

Capital Asset Realignment for Enhanced Services (CARES)

Business Plan Studies for Big Spring VAMC

Presentation for Local Advisory Panel

September 1, 2005



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Recap of First LAP Meeting



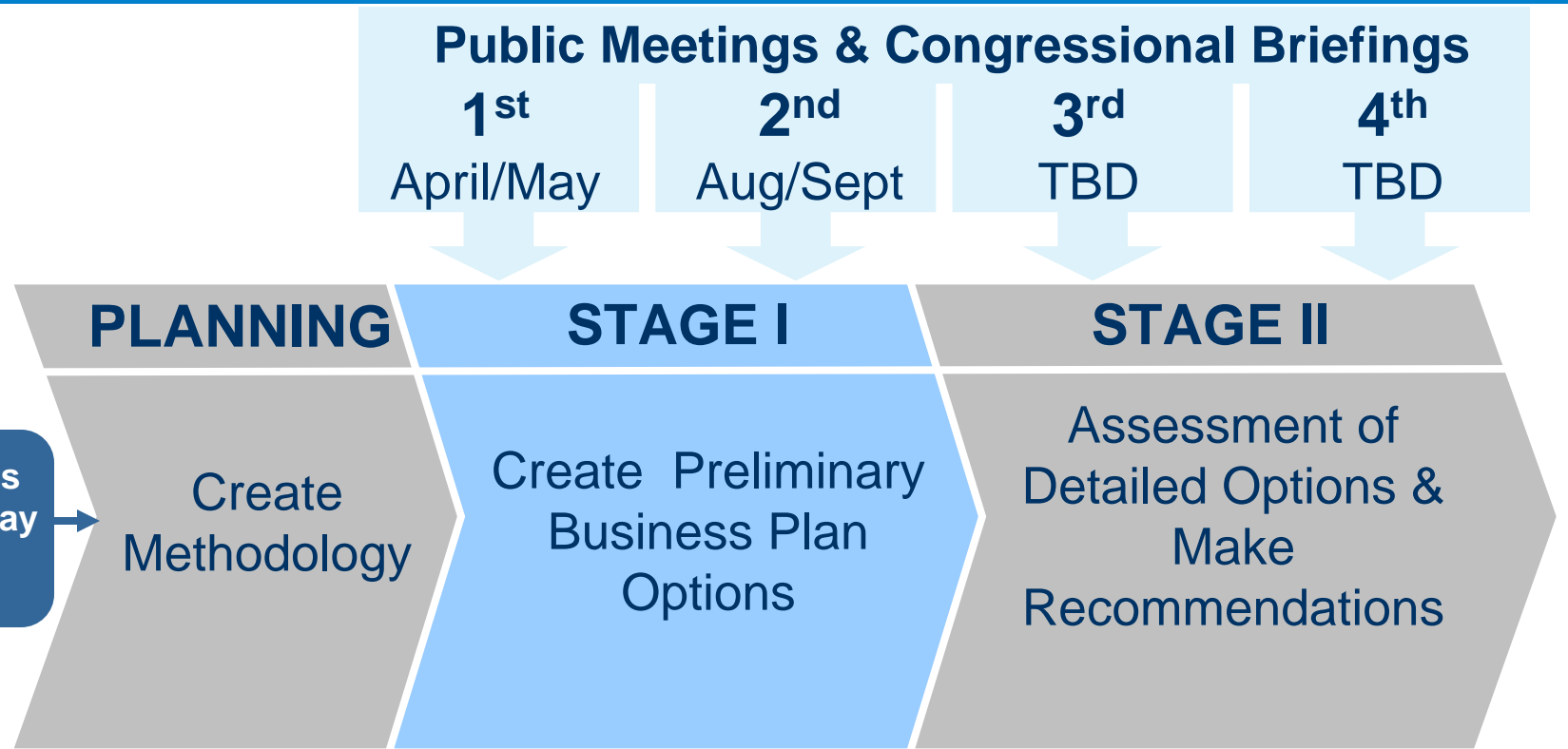
First Public Meeting Recap

- The Secretary's CARES Decision Document, MAY 2004, calls for additional studies to improve the previous analyses for eighteen sites including Big Spring, Texas
- 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



Secretary's Decision May 2004

Secretary's Decision: Options to Study Further

Secretary's Decision: Final Option

VA Capital Investment Process

2004 Secretary's Decision for Big Spring

The VA will:

- Study closing inpatient care and transferring inpatient services from the Big Spring VAMC to the Midland/Odessa area.
- Analyze what type of facility could be developed in the Midland/Odessa area.
- Consider Big Spring's designation as a Veterans Rural Access Hospital (VRAH) and its defined scope of services

What's Being Studied at Big Spring

■ 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 health care in a cost effective manner.
- Members of the LAP will ask questions so that each option is clear. Members of the public may also ask questions about the options.
- The LAP may add options not presented by the contractor.
- The LAP will recommend to the Secretary which options it believes should be studied further, but the Secretary is not required to adhere to this recommendation.

