

# Capital Asset Realignment for Enhanced Services (CARES)

## Business Plan Studies for Louisville VAMC

Presentation for Local Advisory Panel

October 4, 2005



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# Recap of First LAP Meeting



# First Public Meeting Recap

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

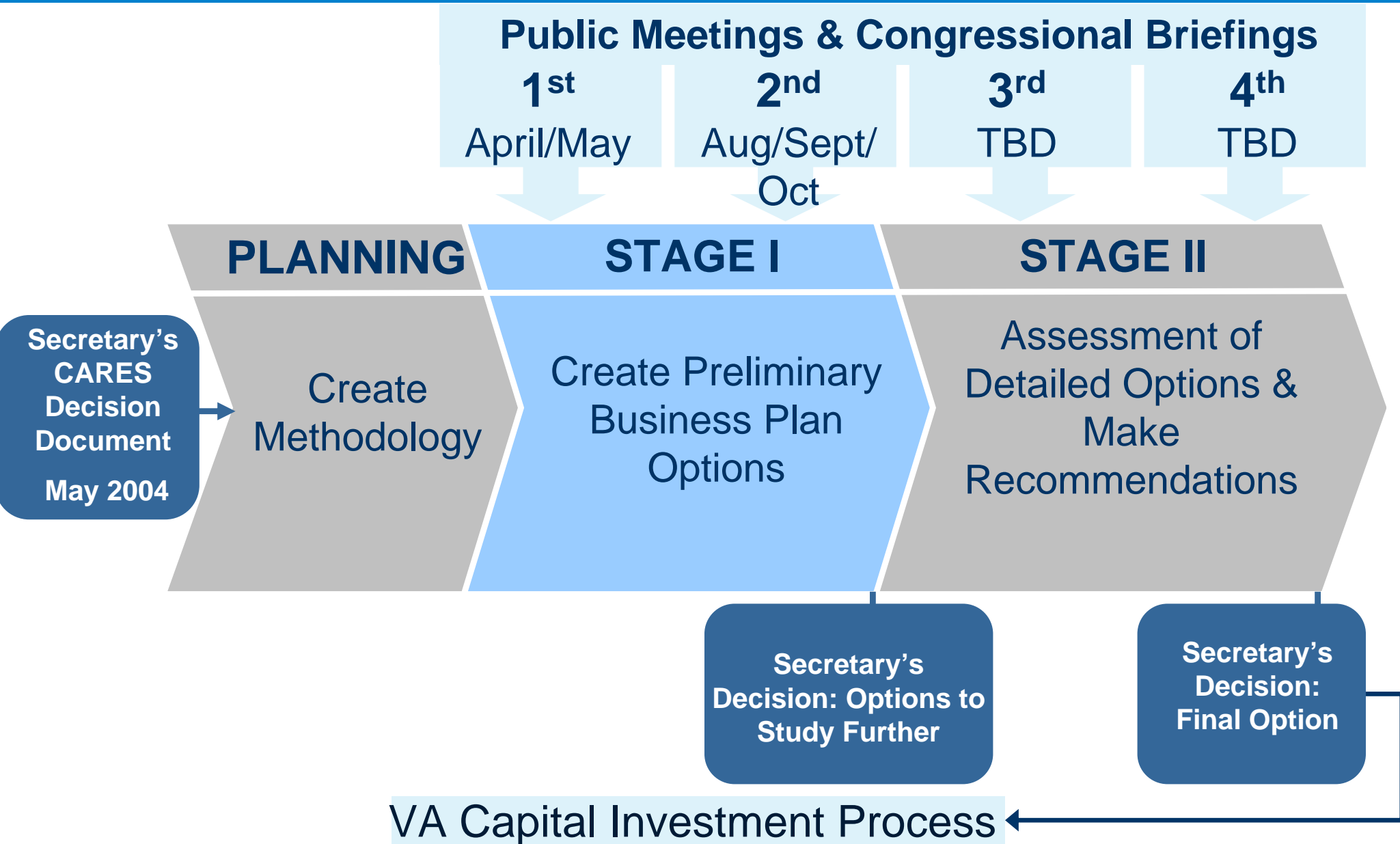
Identify the optimal approach to provide veterans with healthcare equal to or better than is currently provided in terms of:

**Access**

**Quality**

**Cost Effectiveness**

# Project Overview



# 2004 Secretary's CARES Decision for Louisville

The Secretary's CARES Decision Document for Louisville, Kentucky provides the following guidance for this study:

- VA will study the need for a replacement hospital for the Louisville VAMC
- The Louisville VAMC is in need of renovation
- There is an opportunity to partner with the University of Louisville
- There is also potential for collocation of a VBA presence at a new Louisville facility

