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TACTICAL AIR AND LAND FORCES

August 18, 2003

The Honorable Everett Alvarez, Jr.
Chairman
CARES Commission (00 CARES)
Department of Veterans' Affairs
810 Vermont Avenue, NW
Washington, D.C. 20420

Dear Chairman Alvarez:

We deeply regret that due to prior scheduled commitments we are unable to personally attend the CARES Public Hearing for the Eastern Market of VISN Four on August 28, 2003. However, we do want to express our serious concerns to the CARES Commission regarding health care access for our veterans in Southern New Jersey. We remain deeply troubled that South Jersey veterans are not currently having their health care needs adequately served by the Veterans' Administration, nor will they have these needs met under the plan as outlined in the CARES Draft Market Proposal for the Eastern Market of VISN Four. We have been in close contact with Secretary Principi, Dr. Robert Roswell, and Mr. Lawrence Biro on this important issue and have requested the VA include language in the CARES report to reflect a need for additional inpatient VA services in Southern New Jersey. As a workable solution to this problem, we have also requested that the VA staff a wing at South Jersey HealthCare's (SJHC) new hospital in Vineland, New Jersey, to provide these needed services.

The Draft Market Proposal for VISN Four identifies a shortfall of between 42 and 47 inpatient beds throughout the Eastern Market between now and 2012, peaking in the next ten years. The question, therefore, is not whether VISN Four's Eastern Market needs extra inpatient capacity. The question is how and where this extra inpatient capacity will be handled.

The attached chart and report also support the need for a VA inpatient wing in Southern New Jersey, outlining the demand forecast for the VA in our area. In a meeting with Mr. Biro earlier this summer, he stated he will stand behind the average daily census reflected in our chart.

To address both the current veterans' health care access problem and the projected inpatient bed shortfall, we propose the establishment of a VA wing with 20 to 24 inpatient beds at the brand new, state of the art hospital in Vineland, New Jersey. In addition, veterans at this facility would have access to a premier rehabilitation hospital which is located across the street

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from the South Jersey HealthCare facility.

The community has pledged to provide full funding for the construction of such a wing (the hospital is being built to accommodate expansion of services). Expensive start up costs and equipment costs for the VA wing would be eliminated by utilizing the new hospital's equipment. On June 30, 2003, Mr. Biro toured the under-construction SJHC facility along with Congressman LoBiondo.

As outlined in the Draft Market Proposal for VISN Four, the VA's inpatient needs will increase between now and 2012, but then decrease from 2012 to 2022. By 2022, VA's projections in the Eastern Market indicated it would need an inpatient infrastructure similar in scope to today's needs. The challenge for the VA is to meet this temporary need (the bubble from 2003-2012), but to do so in a way that does not create a permanent infrastructure that may not be needed in perpetuity. Our proposal-having the VA lease and staff a wing at a private hospital- allows the VA to increase its inpatient capacity without incurring permanent liability. If the VA's inpatient needs change significantly in the future, it can increase or decrease its inpatient capacity more easily than by building and expanding its own "in house" capacity. Our proposal is scalable and flexible.

The VA's currently proposed solution to the 42 to 47 inpatient bed shortfall in the VISN 4 Eastern Market region is to expand its own "in house" capacity at existing VA medical centers. This appears to us to represent the same failed approach that got the VA into its overcapacity crisis in the first place. The inpatient shortfall in VISN 4's Eastern Market is temporary, according to the projections. So why is VA proposing to permanently increase capacity? Would it not be better to pursue the leasing/staffing approach we have put forward at Vineland, so that the VA can scale up or scale back its inpatient capacity as patient needs are required? Moreover, the approach we recommend is neither unprecedented, nor unusual for the VA to undertake. We understand that similar arrangements have been initiated in various parts of the country.

We also have serious reservations about the VA's access model for health care. The current VA health care access model says that adequate access is being provided if a veteran lives within 60 to 90 mile radius of a VA Medical Center. Currently, veterans residing in Southern New Jersey must often travel several hours away, either to the neighboring states of Pennsylvania or Delaware, or to Northern New Jersey, in order to receive inpatient medical care and some outpatient services.

Although transportation is provided to the Wilmington, DE facility, these veterans often face a ten-hour round trip. Veterans riding a van from Southern New Jersey must board the van early in the morning, making several stops before reaching the VA facility, stay all day until each veteran has completed their appointment and then return home. This means that a veteran with a

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4 PM appointment boards the bus at 8 AM and waits at the facility until 4 or 5 PM. And, the veteran whose appointment is at 9 AM must wait to return home until the last appointment is completed, resulting in a 10 hour day of travel. This is simply unacceptable. In addition, the Wilmington, DE, Philadelphia PA, and the East Orange, NJ facilities include driving on some of the busiest and most heavily traveled highways in the country. Whether it be on the New Jersey Turnpike, the Garden State Parkway, I95 or I76, our elderly veterans and their families must travel on highways that see 200,000 automobiles worth of commuter traffic per day.

