

**Written Testimony
of VA Stars & Stripes Healthcare Network
for CARES Commission Hearings**

*Revised
8-26-03*

August 27 and 28, 2003

Mr. Chairman and members of the CARES Commission, thank you for the opportunity to submit this written testimony about the Draft National CARES Plan as it concerns the VA Stars & Stripes Healthcare Network (VISN 4).

VISN 4's portion of the Draft National CARES Plan is a combination of the efforts of our network's leadership, staff, and stakeholders, as well as subsequent reviews performed by numerous individuals and groups at VA headquarters. With regard to VISN 4's stakeholders, please be advised that our network has actively involved many groups throughout the entire CARES process, including our employees, union leadership, Congressional officials, VSO and community partners, and our academic affiliates. During this time, information about CARES developments has been exchanged through a variety of avenues ranging from one-to-one meetings and group presentations, to newsletters, e-mails, and Web site communications. Stakeholder comments, reactions, and ideas about what should go into our Draft Market Plans submitted at the end of CARES Step 4 were actively sought through these channels as well as through the participation of several key stakeholders on the task forces that developed our Draft Market Plans.

Before discussing the Planning Initiatives and other elements of the Draft National CARES Plan that relate to our network, here is a brief overview of our VISN's two

market areas. VISN 4 is comprised of two markets— Eastern and Western. The rationale for segmentation into two markets is based on the long-standing referral patterns inherent within our network. These referral patterns have resulted in two hub-and-spoke configurations with a tertiary referral medical center in each market surrounded by four spoke primary/secondary hospitals. In the West, the hub facility is the VA Pittsburgh Health Care System with the referral spokes including Altoona, Butler, Erie, and Clarksburg, West Virginia. In the East, Philadelphia comprises the hub facility with referral spokes of Wilkes-Barre, Coatesville, Lebanon, and Wilmington, Delaware. To ensure accessible primary care, these hubs and spokes are complemented with approximately 40 Community-Based Outpatient Clinics (CBOCs) located at strategically determined points throughout the network.

Draft National CARES Plan and Eastern Market Area—VISN 4

Capacity Planning Initiatives (PIs)

1. **Inpatient Medicine:** In FY 2012, it is projected that the Eastern Market area will need to be prepared to handle a 30% increase in the amount of inpatient medical care services provided to veterans versus what was provided in FY 2001.

Options Considered:

- (1) Manage the inpatient medicine workload in-house, by adding or maintaining beds as necessary, or
- (2) through outside contracts, or
- (3) via transfer to another VA medical facility, or
- (4) through some combination of options 1-3.

- The recommended option for all five Eastern facilities is to manage the projected inpatient medicine workload in-house.

2. **Primary Care:** In FY 2012, it is projected that VISN 4's Eastern Market area will need to be prepared to handle a 57% increase in the amount of outpatient primary care we provide to veterans versus what we provided in FY 2001. In FY 2022, it is projected that the Eastern Market area will need to be prepared to handle a 24% increase in outpatient primary care versus what we provided in FY 2001.

Options Considered:

- (1) Manage the increased workload in-house, or
- (2) through outside contracts, or
- (3) via opening new CBOCs, or
- (4) through some combination of options 1-3.

The recommended option for each facility is:

- Coatesville and Lebanon: Manage the projected increased workload in-house
- Wilmington: Manage the projected workload in-house and via outside contracts
- Wilkes-Barre: Manage the workload in-house, plus add a new CBOC in Northampton County
- Philadelphia: Manage the workload in-house, plus formalize a new CBOC in Gloucester County, New Jersey.

3 .Specialty Care Outpatient Services: In FY 2012, it is projected that our Eastern Market area will need to be prepared to handle a 123% increase in the amount of outpatient specialty care we provide to veterans versus what we provided in FY 2001. In FY 2022, it is projected that our Eastern Market area will need to be prepared to handle an 84% increase in outpatient specialty care versus what we provided in FY 2001.