# What's Being Studied at Louisville

## ■ Healthcare Study

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

## ■ Capital Planning Study

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

## ■ Re-Use Study

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

# Purpose of the LAP Meeting

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



# Louisville Public Input



# Louisville Public Input

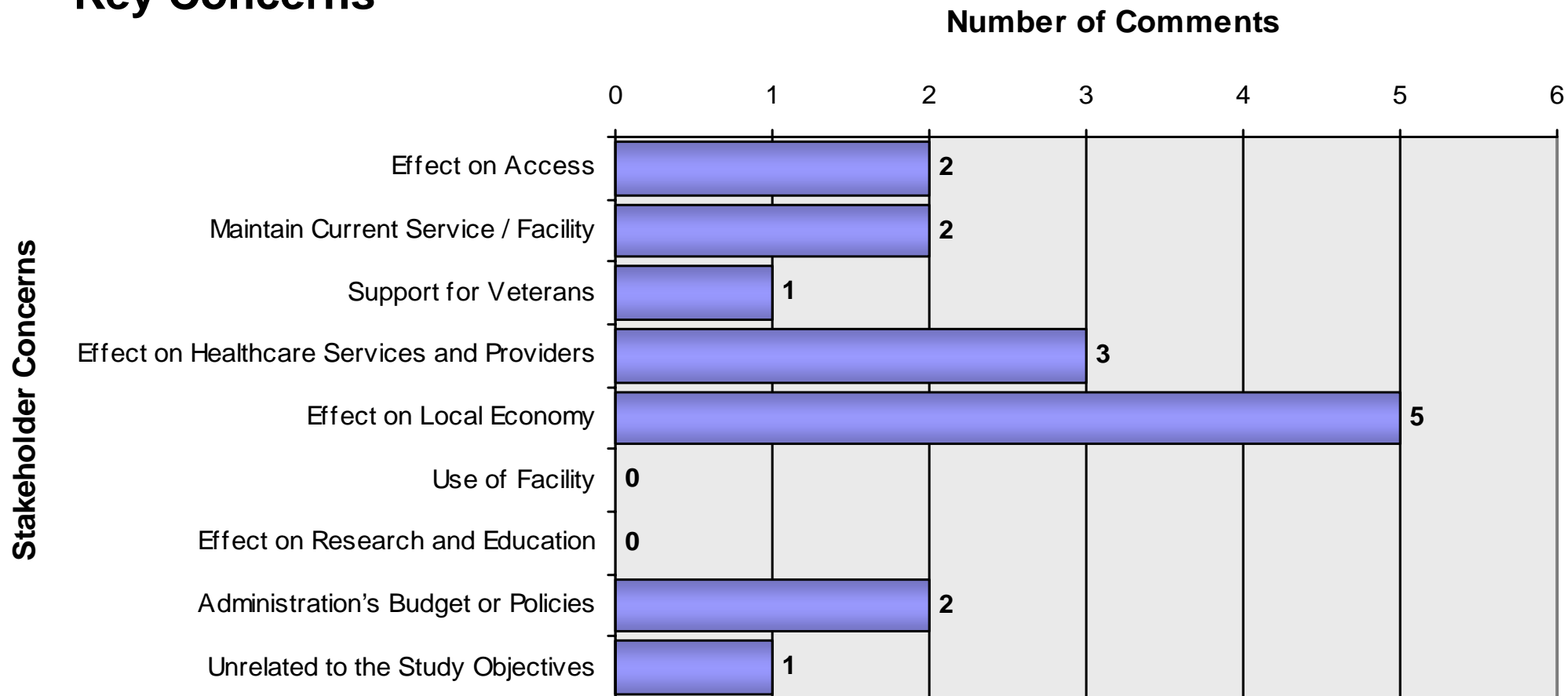
- 25 forms of stakeholder input were received between January 1, 2005 and June 30, 2005.
- The greatest amount of written and electronic input was received from veterans.
- Top key concerns:
  - Access to the facility
  - Use of the facility
  - Quality of healthcare services
- Some of the stakeholders wrote in favor of moving the facility to a downtown location near the University of Louisville.

# Categories of Stakeholder Concerns

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

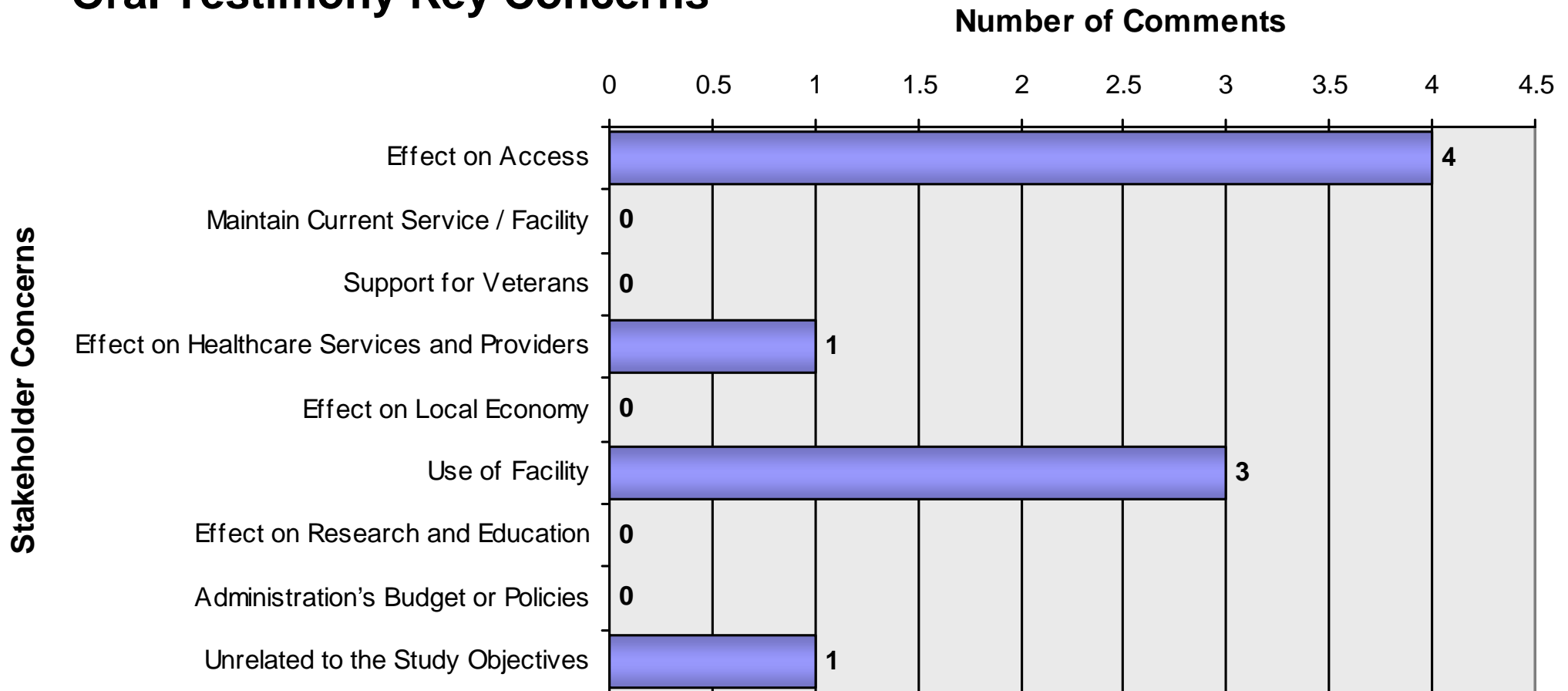
# Key Concerns – Written and Electronic Input

