

**Statement of  
VA Capitol Health Care Network Panel  
Department of Veterans Affairs  
before the  
CARES Commission  
on the  
VA Capitol Health Care Network  
Market Plan**

**August 12, 2003**

**Introduction - Dr. Nocks**

Mr. Chairman and members of the CARES Commission, I am pleased to be here today to discuss the Capital Asset Realignment for Enhanced Services Market Plan for the VA Capitol Health Care Network, VISN 5.

Our presentation this morning will provide a comprehensive overview of the VA Capitol Health Care Network as defined by the CARES process.

During our presentation, we will:

- 1) Outline our geographic area of responsibility;
- 2) Discuss the three distinct Market Areas within the VA Capital Health Care Network;
- 3) Provide a brief overview of the CARES projections for VISN 5;
- 4) Highlight our Network level CARES initiatives and proximity issues;  
and
- 5) Review the Planning Initiatives that were identified for our Network to address workload and space gaps.

## **Geographic area of responsibility:**

The VA Capitol Health Care Network serves veterans from economically and demographically diverse areas within four different states, including the entire state of Maryland, portions of Virginia, West Virginia and Pennsylvania, as well as the District of Columbia. The Network includes VA Medical Centers located in Baltimore and Perry Point, Maryland; Martinsburg, West Virginia; and Washington, DC. Subsequently, these major medical centers help to define our three distinct CARES Market Areas for the VA Capitol Health Care Network.

## **Network Level CARES Projections**

An analysis of the CARES data reveals there were a total of 149,499 veterans enrolled throughout the VA Capitol Health Care Network in fiscal year 2001. According to the data, the total number of enrollments for the Network is projected to increase to 166,490 veterans by fiscal year 2012, and then gradually decline to a level of 156,086 veterans by fiscal year 2022. The projected market shares for the Network grow from 18.6 percent in fiscal year 2001, to 25.2 percent by fiscal year 2012. The Network's projected market shares swell to 28.6 percent by fiscal year 2022. Subsequently, the data also reflects significant workload increases in outpatient care throughout VISN 5 as the national shift from inpatient care to outpatient care continues. Outpatient workload projections for the Network grow from 1,441,943 clinic stops in fiscal year 2001, to 2,260,240 stops in fiscal year 2012. The projections for outpatient workload diminish slightly to 2,133,444 clinic stops by fiscal year 2022. Beds Days of Care inpatient workload projections remain constant through fiscal year 2022.

## **Network level CARES initiatives and Proximity issue**

A review of the planning initiatives indicates veterans throughout VISN 5 do not have a problem with access to VA health care. Additionally, no planning initiative gaps were identified in the areas of inpatient medicine or inpatient surgery, and the Network did not have to contend with the small facility planning issue. The VA Capitol Health Care Network currently maintains nine long-term care spinal cord injury beds. If the workload for long-term care spinal cord injury treatment exceeds the Network's capacity, these services will be provided through a contractual arrangement. VISN 5 will continue to provide primary care and long-term care services for all special population patients throughout the Network. The existing referral process with VISN 1 will continue to be utilized to support inpatient acute care needs for blind rehabilitation patients within the VA Capitol Health Care Network. Outpatient Blind Rehab services will continue to be provided within VISN 5. Additionally, spinal cord injury patients in VISN 5 who are in need of acute care services will be referred to VISN 6 for the appropriate treatment.

We have included several outpatient mental health care initiatives in our Network Market Plan. Each individual Market Plan for VISN 5 contains expansion initiatives in mental health to improve access to care and to address space gaps. The Market Plan includes a 57,400 square foot expansion in mental health care space throughout VISN 5. A total of 35,800 square feet of this space is being added to community based outpatient clinics to directly assist in improving access to mental health care services for veterans in their local communities. Our Mental Health

Service Line is also proposing to realign 99 mental health care beds between our various medical centers to improve access to inpatient psychiatry services for veterans in the Washington Market Area.

Our Network Market Plan also calls for expanding specialty care services by 187,500 square feet. We will enhance access to specialty care services for our veteran patients throughout VISN 5 by providing 40,000 square feet of expansion space in our various community based outpatient clinics. Similarly, our Market Plan expands primary care space by 68,000 square feet Network-wide, including an expansion of 29,000 square feet in our community based outpatient clinics.