Big Spring Public Input



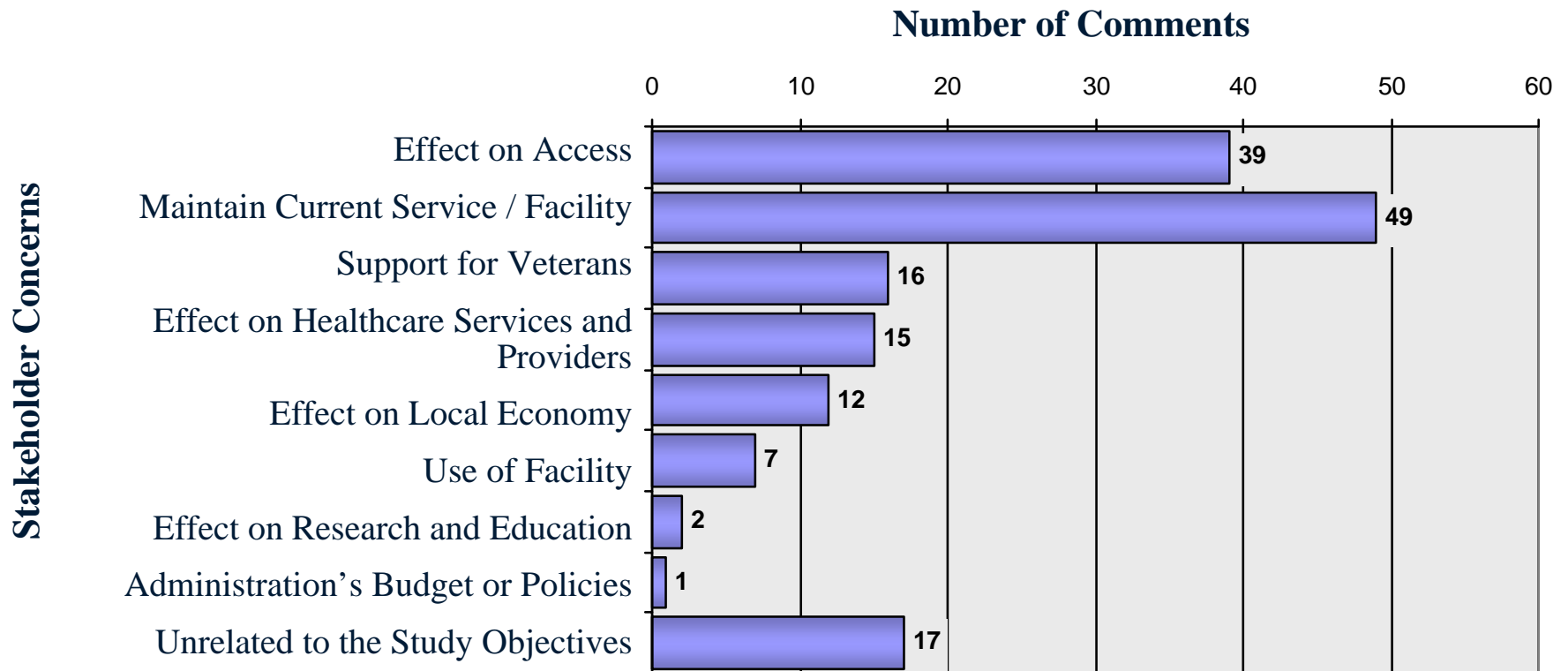
Big Spring Public Input

- 229 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:
 - Keeping the facility open
 - Access to the facility