## Key Concerns



# Key Concerns – Oral Testimony

## Oral Testimony Key Concerns



# Current Status and Business Plan Options

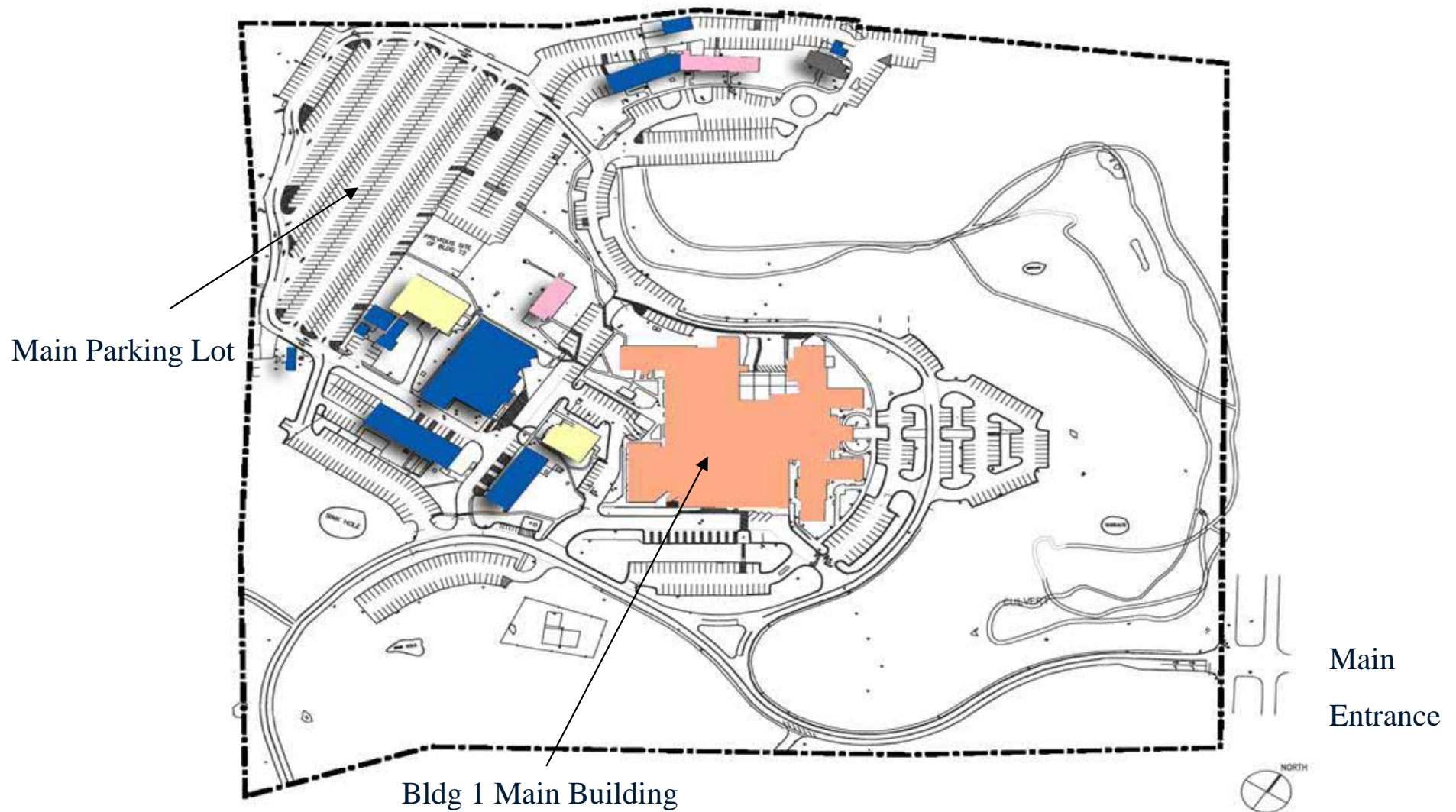


# Stage I Study Findings for Louisville

## Louisville VAMC



# Map of Louisville VAMC





# Louisville Site Overview

## ■ The Louisville VAMC:

- ◆ 117,000 enrolled Veterans reside in the Northern Market of VISN 9
- ◆ The Campus is composed of 1 main hospital and 15 out-buildings located on approximately 47 acres
- ◆ Is located on a hilltop near downtown Louisville, overlooking the Ohio River
- ◆ Employs about 1,100 Full Time Employee Equivalents
- ◆ Is affiliated with the University of Louisville

# Louisville Services Overview

## The Louisville VAMC:

- Offers:
  - ◆ Medicine and surgery
  - ◆ Psychiatry
  - ◆ Physical medicine and rehabilitation
  - ◆ Specialties such as neurology and oncology
  - ◆ Dentistry
  - ◆ Outpatient services
- Operates 114 beds
- Is a teaching hospital affiliated with the University of Louisville
- Operates Community Based Outpatient Clinics (CBOCs) in the Greater Louisville area, at Fort Knox, Kentucky, and New Albany, Indiana
- Contracts a significant amount of outpatient services

# Current Status & Projections

- Inpatient medicine and observation shows an upward trend between 2003 and 2013. This is followed by a decrease in demand between 2013 and 2023. The 2023 demand, however, remains higher than the 2003 levels. Projected demand for inpatient psychiatry and substance abuse shows an upward trend between 2003 and 2023.
- Buildings were constructed between 1947 and 1951.
- The main hospital building is well maintained but has significant fire and life safety issues related to the age of the building.
- There is no appreciable vacant space on the campus and parking is difficult.
- The laundry serves the Louisville and Lexington VAMCs.

# Options Development

## “Universe” of Considered Options

**Stakeholder  
Input**

**Healthcare  
Options**

**Capital Planning  
Options**

**Re-use  
Options**

### Initial Screening Criteria:

#### ACCESS

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

#### QUALITY OF CARE

*Would maintain or improve overall quality of healthcare:*

- *Capability to provide care*
- *Workload at each facility*
- *Modern, Safe, Secure*

#### COST

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

**Team PwC developed Comprehensive Business Plan Options for Stage I**

### Discriminating Criteria:

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

- **Ease of Implementation**
- **Ability to Support Wider VA Programs**
- **Impact of BPO on VA and Local Community**

# Options Overview

## “Universe” of Considered Options

Healthcare  
Options

TOTAL = 19

Capital Planning  
Options

TOTAL = 13

Re-Use  
Options

TOTAL = 3

## Initial Screening for Access, Quality, Cost

Business Planning  
Options (BPOs)

TOTAL = 13

## Assessed for Stage I Report

# Summary of Options for Louisville

- A Baseline option accounting for projected volumes but no change to programs or services and renovating main hospital building over a twelve year period. (BPO 1)
- Two of the options are to construct a replacement hospital on the existing campus. (BPOs 2 and 3)
- Two of the options are to renovate the existing hospital and construct a new addition. (BPOs 4 and 5)
- Four of the options are for collocation and to construct a new hospital at the University of Louisville campus. (BPOs 6, 7, 8, and 9)
- Four of the options are for constructing a new hospital near the University of Louisville campus. (BPOs 10 11, 12, and 13)

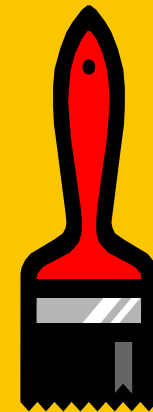
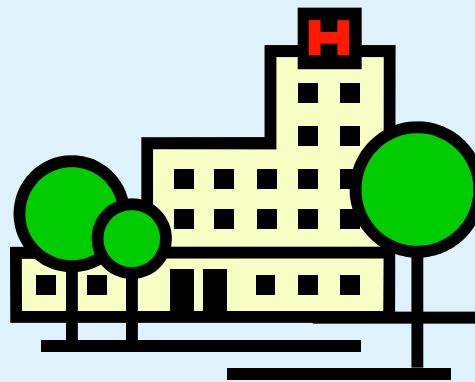
# BPO 1: Baseline [HC-1/CP-1/RU-1]

A Baseline option reflects the:

Current state projected out to 2013 and 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality, and necessary improvements for a safe, secure, and modern healthcare environment

Renovate the main hospital. Right-size services. Contract out services exceeding capacity. All other services and buildings will remain in their present location with maintenance and systems replacement per the CAI defined schedule. The VBA does not collocate to the campus. There are no land parcels for re-use.