Of equal concern is that veterans have told us they simply do not use the services at these three facilities because of the transportation hardship. For example, one of Congressman LoBiondo's constituents has a mandatory appointment for a remicade shot at the Philadelphia VAMC at 8 AM and his scheduled surgeries must also be a 8 AM. The problem he is facing is that the VA van doesn't get him to the hospital in time for his 8 AM appointment, and he doesn't have another method of transportation, or any money to get there on his own due to his inability to drive and limited income.

To address this pressing problem we have repeatedly asked the Veterans' Administration to consider an inpatient care alternative to fulfill the VA's health care commitment to Southern New Jersey's veterans. The proposed VA Wing at the South Jersey HealthCare hospital in Vineland, New Jersey gives the VA a low cost way to address the inadequate access to inpatient health care in Southern New Jersey and resolves the unpleasant and extraordinary time frame of travel.

As we are all aware, at this stage in the process, the CARES report is simply a draft. During your review this of draft we ask that you take into our concerns about servicing the health care needs of the veterans in New Jersey. We respectfully request that language stating that "there is no need for inpatient care in Southern New Jersey," be stricken and that language to commit to placing 20 to 24 inpatient beds in Southern New Jersey be included in the finalized CARES Market Proposal for our VISN. Dr. Robert Roswell, VA Under Secretary for Health, committed in writing to changing the above language in the Draft Market Proposal before the CARES Draft Market Plan was given to the CARES Commission for review.

We would again like to stress the importance of improving VA health care access in Southern New Jersey, ask that our proposal for a community funded VA Wing at South Jersey HealthCare's new hospital in Vineland, NJ be *fully considered*, and request that this urgent matter be adequately addressed in the final CARES Commission Plan.

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Our nation's veterans answered the call without question when our country needed them, and it is our duty to provide quality, convenient health care for them when they need it. We welcome the opportunity to work with you to improve both inpatient and outpatient health care access for the veterans of Southern New Jersey, and for all veterans. Thank you for your time and attention to these requests.

Sincerely,



Frank A. LoBiondo
Member of Congress



Christopher H. Smith
Chairman
House Committee on
Veterans' Affairs

FAL/js

Enclosures (2)

- 1) Chart
- 2) SJHC Executive Summary

South Jersey Healthcare
Demand Forecast for VA

	VA Medical Centers		Total
	Philadelphia	Wilmington	
Total Veterans Served ¹	529	285	814
Total Veterans Admissions	756	449	1,205
Est. % of Patient Treated at RMC ²	75.0%	75.0%	75.0%
Est. # of Patient Treated at RMC	567	337	904
Estimated Patient Days ³			
@ 6.0 days	3,402	2,021	5,423
@ 7.0 days	3,969	2,357	6,326
@ 8.0 days	4,536	2,694	7,230
@ 9.0 days	5,103	3,031	8,134
Estimated Average Daily Census			
@ 6.0 days	9.3	5.5	14.9
@ 7.0 days	10.9	6.5	17.3
@ 8.0 days	12.4	7.4	19.8
@ 9.0 days	14.0	8.3	22.3
Estimate Bed Need @ 80% Occupancy			
@ 6.0 days	12	7	19
@ 7.0 days	14	8	22
@ 8.0 days	16	9	25
@ 9.0 days	17	10	27
Estimated Construction Cost Calculation	Estimated Square Footage ⁴	Cost per SqFt ⁵	Estimated Construction Cost
@ 19 Beds	8,550	\$350.00	\$2,992,500
@ 22 Beds	9,900	\$350.00	\$3,465,000
@ 25 Beds	11,250	\$350.00	\$3,937,500
@ 27 Beds	12,150	\$350.00	\$4,252,500

Notes

¹Total number of veterans receiving inpatient care in 2002 who live in one of the following SJ counties: Atlantic, Burlington, Cape May, Camden, Cumberland, Gloucester and Salem.

²Estimate based in part on Wagner and Yu VA Presentation entitled "HERC's Average Cost Data Set" accessed May 20, 2003 www.herc.med.va.gov. Report indicated that approximately 88 % of total admissions are acute medical and surgical cases. The remaining 13% of patients going elsewhere is based on services SJH does not currently provide (i.e. Cardiac Surgery) or patient choice.

³LOS estimated based on SJH Medicare experience

⁴Square Footage estimates provided by Granary Associates.

⁵Estimated cost per square foot based on SJH estimates and experience