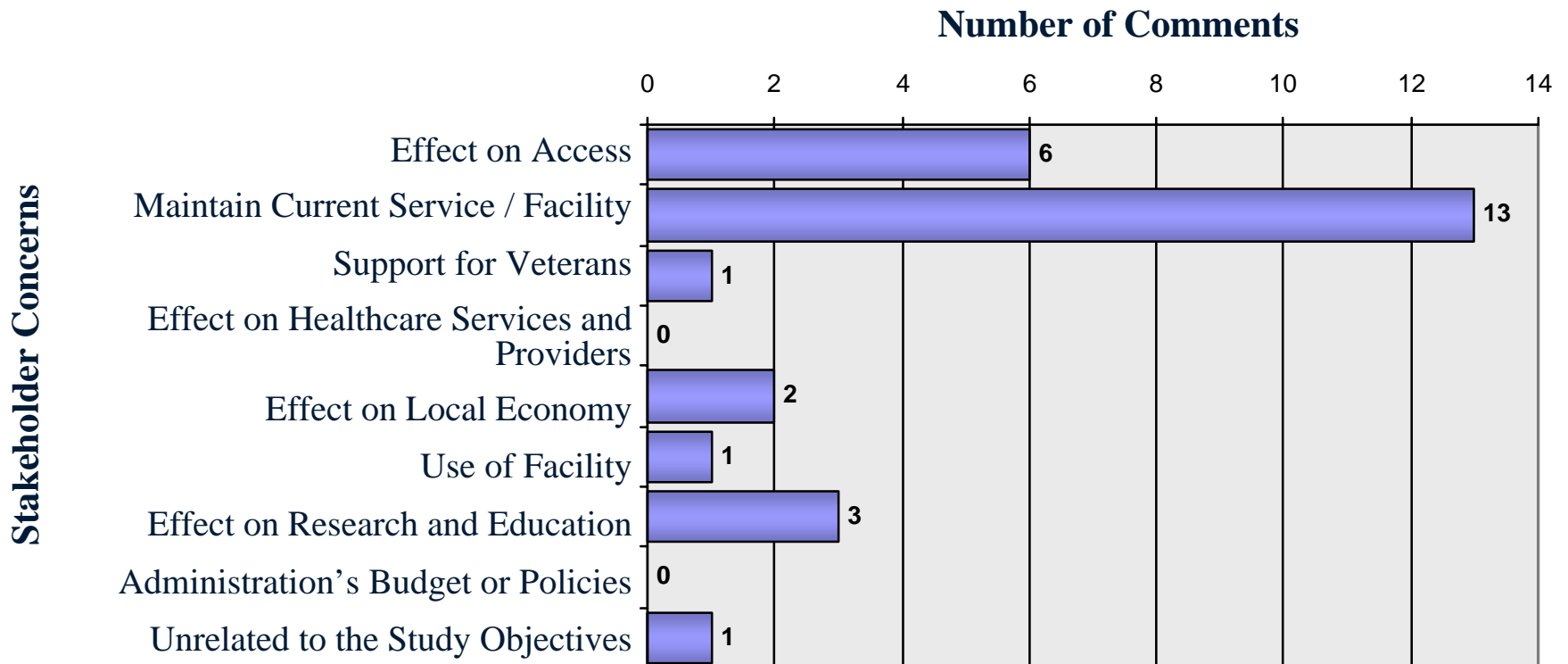
Categories of Stakeholder Concerns

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

Key Concerns – Written and Electronic Input



Key Concerns – Oral Testimony



Stakeholder Input to Options Development

- Task Force of the Big Spring Chamber of Commerce submitted a proposal to expand services in Big Spring and collaborative relationships with local providers. This is addressed in option 4.