A proximity planning initiative analysis was conducted for the Baltimore VA Medical Center, a division of the VA Maryland Health Care System, and the Washington, DC, VA Medical Center. The Baltimore and Washington, DC, VA Medical Centers are both located in large urban areas and have a large number of veteran enrollees, which is projected to significantly increase over the next 20 years. Both facilities are highly developed, complex medical institutions that serve separate and distinct major metropolitan populations. Additionally, both facilities have numerous teaching affiliations, are major resources for medical education and conduct extensive medical research. The current capacity of each medical center makes it impossible to absorb the workload of another facility without duplicating and expanding existing space, and neither site can accommodate the required space necessary to integrate two large facilities. Although both facilities are within 35 miles of each other, population density and traffic patterns support maintaining two separate VA medical centers.

A review of the CARES projections actually supports the need to expand both the Baltimore and Washington, DC, VA Medical Centers. The VA Capitol Health Care Network has experienced an 11 percent growth in the number of unique veterans being treated in the past two years. This increase in the number of enrolled and treated veterans throughout VISN 5 directly supports the projected growth in workload for the Network as indicated in the CARES Demand Model. After carefully reviewing each of these factors, the recommendation is to maintain the current high level of integration and shared services between the Baltimore and Washington, DC VA Medical Centers, while continuing to investigate other clinical and administrative program efficiencies.

Major planning initiatives were identified for VISN 5 in the following outpatient care areas: 1) primary care, 2) mental health care, 3) specialty care, and 4) ancillary diagnostic services. Additionally, the CARES data for inpatient mental health programs was evaluated. The inpatient mental health planning initiatives for the VA Capitol Health Care Network include the following two inpatient realignments: 1) shift 77 domiciliary care beds from the Martinsburg VA Medical Center to the Washington, DC, VA Medical Center; and 2) shift 22 inpatient mental health beds from the Perry Point VA Medical Center to the Washington, DC, VA Medical Center. No mental health beds will be closed as a result of the Market Plans for the VA Capitol Health Care Network. An initiative was also developed to replace the antiquated 79-year-old nursing home at the Perry Point VA Medical Center as part of the Network Market Plan. Additionally, the CARES data identified research space at the Baltimore VA Medical Center is insufficient.

The vacant space requirements for VISN 5 will primarily be addressed through the Fort Howard Mission Change and Enhanced Use project, which was approved by the Secretary of Veterans Affairs on June 20, 2000. Approximately 8,272 square feet of space has been utilized for the Fort Howard VA Outpatient Clinic, which still remains on the campus. Over 305,000 square feet of space has been vacated and mothballed as part of the Fort Howard Mission Change process. The Enhanced Use Request For Proposals to lease the remaining space at Fort Howard was released on March 27, 2003.

## **Baltimore Market**

The Baltimore Market Area of the VA Capitol Health Care Network is comprised of 15 counties throughout Maryland, including Maryland's Eastern Shore, the counties surrounding the Baltimore metropolitan area and the northeastern quadrant of the state along Interstate 95. Maryland's Eastern Shore is comprised of eight rural counties, which accounts for 13.3 percent of all enrolled veterans within the Market Area. The Chesapeake Bay Bridge provides access for veterans living on Maryland's Eastern Shore who are referred to the Baltimore VA Medical Center for specialty care and diagnostic services. The Baltimore and Perry Point VA Medical Centers, in addition to the Baltimore VA Rehabilitation and Extended Center and six community based outpatient clinics all provide service within the Baltimore Market Area and work together to comprise the VA Maryland Health Care System.

The following four planning initiatives were identified for the VA Maryland Health Care as part of the CARES process: 1) outpatient primary and mental health care, 2) outpatient specialty care, 3) inpatient psychiatry, and 4) the construction of a new replacement nursing home at the Perry Point VA Medical Center.

### **Baltimore Outpatient CARES Workload Gaps**

The CARES data projects a significant workload increase in specialty care services over the next 20 years. In fiscal year 2001, the VA Maryland Health Care System had a total of 107,103 clinic stops in specialty care services. According to the CARES data, the health care system's specialty

care clinics will experience a 57.8 percent increase in visits by fiscal year 2022, with a total of 169,021 clinic stops – as compared to 107,103 specialty care clinic stops in fiscal year 2001. The CARES data also projects that the Baltimore Market Area will experience an increased demand for primary care over the next 20 years. In fiscal year 2001, the VA Maryland Health Care System had a total of 124,221 clinic stops in primary care. The CARES data projects the total number of primary care clinic stops for the health care system will grow to 134,901 in 2022, for an 8.6 percent increase from fiscal year 2001.