**Louisville  
VAMC**



**Renovate main  
building**

# BPO 1: Assessment, Baseline

<b>Healthcare Access</b>	Access remains unchanged. Acute and tertiary care access drive time guidelines are met. Primary care access does not meet drive time guidelines.
<b>Healthcare Quality</b>	Major renovation fails to meet requirements of a modern, safe, secure environment and does not meet demand.
<b>Impact on VA &amp; Local Community</b>	Enhanced facilities and technologies. Robust research programs and affiliation are retained.
<b>Cost Effectiveness</b>	Cost to renovate is significant and does not result in modern environment. Current layout has potentially negative effect on operating costs. Continued investment in maintenance is significant.
<b>Ease of Implementation</b>	Patient inconvenience and difficult staging. Additional patient care would be contracted during the 12 year renovation period.
<b>Wider VA Program Support</b>	No room for collocation with VBA.



# BPO 2: Replacement hospital at Zorn Ave with Veterans Benefit Administration (VBA) [HC-2A/CP-2A/RU-1]

Construct new hospital with modern facilities for research, outpatient care, women's care and advanced technology that meets 2023 demand projections. Construct new parking facilities with improved access for all veterans including handicapped individuals. Collocate with VBA.



**Construct new  
hospital and  
parking structure  
north of building 1**



# BPO 2: Assessment, Replacement hospital at Zorn Ave with Veterans Benefit Administration (VBA)

<b>Healthcare Access</b>	No material impact. Parking improved.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to new and appropriately sized space.
<b>Cost Effectiveness</b>	Increased capital required for construction.
<b>Ease of Implementation</b>	Separate new space will minimize disruption to services.
<b>Wider VA Program Support</b>	Improved due to collocation with VBA. Better able to support DOD.

# BPO 3: Replacement Hospital at Zorn Ave without VBA [HC-2B/CP-2A/RU-1]

Construct new hospital with modern facilities for research, outpatient care, women's care and advanced technology that meets 2023 demand projections. Construct new parking facilities with improved access for all veterans including handicapped individuals.



**Construct new  
hospital and  
parking structure  
north of building 1**

# BPO 3: Assessment, Replacement Hospital at Zorn Ave without VBA

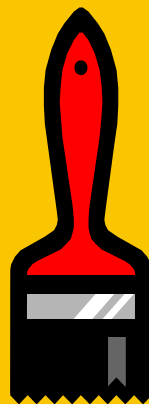
<b>Healthcare Access</b>	No material impact. Parking improved.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to new and appropriately sized space.
<b>Cost Effectiveness</b>	Increased capital required for construction.
<b>Ease of Implementation</b>	Separate new space will minimize disruption to services.
<b>Wider VA Program Support</b>	Better able to support DOD.

# BPO 4: Renovate Current Facility with Addition, Collocate VBA [HC-3A/CP-3A/RU-1]

Construct new addition to building 1 for nursing and diagnostic & treatment functions. Renovate building 1 (main hospital) for research, outpatient care, and support and administrative functions, and VBA. Construct new parking facilities with improved access for veterans and handicapped individuals. Collocate VBA in renovated building.



**Construct new clinical addition to building 1 and parking structure**



**Renovate building 1**

**Collocate with VBA**

 Veterans Benefits Administration

*U.S. Department of Veterans Affairs*

# BPO 4: Assessment, Renovate Current Facility with Addition, Collocate VBA

<b>Healthcare Access</b>	No material impact. Improved parking.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to new and appropriately sized space.
<b>Cost Effectiveness</b>	Increased capital required for construction. Creation of excess space.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services.
<b>Wider VA Program Support</b>	Improved due to collocation with VBA and better able to support DOD.

# BPO 5: Renovate Facility with Addition, Build Primary Care CBOC, Collocate VBA [HC-3C/CP-3B/CP-5/RU-1]

Construct new addition to building 1 for nursing and diagnostic & treatment functions. Renovate a portion of the existing facility for support and administrative functions. Construct new parking structure with direct connection to new hospital building. Construct separate CBOC for primary care. Collocate VBA in renovated building 1 space.