Current Status and Business Plan Options

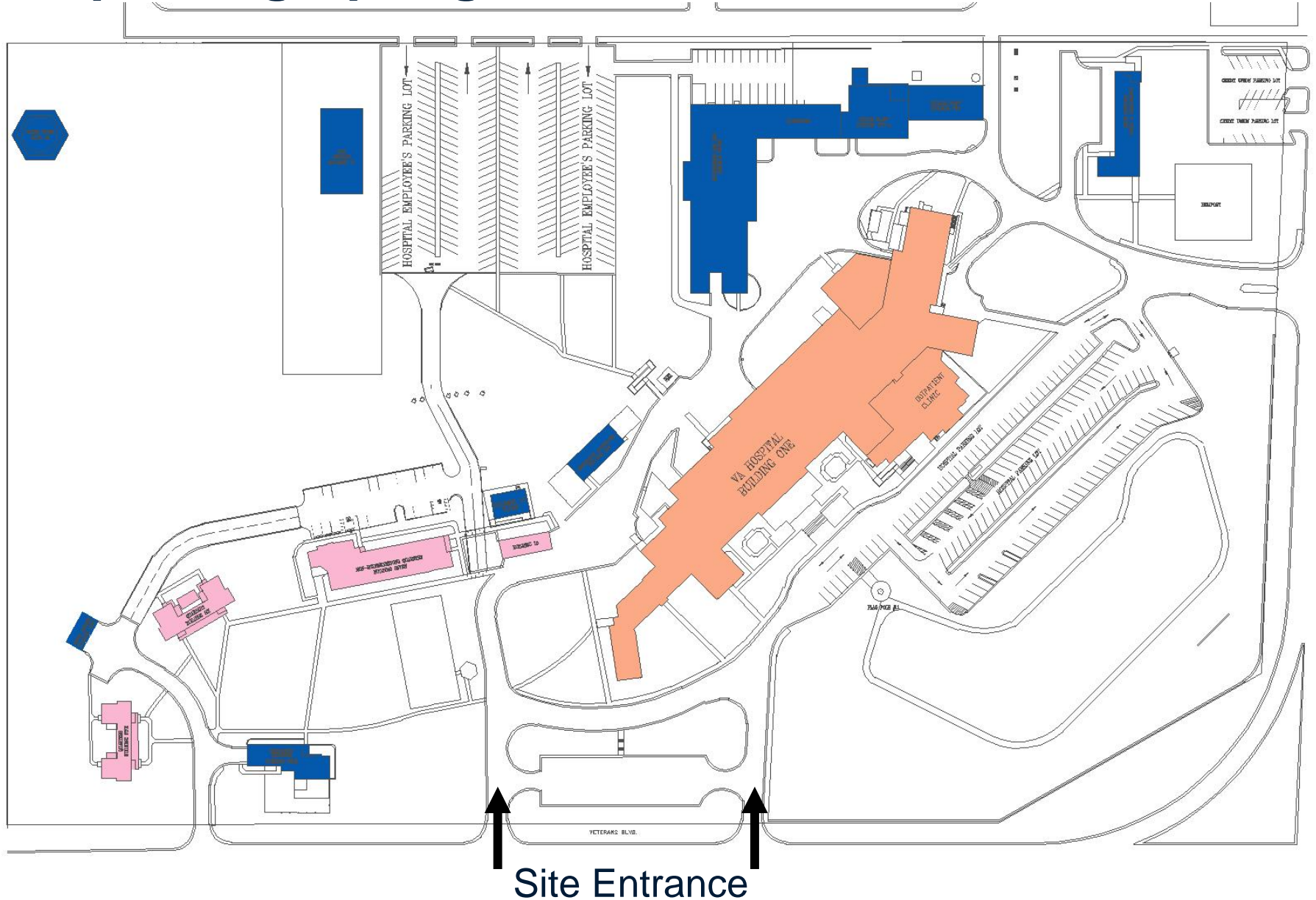


Stage I Study Findings for Big Spring

Big Spring VAMC



Map of Big Spring VAMC



Big Spring Site Overview

■ The Big Spring VAMC:

- ◆ Is in the New Mexico – West Texas Market of VISN 18 which contains 360,000 veterans
- ◆ Campus is composed of 13 buildings located on 31 acres
- ◆ Employs 483 Full Time Employee Equivalents
- ◆ Is affiliated with 13 colleges and universities

Big Spring Services Overview

The Big Spring VAMC:

- ◆ Offers inpatient medicine, outpatient specialty and primary care service, ambulatory surgery, outpatient mental health and nursing home care
- ◆ Inpatient surgery and acute psychiatry are provided by local community providers
- ◆ Domiciliary is provided by Prescott VAMC, Arizona and other VAMCs
- ◆ Houses 40 nursing home care beds and 29 inpatient beds: acute medicine (14), surgery (4), medical ICU (4), surgical ICU (2), intermediate care (5)
- ◆ 16 beds are used by the outpatient substance abuse treatment program for overnight stays
- ◆ Community Based Outpatient Clinic located in Midland/Odessa

Community Healthcare Provider Overview

- ◆ Big Spring: 3 Community Providers
 - **State Veterans' Nursing Home**
 - **State hospital (Inpatient psychiatry facility)**
 - **General acute care hospital**
- ◆ Midland/Odessa: 3 Community Providers
 - **Three general acute care facilities**
 - **Occupancy rates from 38% to 65%**