#### Baltimore Outpatient Planning Initiatives:

To resolve the workload gaps in outpatient primary and mental health care, the VA Maryland Health Care System will relocate all outpatient primary and mental health care services at the Baltimore VA Medical Center to leased space in a building within close proximity to the hospital. The space that will be vacated when primary and mental health care move to leased accommodations, will be utilized to expand existing outpatient specialty care services. Additionally, the plan calls for expanding the space within the existing community based outpatient clinics throughout the VA Maryland Health Care System. The space expansion at these outpatient clinics will allow the health care system to increase the primary and mental health care services provided to veterans through the community based outpatient program. A collaborative partnership with the Department of Defense will enable the VA Maryland Health Care System to expand outpatient services to veterans living in Anne Arundel County with the opening of a VA outpatient clinic at the Fort Meade Military Base. In addition to the expansion of the primary and mental health care services at the community based outpatient clinics, the health care system will offer

selected high volume specialty care services at several of the larger and more strategically located outpatient clinics throughout Maryland. By offering such specialty care services as audiology, speech, optometry and podiatry at these outpatient clinics, the VA Maryland Health Care System will improve patient access and divert workload away from busy and overcrowded medical centers. Additionally, some specialty care services may be offered to veterans through sharing agreements with joint venture partners, or by contracting with community providers.

#### Baltimore Inpatient Planning Initiative

To address the projected increase in demand for inpatient psychiatric services in the Washington Market Area over the next 20 years, an initiative was developed to shift 22 mental health beds from the Perry Point VA Medical Center to the Washington, DC, VA Medical Center. No mental health beds will be closed as a result of the shift in services. Additionally, the VA Maryland Health Care System has included a planning initiative to replace the antiquated 79-year-old Nursing Home Care Unit at the Perry Point VA Medical Center as a part of the CARES process.

Following VA Central Office review of our CARES Market Plans, the Network was requested to explore Enhanced-Use opportunities at the Perry Point VA Medical Center campus. This initiative at Perry Point would study consolidating the campus to maximize potential enhanced use outcomes, while maintaining the current mission of the medical center. The site lends itself to numerous residential, business, and recreational type

activities that could provide benefits to both the VA and the surrounding community.

## **Martinsburg Market**

The Martinsburg Market Area of the VA Capitol Health Care Network is comprised of 23 different counties spread across parts of Virginia, West Virginia, Maryland and Pennsylvania. Of the 23 counties within the Martinsburg Market Area, eight are urban areas, another eight are rural areas and the remaining seven are identified as highly rural areas. The Martinsburg VA Medical Center and six community based outpatient clinics all provide service to the veterans within this geographic area.

The following four planning initiatives were identified for the Martinsburg VA Medical Center as part of the CARES process: 1) outpatient primary care, 2) mental health care, 3) outpatient specialty care, and 4) domiciliary care.

### **Martinsburg CARES Outpatient Workload Gaps**

The CARES data projects a significant workload increase in primary care over the next 20 years throughout the Martinsburg Market Area. In fiscal year 2001, the Martinsburg VA Medical Center and its six community based outpatient clinics had a total of 104,603 clinic stops in primary care.

According to the CARES data, the total number of primary care clinic stops for Martinsburg will rise to 132,333 in 2022, for a projected 26.5 percent increase in workload. The CARES data also projects the Martinsburg Market Area will experience an increase in outpatient mental health care, growing from 41,389 clinic stops in fiscal year 2001, to 50,210 clinic stops in fiscal year 2022. This projected growth in outpatient mental health care accounts for a workload gap increase of 21.3 percent above fiscal year 2001. Additionally, the CARES data shows the Martinsburg Market Area

will experience a 91.4 percent increase in the demand for specialty care services by fiscal year 2022, with a total of 124,242 clinic stops – which is up significantly from 64,912 specialty care clinic stops in fiscal year 2001.

#### Martinsburg Outpatient Planning Initiatives:

To address the projected workload and space demands within the Martinsburg Market Area, the following planning initiatives have been developed: 1) A 31,000 square foot outpatient clinical addition will be constructed on the campus of the Martinsburg VA Medical Center to provide enhanced and expanded outpatient care services; 2) Outpatient mental health care will be integrated with primary care at all locations throughout the Martinsburg Market Area; 3) The services offered in all existing community based outpatient clinics will be expanded to increase veteran access to primary and mental health care services; 4) A joint venture with the Department of the Army at Fort Detrick will expand outpatient services and will improve access to VA health care for veterans living in Fredrick, Maryland, with the opening of a new VA outpatient clinic; 5) Selected high volume specialty care services will be offered at several of the larger and more strategically located community based outpatient clinics throughout the Martinsburg Market Area to improve patient access and divert workload away from the medical center – specialty services to be offered at these community based outpatient clinics will include ophthalmology, oncology, podiatry, urology and orthopedics; and 6) Some specialty care services may be offered to veterans through sharing agreements with joint venture partners, or by contracting with community providers.