**Construct new addition to building 1 and parking structure**



**Renovate part of building 1**

**Collocate with VBA**

*Veterans Benefits Administration*

*U.S. Department of Veterans Affairs*



**Construct primary care CBOC**



# BPO 5: Assessment, Renovate Facility with Addition, Build Primary Care CBOC, Collocate VBA

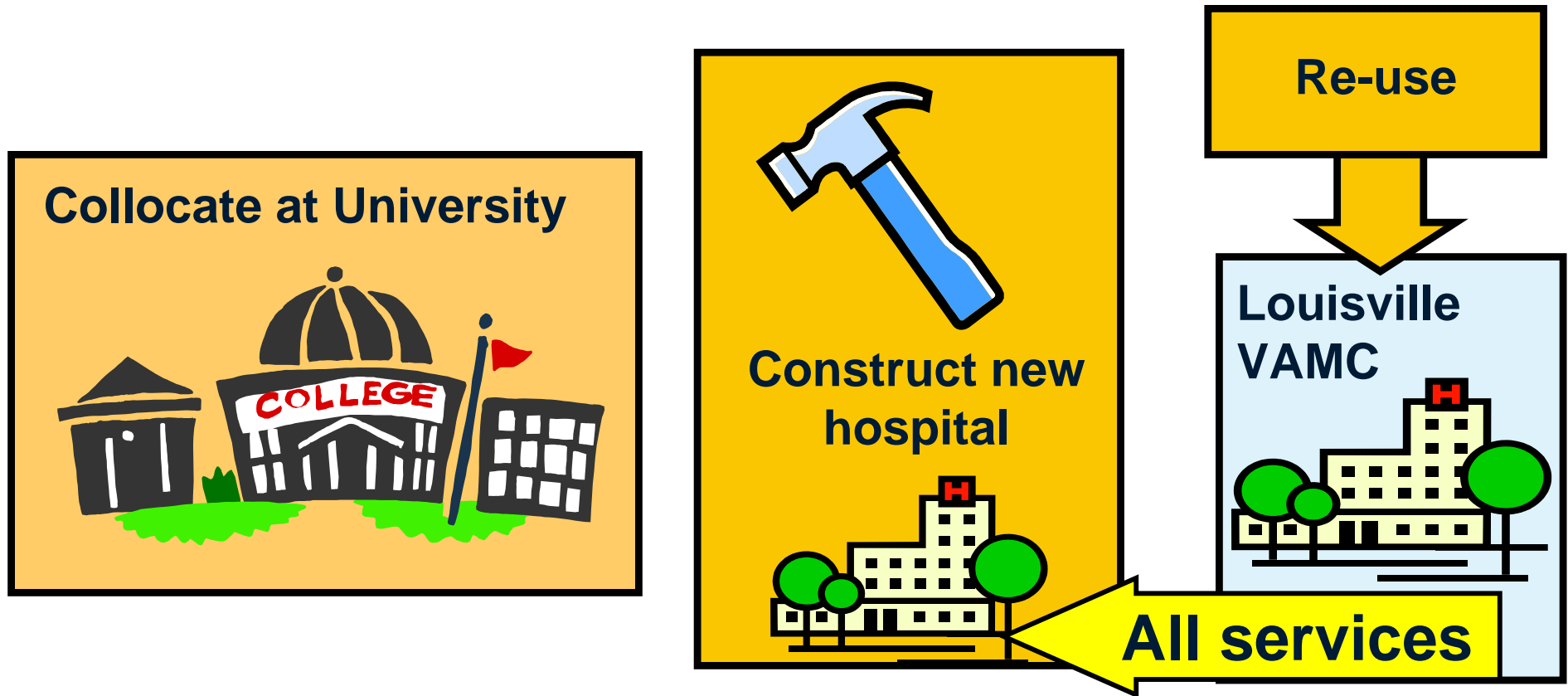
<b>Healthcare Access</b>	Improved primary care access.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to new and appropriately sized space.
<b>Cost Effectiveness</b>	Increased capital required for construction.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services.
<b>Wider VA Program Support</b>	Improved due to collocation with VBA and better able to support DOD.



# BPO 6: Collocate with University of Louisville

[HC-4A/CP-4A/RU-2]

Construct a new replacement hospital collocated near the University of Louisville Medical Center. Do not collocate with the VBA. Re-use the entire Zorn Avenue campus.



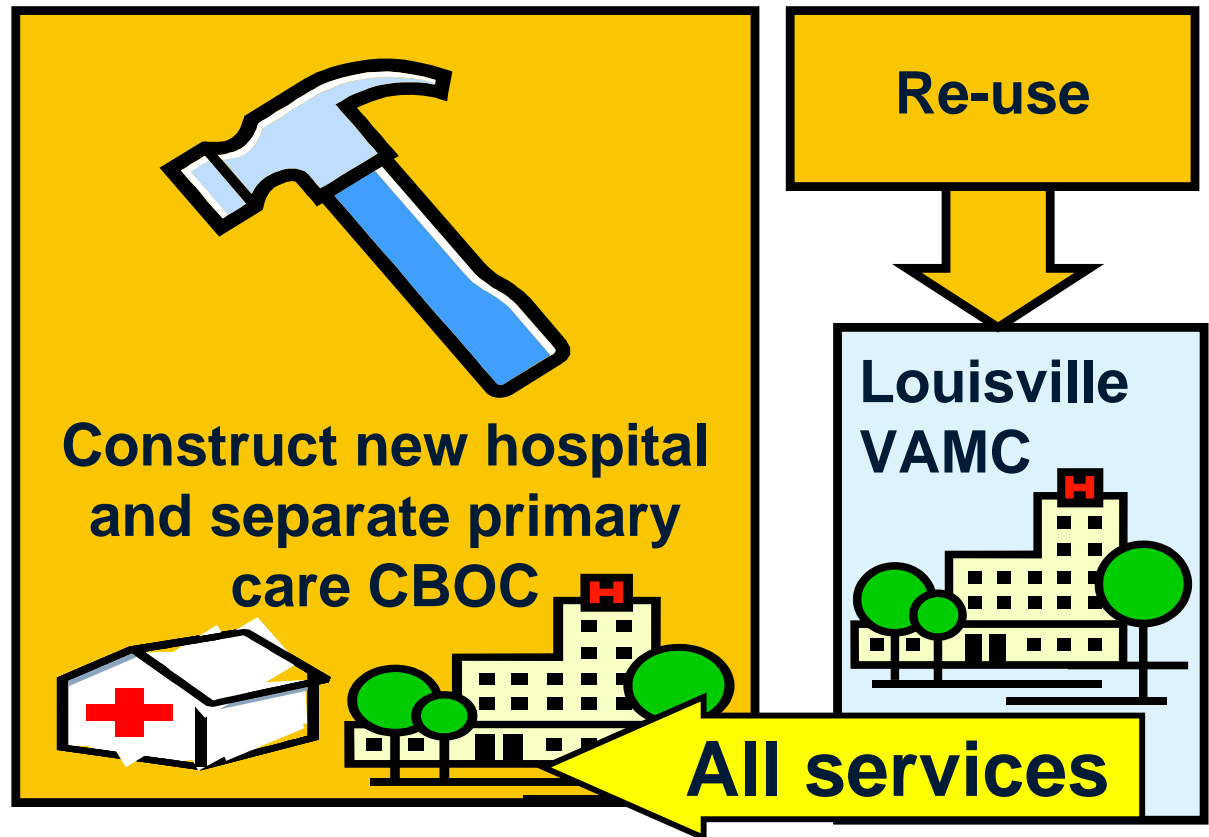
# BPO 6: Assessment, Collocate with University of Louisville

<b>Healthcare Access</b>	No material impact.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation. May increase FTEEs needed.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	No material impact.

# BPO 7: Collocate Newly Constructed Replacement Hospital with University of Louisville, Construct Primary Care CBOC

[HC-4B/CP-4E/CP-5A/RU-2]

Construct a new hospital for inpatient and specialty care collocated near the University of Louisville Medical Center. Construct a new primary care CBOC. Do not collocate with the VBA. Re-use the entire Zorn Avenue campus.



