BPO is more attractive than the baseline. |

# Appendix B - Glossary

## Acronyms

| | |
|---|---|
| AFB | Air Force Base |
| AMB | Ambulatory |
| BPO | Business Plan Option |
| CAI | Capital Asset Inventory |
| CAP | College of American Pathologists |
| CARES | Capital Asset Realignment for Enhanced Services |
| CBOC | Community Based Outpatient Clinic |
| CIC | CARES Implementation Category |
| DoD | Department of Defense |
| FTEE | Full Time Employee Equivalent |
| GFI | Government Furnished Information |
| HEDIS | Health Plan Employer Data and Information Set |
| ICU | Intensive Care Unit |
| IP | Inpatient |
| JCAHO | Joint Commission on Accreditation of Healthcare Organizations |
| OP | Outpatient |
| MH | Mental Health |
| MOU | Memorandum of Understanding |
| N/A | Not Applicable |
| NFPA | National Fire Protection Association |
| PTSD | Post Traumatic Stress Disorder |

| | |
|---|---|
| SOW | Statement of Work |
| VA | Department of Veterans Affairs |
| VACO | VA Central Office |
| VAMC | Veterans Affairs Medical Center |
| VBA | Veterans Benefits Administration |
| VHA | Veterans Health Administration |
| VISN | Veterans Integrated Service Network |

## Definitions

| | |
|---|---|
| Access | Access is the determination of the numbers of actual enrollees who are within defined travel time parameters for primary care, acute hospital care, and tertiary care after adjusting for differences in population and density and types of road. |
| Alternative Business Plan Options | Business Plan Options generated as alternatives to the baseline Business Plan Option providing other ways VA could meet the requirements of veterans at the Study Site. |
| Ambulatory Services | Services to veterans in a clinic setting that may or not be on the same station as a hospital, for example, a Cardiology Clinic. The grouping as defined by VA also includes several diagnostic and treatment services, such as Radiology. |
| Baseline Business Plan Option | The Business Plan Option for VA which does not change any element of the way service is provided in the study area. "Baseline" describes the current state projected out to 2013 and 2023 without any changes to facilities or programs or locations and assumes no new capital expenditure (greater than $1 million). Baseline state accounts for projected utilization changes, and assumes same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment. |

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| Business Plan Option (BPO) | The options developed and assessed by Team PwC as part of the Stage I and Stage II Option Development Process. A business plan option consists of a credible healthcare plan describing the types of services, and where and how they can be provided and a related capital plan, and an associated reuse plan. |
| Capital Asset Inventory (CAI) | The CAI includes the location and planning information on owned buildings and land, leases, and agreements, such as enhanced-use leases, enhanced sharing agreements, outleases, donations, permits, licenses, inter- and intra-agency agreements, and ESPC (energy saving performance contracts) in the VHA capital inventory. |
| CARES Implementation Category (CIC) | One of 25 categories under which workload is aggregated in VA demand models. *(See Workload)* |
| Clinic Stop | A visit to a clinic or service rendered to a patient. |
| Clinical Inventory | The listing of clinical services offered at a given station. |
| Code | Compliance with auditing/reviewing bodies such as JCAHO, NFPA Life Safety Code or CAP. |
| Community Based Outpatient Clinic (CBOC) | An outpatient facility typically housing clinic services and associated testing. A CBOC is VA operated, contracted, or leased and is geographically distinct or separate from the parent medical facility. |
| Cost Effectiveness | A program is cost-effective if, on the basis of life-cycle cost analysis of competing alternatives, it is determined to have the lowest costs expressed in present value terms for a given amount of benefits. |
| Domiciliary | A VA facility that provides care on an ambulatory self-care basis for veterans disabled by age or diseases who are not in need of acute hospitalization and who do not need the skilled nursing services provided in a nursing home. |
| Enhanced Use Lease | A lease of real property to non-government entities, under the control and/or jurisdiction of the Secretary of Veterans Affairs, in which monetary or "in-kind" consideration (i.e., the provision of goods, facilities, construction, or services of the benefit to the Department) is received. Unlike traditional federal leasing authorities in which generated proceeds must be deposited into a general treasury account, the enhanced-use leasing authority provides that all proceeds (less any costs than can be reimbursed) are returned to medical care appropriations. |

| | |
|---|---|
| Good Medical Continuity | A determination that veterans being cared for a given condition will have access to the appropriate array of primary, secondary, and tertiary care services required to treat that condition. |
| Initial Screening Criteria | A series of criteria used as the basis of the assessment of whether or not a particular Business Plan Option has the potential to meet or exceed the CARES objectives. |
| Inpatient Services | Services provided to veterans in the hospital or an inpatient unit, such as a Surgical Unit or Spinal Cord Injury Unit. |
| Market Area | Geographic areas or boundaries (by county or zip code) served by that Network's medical facilities. A Market Area is of a sufficient size and veteran population to benefit from coordinated planning and to support the full continuum of healthcare services. (*See Sector)* |
| Mental Health Indicators | See the end of this document. |
| Multispecialty Clinic | A VA medical facility providing a wide range of ambulatory services such as primary care, specialty care, and ancillary services usually located within a parent VA facility. |
| Nursing Home | The term "nursing home care" means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. Such term includes services furnished in skilled nursing care facilities, in intermediate care facilities, and in combined facilities. It does not include domiciliary care. |
| Primary Care | Healthcare provided by a medical professional with whom a patient has initial contact and by whom the patient may be referred to a specialist for further treatment. *(See Secondary Care and Tertiary Care)* |
| Re-use | An alternative use for underutilized or vacant facility space or VA owned land. |
| Risk | Any barrier to the success of a Business Planning Option's transition and implementation plan or uncertainty about the cost or impact of the plan. |

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|---|---|
| Secondary care | Medical care provided by a specialist or facility upon referral by a primary care physician that requires more specialized knowledge, skill, or equipment than the primary care physician has. *(See Primary Care and Tertiary Care)* |
| Sector | Within each Market Area are a number of sectors. A sector is one or more contiguous counties. *(See Market Area)* |
| Stakeholder | A person or group who has a relationship with VA facility being examined or an interest in what VA decides about future activities at the facility. |
| Tertiary care | High specialized medical care usually over an extended period of time that involves advanced and complex procedures and treatments performed by medical specialists. *(See Primary Care and Secondary Care)* |
| Workload | The amount of CIC units by category determined for each market and facility by the Demand Forecast. |

## Mental Health Indicators

| Indicator | Description |
|---|---|
| New Dx Dep - F/U X3 (mdd6n) | Percentage of patients with a new diagnosis of depression who have at least three clinical follow-up visits in the 12 acute periods after diagnosis (current PM) |
| New Dx Dep - Meds (mdd7n) | Percentage of patients with a new diagnosis of depression who have medication for at least 84 days in the acute treatment period (current PM) |
| Homeless Dchg Indep (fnct2n) | Percentage of veterans discharged from a domiciliary care for homeless veterans (DCHV), grand and per diem program, or healthcare for homeless veterans community-based contract residential care program to independent living |
| Screen for Alcohol (sa3) | Percentage of patients screened for high risk alcohol use with the AUDIT-C instrument (past and current PM) |
| Screen for MHICM (mhc1) | Percentage of psychiatry patients with high utilization of inpatient psychiatry services who are screened for mental health intensive care case management (past and current PM) |
| Screen for PTSD (ptsd1) | Percentage of all veterans screened for post traumatic stress disorder (PTSD) in the previous 12 months (SI) |
| SUD Cont of Care (sa5) | Percentage of patients entering specialty substance abuse treatment who maintain continuity of care for at least 90 days (past and current PM) |