Current Status & Projections

- The New Mexico – West Texas Market achieves the drive time national guidelines for primary care, but not for acute and tertiary care
- Over the next 20 years the number of enrolled veterans for the New Mexico – West Texas Market is expected to decline 21% from 131,000 to 104,000
 - ◆ The decline is less to the east of Big Spring rather than towards Midland/Odessa in the west
- Increased demand for inpatient psychiatry and domiciliary services creates opportunities, however a challenge exists with declining need for inpatient medicine/surgery services
- The average daily bed use is 15
- Buildings are in average to good condition
- There is not a high level of demand for real estate in the City of Big Spring

Options Development

“Universe” of Considered Options

**Stakeholder
Input**

**Healthcare
Options**

**Capital Planning
Options**

**Re-use
Options**

Initial Screening Criteria:

ACCESS

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

QUALITY OF CARE

Would maintain or improve overall quality of healthcare:

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

COST

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

Team PwC developed Comprehensive BPOs for Stage 1

Discriminating Criteria:

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

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

Options Overview

“Universe” of Considered Options

Healthcare
Options

TOTAL = 22

Capital Planning
Options

TOTAL = 9

Re-Use
Options

TOTAL = 5

Initial Screening for Access, Quality, Cost

Business Planning
Options (BPOs)

TOTAL = 6

Assessed for Stage I Report

Options Not Selected for Assessment

13 Options to move a combination of services to Midland/Odessa

Failed for various reasons:

- Inferior to another option if inpatient services were split
- Did not pass primary care access guideline threshold
- Did not pass quality and volume screening

1 Option to purchase all services from other providers

Did not pass cost screening criteria

1 Option to expand service at the Big Spring VAMC

Failed quality and volume screening

Options Not Selected for Assessment, cont.

1 Option to move some services to Dyess AFB



Did not have inpatient capability

1 Option to build domiciliary facility on Big Spring campus



Inferior to other capital planning options

2 Options for relocation of outpatient services



1 failed the cost screening criteria



1 was rejected due to limited re-use opportunities

Options for Big Spring

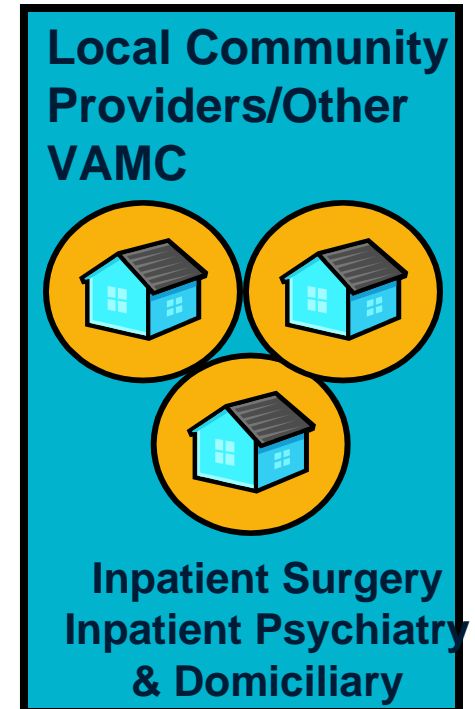
- Developed several options for inpatient services
 - BPO 1 - Utilize existing Big Spring VAMC
 - BPO 2 - Build a new hospital in Midland/Odessa
 - BPO 3 - Utilize local providers for contracting inpatient services close to where the veteran resides
 - BPO 4 - Add domiciliary to existing Big Spring campus
 - BPO 5 - Add domiciliary and psychiatry to existing Big Spring campus
 - BPO 6 - Utilize local hospitals in Big Spring, Midland/Odessa, or both, through a leasing arrangement
- Limited Reuse potential

BPO 1: Baseline Option

A Baseline option reflects the:

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

Inpatient medicine and nursing home care are provided at Big Spring VAMC. Inpatient surgery and psychiatry are purchased from local community or referred to tertiary VAMCs. Most ambulatory services and outpatient mental health services provided at the Big Spring VAMC.



BPO 1: Assessment

Healthcare Access	76% of enrolled veterans meet the drive time access guideline for primary care; exceeding the threshold by 6%. For acute and tertiary care, 55% of enrolled veterans meet the drive time guideline; falling short of the threshold by 10%.
Healthcare Quality	It is expected that the same or better clinical quality will be provided through 2023. Facilities are expected to provide a modern, safe, and secure environment, but will require significant renovation.
Impact on VA & Local Community	Employment need is expected to slightly decrease. However, recruitment and retention should stay strong. Big Spring would most likely remain one of the top four employers in the city and continue to offer well paying jobs, in addition to retaining strong affiliations with allied health programs.
Cost Effectiveness	Operating cost effectiveness levels are expected to remain the same.
Ease of Implementation	This option is expected to be low risk because it does not require major construction of new facilities and will provide adequate space to support projected utilization needs.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

BPO 2: Inpatient Services Relocated to Midland/Odessa

Inpatient medicine, psychiatry, nursing home care and domiciliary services to be provided at a new hospital built in the Midland/Odessa area. Outpatient services remain at their current location in Big Spring and Midland/Odessa.