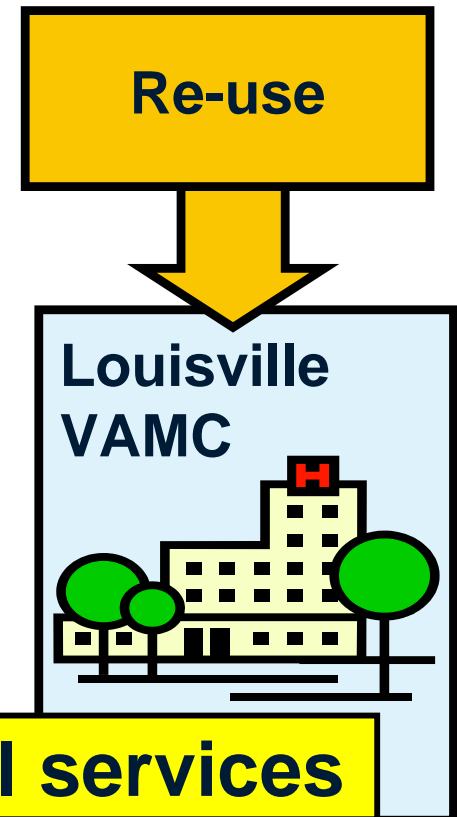
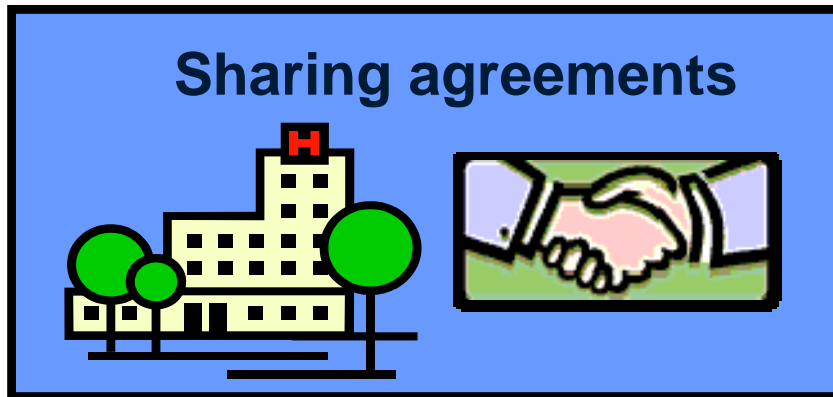
# BPO 7: Assessment, Collocate Newly Constructed Replacement Hospital with University of Louisville, Construct Primary Care CBOC

<b>Healthcare Access</b>	Improved primary care access.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation. May increase FTEEs needed.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	No material impact.

# BPO 8: Construct New Hospital Collocated with the University of Louisville. Develop Sharing Agreements.

[HC-4C/CP-4B/RU-2]

Construct a new hospital collocated near the University of Louisville Medical Center. Develop sharing agreements for ancillary and support services. Do not collocate with the VBA. Re-use the entire Zorn Avenue campus.



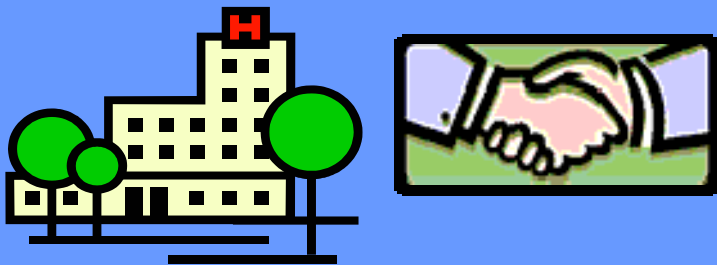
# BPO 8: Assessment, Construct New Hospital Collocated with the University of Louisville. Develop Sharing Agreements.

<b>Healthcare Access</b>	No material impact.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use. Sharing agreements should potentially minimize investment.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	No material impact.

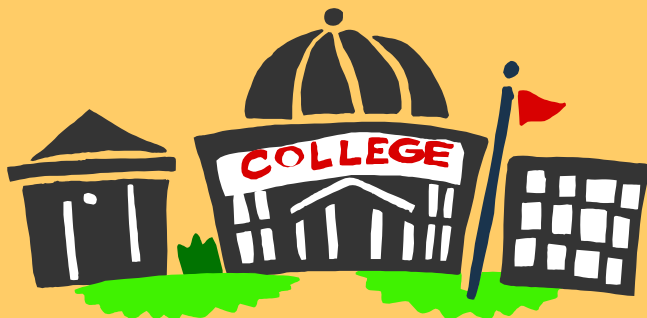
# BPO 9: Collocate Inpatient and Specialty Care with University of Louisville. Share services with University of Louisville. Construct primary care CBOC. [HC-4D/CP-4F/CP-5/RU-2]

Construct a new hospital for inpatient and specialty outpatient care collocated near the University of Louisville Medical Center. Develop sharing agreements for ancillary and support services. Construct new CBOC for primary care. Do not collocate with the VBA. Re-use the entire Zorn Avenue campus.

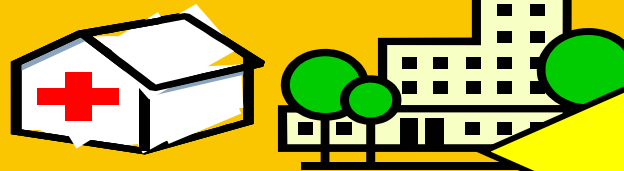
Sharing agreements



Collocate at University



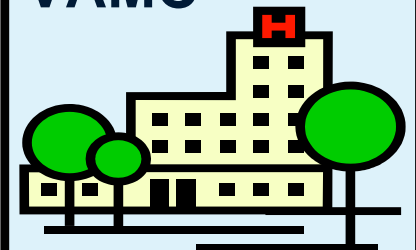
Construct new hospital and primary care CBOC



Re-use



Louisville VAMC



All services

# BPO 9: Assessment, Collocate Inpatient and Specialty Care with University of Louisville. Share services with University of Louisville. Construct primary care CBOC.

<b>Healthcare Access</b>	Improved primary care access.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use. Sharing agreements should minimize investment.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	No material impact.