## Martinsburg Inpatient Planning Initiative:

To address the projected increase in demand for inpatient psychiatric services in the Washington Market Area over the next 20 years, an initiative was developed to shift 77 domiciliary care beds from the Martinsburg VA Medical Center to the Washington, DC, VA Medical Center. This realignment of beds will help to address the market-based demand in the Washington Market Area, while maintaining an efficient domiciliary care program at the Martinsburg VA Medical Center.

## Washington DC Market

The Washington Market Area of the VA Capitol Health Care Network is comprised of the District of Columbia and 15 counties throughout northern Virginia and southern Maryland. The Washington, DC, VA Medical Center and three community based outpatient clinics all provide service to veterans within this geographic area.

The Washington, DC, VA Medical Center has seven primary planning initiatives as part of the CARES process dealing with the following five program areas: 1) outpatient primary care, 2) outpatient mental health care, 3) outpatient specialty care, 4) inpatient psychiatry, and 5) domiciliary care.

### Washington Outpatient CARES Workload Gaps:

According to the CARES data, the Washington Market Area will experience the largest workload gaps in VISN 5 over the next 20 years. Primary care services throughout the Washington Market are projected to increase by 39.3 percent by fiscal year 2022, with a total of 184,209 clinic stops – which is up from 132,264 primary care clinic stops in fiscal year 2001. The most significant growth for the Washington Market Area is projected in specialty care, which had a total of 124,352 clinic stops in fiscal year 2001. The CARES data projects that the total number of specialty care clinic stops for the Washington Market will increase to 266,029 by fiscal year 2022, an increase of 113.9 percent over fiscal year 2001.

## Washington Outpatient Planning Initiatives:

To address the projected workload and space demands throughout the Washington Market Area, the following planning initiatives have been developed: 1) construct a 155,000 square foot outpatient clinical addition on the campus of the Washington, DC, VA Medical Center to provide enhanced and expanded primary care, mental health care, specialty care and ancillary diagnostic services; 2) expand the existing community based outpatient clinics throughout the Washington Market Area to accommodate the projected workload increase in primary and mental health care; 3) enter into a joint venture with the Department of the Army at Fort Belvoir to expand outpatient clinic services and improve access to VA health care for veterans living in northern Virginia and parts of Washington, DC; 4) open a fourth community based outpatient clinic within the Washington Market Area in southern Prince George's County; 5) offer selected high volume specialty care services at several of the larger and more strategically located community based outpatient clinics throughout the Washington Market Area to improve patient access and divert workload away from the medical center – specialty services to be offered at these community based outpatient clinics will include audiology, optometry, dermatology and podiatry; and 6) offer some specialty care services to veterans through sharing agreements with joint venture partners, or by contracting with community providers.

## Washington Inpatient Planning Initiatives:

To address the projected increase in demand for inpatient psychiatric services in the Washington Market Area, an initiative was developed to shift

22 mental health beds from the Perry Point VA Medical Center to the Washington, DC, VA Medical Center. Space on Ward 3C at Washington will be renovated to accommodate two 25-bed wards by relocating 28 current inpatient psychiatry beds at the facility and allowing for an expansion of 22 additional inpatient psychiatric beds. Additionally, 77 domiciliary care beds will be shifted from the Martinsburg VA Medical Center to the Washington, DC, VA Medical Center to help meet the projected increase in demand for domiciliary care services in the Washington Market Area over the next 20 years.

### **Summarization**

In summary, the VA Capitol Health Care Network developed CARES Market Plans with a focus on improving access to VA health care for veterans throughout VISN 5. CARES initiatives at our medical centers are meant to improve patient flow and staff efficiencies in the areas of primary care, outpatient mental health care, specialty care, inpatient mental health care and ancillary diagnostic services.

In the area of outpatient care, the expansion of existing community based outpatient clinics, along with the addition of new strategically placed VA outpatient clinics, will greatly improve patient access and will relocate important VA services to areas with dense veteran populations. The VA Capitol Health Care Network will also improve access to VA health care by implementing joint venture community based outpatient clinics with the Department of Defense.

By shifting inpatient mental health beds to the Washington, DC, VA Medical Center, the Network will greatly improve access to inpatient psychiatric services for veterans living in the Washington Market Area. Additionally, the recommended replacement of the nursing home care facility at Perry Point and the Enhanced Use Project at Fort Howard will revitalize these facilities, while addressing the growing health care needs of our aging veteran population.

The VA Capitol Health Care Network is committed to serving the needs of our nation's veterans. Our CARES Market Plan demonstrates our dedication to improving the health care services we provide each and every day for these veterans and for future veterans currently serving in the Armed Forces.

Thank you for affording us the opportunity to present our CARES Market Plan to you this morning.