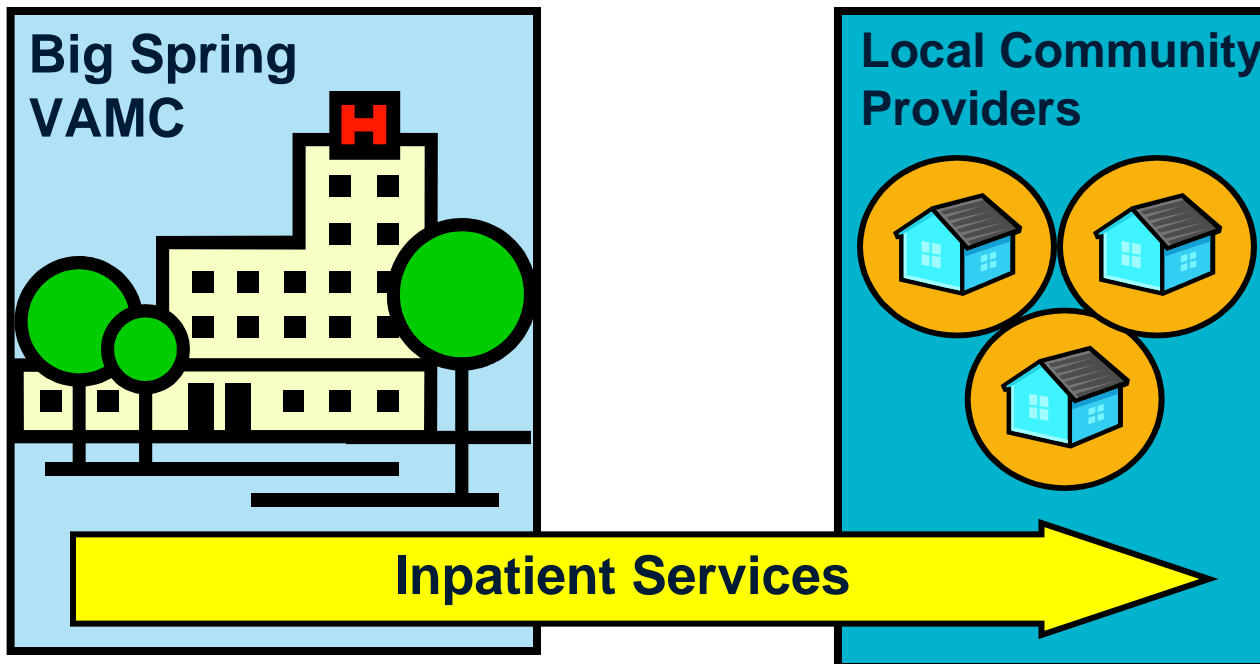


BPO 2. Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	This option provides a possible improvement in clinical quality by offering all inpatient services in one VA facility. All facilities would be expected to provide a modern, safe, and secure environment, but will require significant investment. Option developed within the context of VRAH guidelines.
Impact on VA & Local Community	This option would likely result in a decrease in FTEEs at the Big Spring campus, but require additional personnel to staff the new hospital. Overall an increase in FTEES is expected. Recruitment could be enhanced resulting from larger population in Midland/Odessa. Potential impact on existing education programs due to travel distance for students.
Cost Effectiveness	This option would most likely result in a slightly higher cost relative to baseline due to expected higher capital expenditures for new construction.
Ease of Implementation	This option is probably more risky than baseline because of the degree of construction required and also the recruitment need it creates to fill positions.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

BPO 3: Inpatient services provided by local community

Inpatient medicine, nursing home and psychiatry services are purchased from local community providers in Big Spring, Midland/Odessa, or close to where veterans reside. Big Spring and Midland/Odessa CBOCs remain with ambulatory and outpatient mental health services. Consolidate and renovate existing space on Big Spring campus.