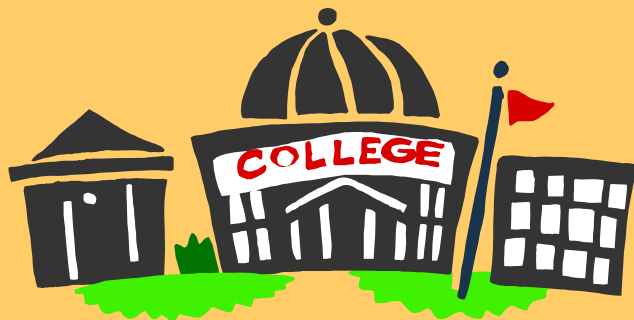
# BPO 10: Replacement Hospital near University of Louisville, Collocate VBA [HC-5A/CP-4A/RU-2]

Construct replacement facility near the University of Louisville Medical Center campus and collocate VBA. Re-use the entire Zorn Avenue campus.

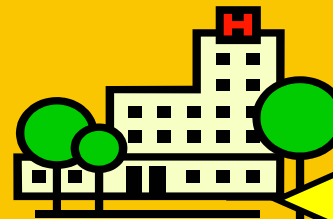
## Collocate with VBA



## Locate near University



## Construct new hospital



## Re-use



All services

# BPO 10: Assessment, Replacement Hospital near University of Louisville, Collocate VBA

<b>Healthcare Access</b>	No material impact.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	Improved due to collocation with VBA and better able to support DOD.

# BPO 11: Construct Replacement Facility Near University of Louisville without Collocating VBA [HC-5B/CP-4B/RU-2]

Construct replacement facility near the University of Louisville Medical Center campus. Re-use the entire Zorn Avenue campus.



# BPO 11: Assessment, Construct Replacement Facility Near University of Louisville without Collocating VBA

<b>Healthcare Access</b>	No material impact.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	Better able to support DOD.

# BPO 12: Construct Replacement Facility Near University Of Louisville, Collocate VBA, Construct Primary Care CBOC

[HC-5C/CP-4D/CP-5A/RU-2]

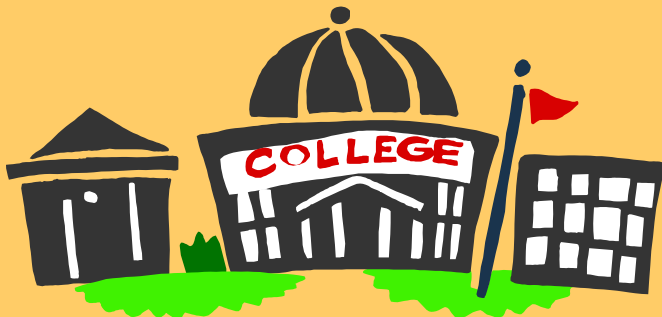
Construct a new hospital that provides inpatient and specialty care located near the University of Louisville Medical Center campus. Collocate with the VBA. Construct a primary care CBOC off-site. Re-use the entire Zorn Avenue campus.

## Collocate with VBA

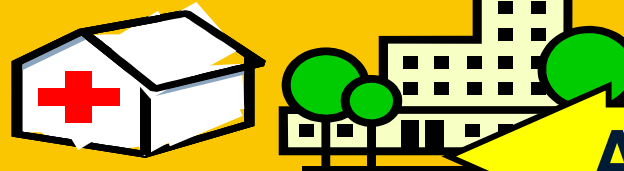
Veterans Benefits Administration

U.S. Department of Veterans Affairs

## Locate near University



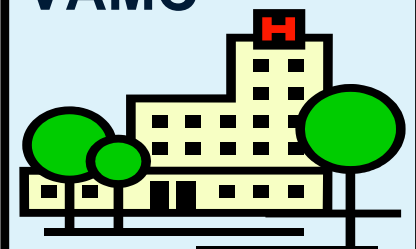
Construct new hospital and primary care CBOC



Re-use



Louisville VAMC



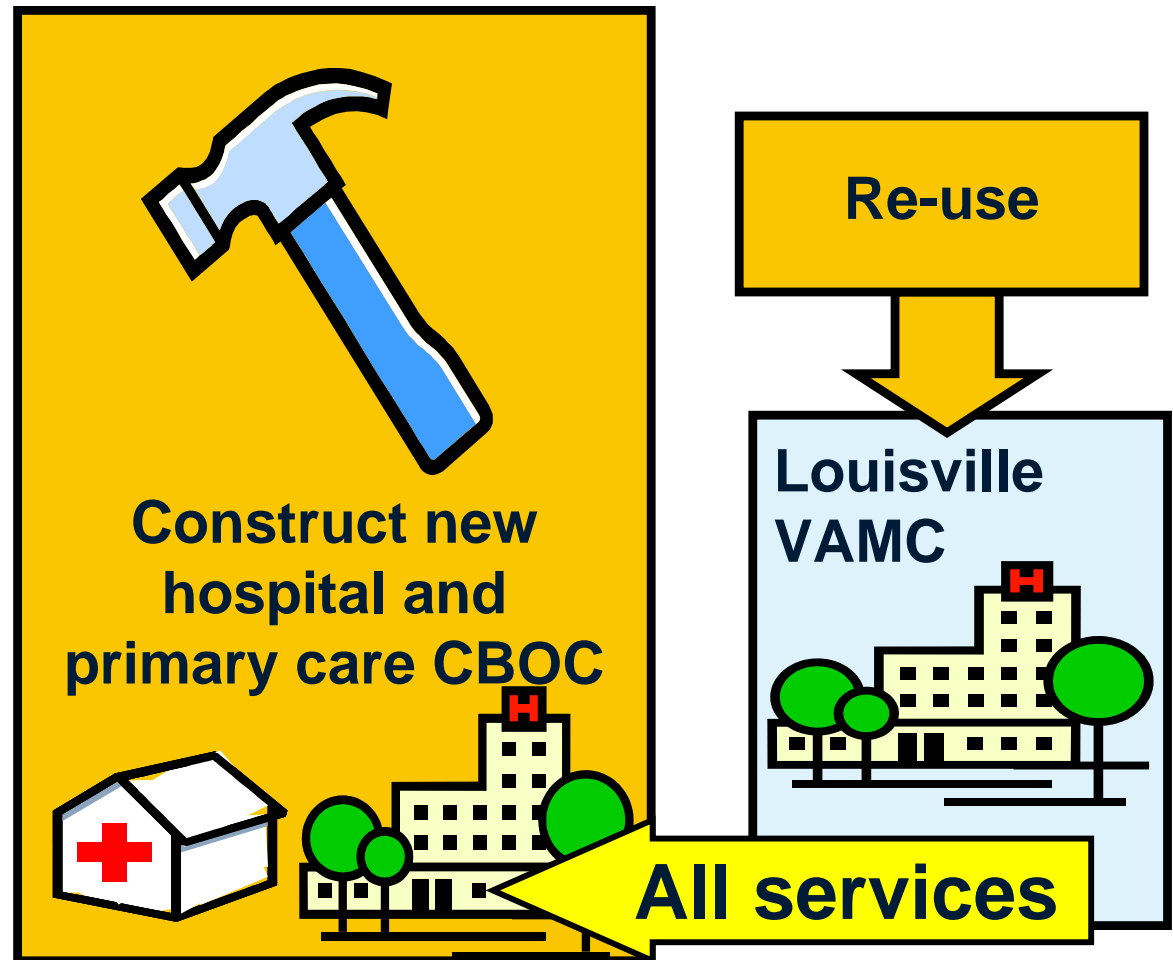
All services

# BPO 12: Assessment, Construct Replacement Facility Near University Of Louisville, Collocate VBA, Construct Primary Care CBOC

<b>Healthcare Access</b>	Improved primary care access.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	Improved due to collocation with VBA and better able to support DOD.