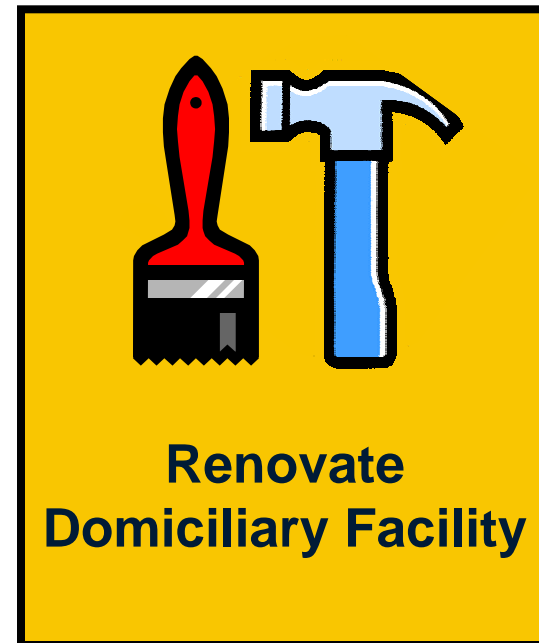
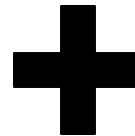


BPO 3: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	This option is anticipated to have no material impact on quality of clinical care. However, high occupancy rates at local providers may limit the ability to accommodate all patients for some inpatient services. Renovated facilities would be expected to provide a modern, safe, and secure environment. Option developed within the context of VRAH guidelines.
Impact on VA & Local Community	Outsourcing services would likely result in a decrease in FTEEs at Big Spring VAMC. The impact on current educational affiliations and training programs would probably not be material, as programs should be able to align with community providers.
Cost Effectiveness	This option is anticipated to result in lower overall costs related to baseline due to expected cost savings from reduced direct costs for services being provided in the community and the expected decrease in need for capital investment dollars.
Ease of Implementation	This option is expected to be riskier than baseline due to the degree of services that would be contracted out to local providers and their ability to accommodate demand for services.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

BPO 4: Add domiciliary to existing Big Spring campus

Add domiciliary services to existing Big Spring VAMC services. Requires renovation of existing facilities for domiciliary. All other services remain at current locations.

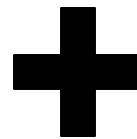
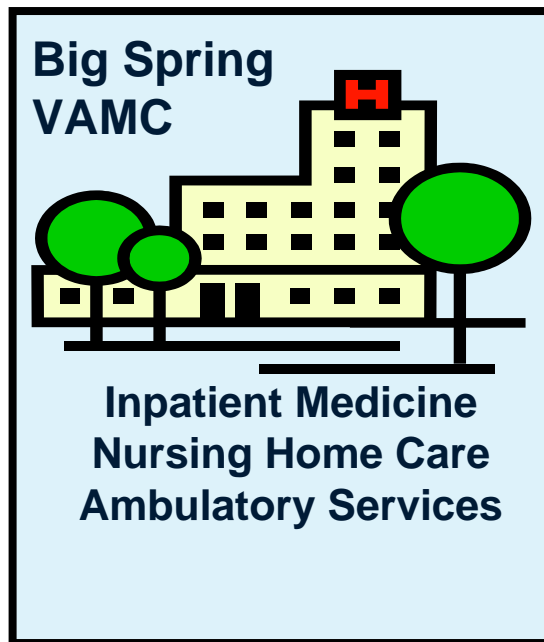


BPO 4: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	This option is anticipated to have no material impact on quality of clinical care. Renovated facilities would be expected to provide a modern, safe, and secure environment.
Impact on VA & Local Community	This option is anticipate to require an increase in FTEES to support domiciliary services. Anticipate no impact on existing educational programs.
Cost Effectiveness	This option is anticipated to have higher capital expenditure costs than baseline, but is expected to have similar overall costs to baseline.
Ease of Implementation	This option is probably more risky than baseline because of the degree of construction required.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

BPO 5: Add domiciliary and psychiatry to existing Big Spring campus

Add inpatient psychiatry and domiciliary services to existing Big Spring campus. Requires renovation and construction of facilities for domiciliary and inpatient psychiatry. All other services remain at current locations.