# BPO 13: Construct Replacement Facility Near University of Louisville, Construct Primary Care CBOC, Do Not Collocate VBA [HC-5D/CP-4E/CP-5A/RU-2]

Construct a new hospital collocated near the University of Louisville Medical Center campus. Construct a new primary care CBOC. Re-use the entire Zorn Avenue campus.



# BPO 13: Assessment, Construct Replacement Facility Near University Of Louisville, Construct Primary Care CBOC, Do Not Collocate VBA

<b>Healthcare Access</b>	Improved primary care access.
<b>Healthcare Quality</b>	Improved due to modern building.
<b>Impact on VA &amp; Local Community</b>	Enhanced facility and technologies, improved education and research due to collocation.
<b>Cost Effectiveness</b>	Increased capital required for construction. Entire site available for re-use.
<b>Ease of Implementation</b>	Separate new additional space will minimize disruption to services. One-time transition.
<b>Wider VA Program Support</b>	Better able to support DOD.



# Options Not Selected for Assessment

An option to segregate specialty ambulatory care service from inpatient

Failed due to quality and efficiency

An option to create a referral center for the VISN

Failed due to potential impact on academic affiliates, research, and access for veterans.

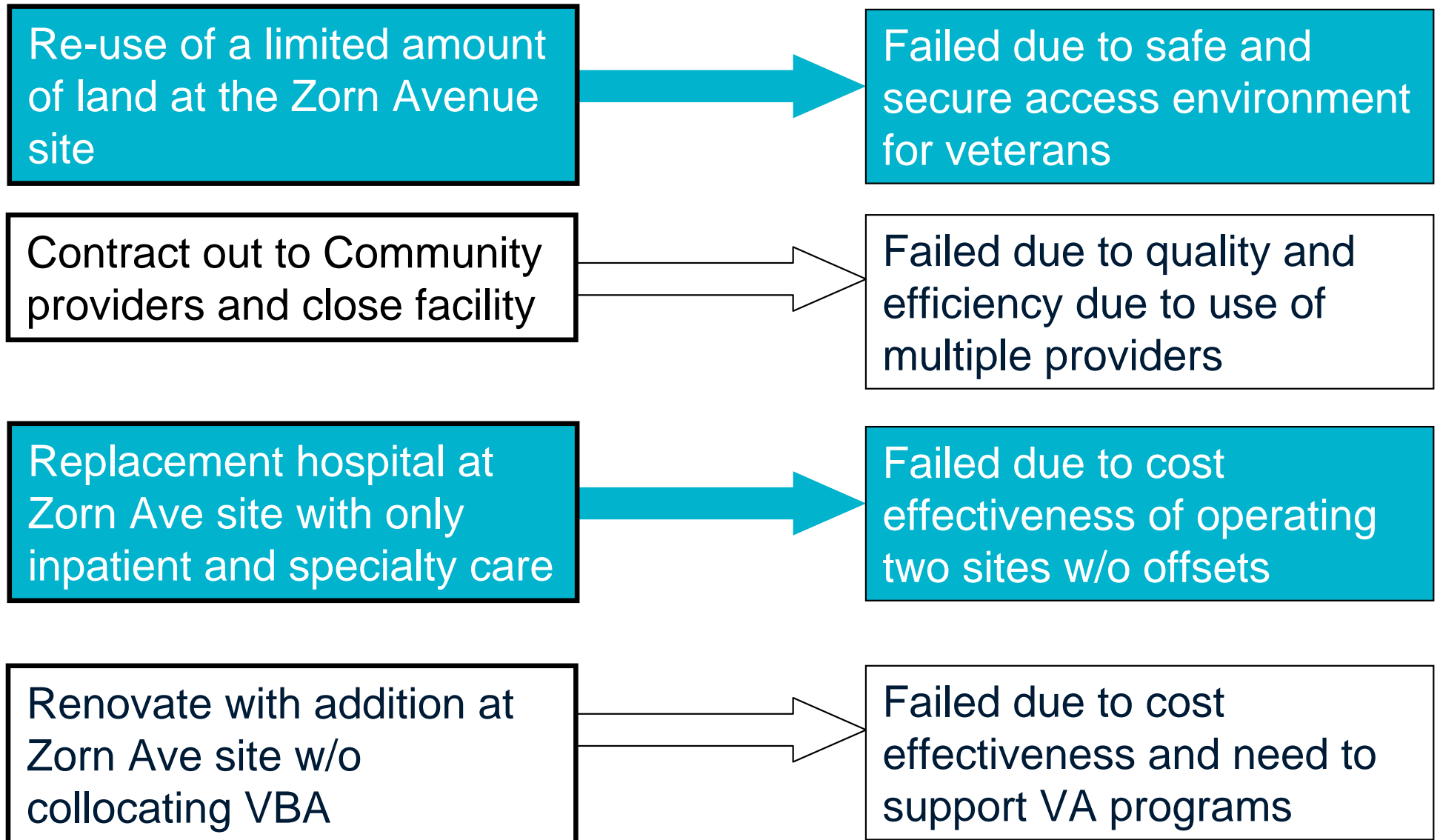
An option to move research to off-hospital location

Failed due to quality and efficiency – inability to perform on-site research

An option to maintain logistical support buildings (i.e. laundry, etc.)

Failed due to access, quality and efficiency

# Options Not Selected for Assessment, continued



# Next Steps

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

# How Can You Provide Feedback?

## Local Advisory Panel Meeting

- ◆ Provide testimony at the public meetings
- ◆ Fill out a comments form at the public meetings

## CARES Project Website

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

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

## CARES Central Mailstop

**Louisville Study  
VA CARES Studies  
PO Box 1427  
Washington Grove, MD 20880-1427**