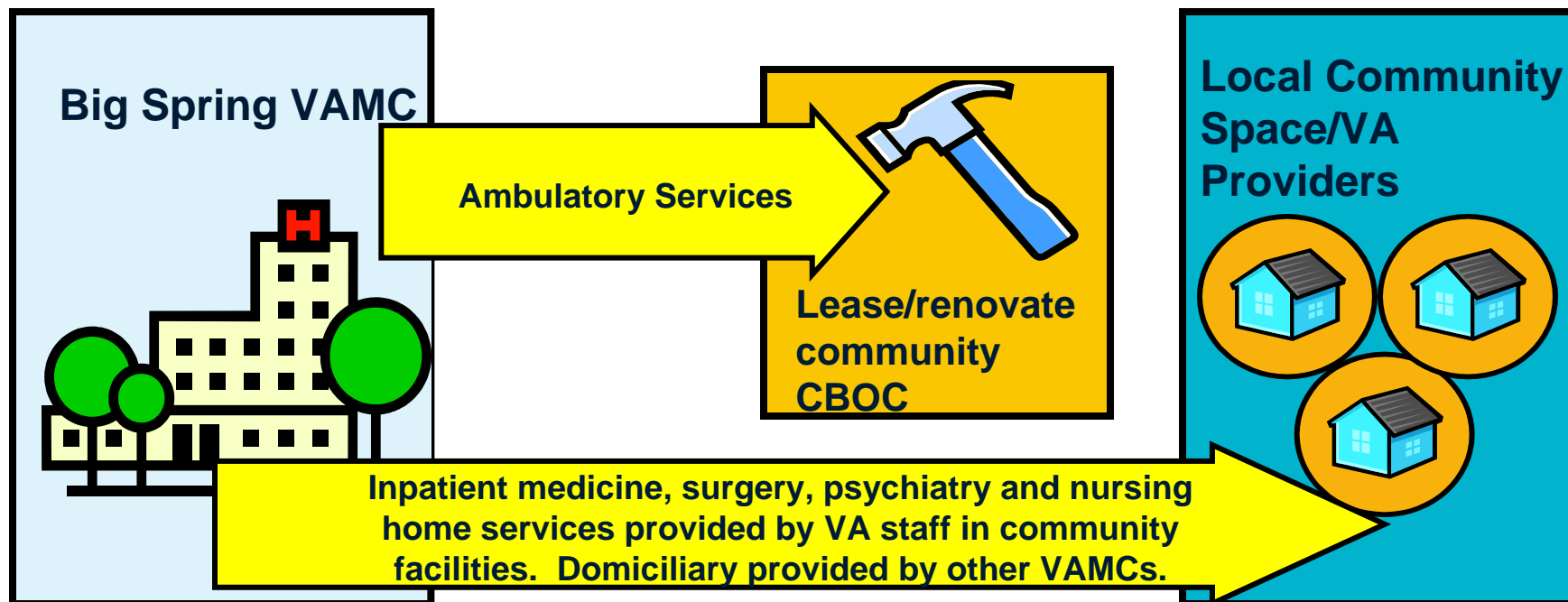


BPO 5: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	This option is anticipated to have no material impact on quality of clinical care. Renovated facilities would be expected to provide a modern, safe, and secure environment.
Impact on VA & Local Community	This option is anticipated to require an increase in FTEES to support domiciliary and psychiatry services. Anticipate no impact on existing educational programs.
Cost Effectiveness	Similarly to option 4, this option is anticipated to have higher capital expenditure costs than baseline, but is expected to have similar overall costs to baseline.
Ease of Implementation	This option is probably more risky than baseline because of the degree of construction required.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

BPO 6: Lease beds for inpatient services

Vacate Big Spring VAMC. Inpatient medicine, surgery, psychiatry, and nursing home services are provided by VA staff in leased beds in Big Spring, Midland/Odessa, or both. Domiciliary services provided by other VAMCs. A CBOC is established in the Big Spring community. Midland/Odessa CBOC remains.



BPO 6: Assessment

Healthcare Access	This option is expected to have no material impact on the current level of enrolled veterans meeting the access drive time guidelines for primary, acute and tertiary care.
Healthcare Quality	This option is anticipated to have no material impact on quality of clinical care. However, high occupancy rates at local providers may limit the ability to lease sufficient facilities to accommodate demand. Renovated facilities would be expected to provide a modern, safe, and secure environment. Option developed within the context of VRAH guidelines.
Impact on VA & Local Community	Leasing facilities would likely result in a decrease in FTEEs at Big Spring VAMC. The impact on current educational affiliations and training programs would probably not be material, as programs should be able to align with community providers.
Cost Effectiveness	While this option is expected to have significantly less capital investment costs than baseline, overall it is anticipated to result in higher costs due to potentially higher operating costs and high demolition expenses.
Ease of Implementation	This option is expected to be riskier than baseline due to occupancy rates at some of the providers and their ability to accommodate demand.
Wider VA Program Support	This option will not limit the current collaboration with DoD.

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

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