Options Considered:

- (1) Manage the increased workload in-house, or
- (2) through existing or new outside contracts, or
- (3) via opening new CBOCs, or
- (4) through some combination of options 1-3.

The recommended option for each facility is:

- Wilmington: Manage the projected workload in-house and via existing contracts
- Coatesville: Manage up to 25% of the forecasted increase in-house; contract out the remainder
- Lebanon and Philadelphia: Manage the projected workload in-house to the maximum extent possible; contract out the remainder
- Wilkes-Barre: Manage the projected workload in-house, plus add a new CBOC in Northampton County.

Proximity Planning Initiative

Under the CARES criteria, if two acute care hospitals are within 60 miles of one another, the VISN is requested to consider mission changes and/or possible realignment of these acute care facilities. In our Eastern Market area, the Wilmington and Philadelphia VA Medical Centers are within this range and, therefore, this was designated a CARES PI.

Wilmington—Philadelphia Proximity PI

Options Considered: (1) maintain both facilities with no additional consolidations, (2) maintain only one facility, or (3) maintain both facilities but consolidate their services.

The recommended option for this PI is to maintain both facilities with no additional consolidations.

Although cited as a proximity issue, Wilmington and Philadelphia is another example of VISN 4's model delivery system working well. Wilmington provides primary, secondary and some tertiary care for those veterans living throughout Delaware, the Eastern Shore of Maryland, southern New Jersey, and southeastern Pennsylvania. Lower volume, high-tech, high-cost cases-- like those requiring radiation therapy or cardiac, major orthopedic, and neurosurgery-- and the complex care patients, are referred to the Philadelphia VAMC as the tertiary facility. With this referral pattern, only those services necessary to support mission-critical functions are provided at both facilities. As a spoke facility, Wilmington provides care in a cost-effective manner, consistently ranking as one of the top 5 facilities in the nation using VA benchmarks. Philadelphia provides tertiary care with an inherently higher associated cost, but the primary and secondary care can be provided equally as well at Wilmington with a lower average cost per acute bed day of care.

The Joint Commission on Accreditation of Healthcare Organizations accredits both Wilmington and Philadelphia. Demonstrating that large facilities are not the only providers of quality care, Wilmington has received recognition from VA's National

Surgical Quality Improvement Program in four of the last six years for the quality of its surgical program. All quality indicators reflect Wilmington's ability to provide high quality care.

Both Wilmington and Philadelphia maintain active major affiliations. Closure of inpatient surgery at Wilmington would negatively affect the affiliation. Without inpatient surgical capabilities, the surgical residency would be lost, followed immediately by the medical residency program that would not continue without a parallel surgical program.

While no access initiatives were identified for VISN 4, closing Wilmington would create access issues for more than half the enrolled veterans in the state of Delaware, many of whom already travel almost five hours round trip for care. Consolidating programs at Philadelphia would add a minimum of two hours to the 5-hour roundtrip travel time.

Wilmington also has the capacity to continue providing care in existing, newly renovated space. Wilmington has undergone major renovations with more space under construction or in the planning phases. The operating room project is under construction, providing enhanced space for both inpatient and outpatient procedures. The 10-bed combined medical/surgical ICU opened in 2000 as a result of new construction. The first of the inpatient ward renovations was completed in 2002, with the second ward scheduled to begin in 2003. Outpatient space was enhanced with the opening of the Outpatient Addition in 1997, with 66,000 square feet of newly constructed space and 33,000 square feet of renovated space. Philadelphia has unused inpatient space that meets all applicable standards but it is not sufficient to address their projected demand as well as that from

Wilmington, particularly in the ICU. Specialty care is also projected to increase at both locations. Plans to meet the projected need at Philadelphia include contracting out for services that exceed capacity. The cost of this care would be increased if Wilmington's workload were consolidated there. With state-of-the-art space and capacity existing at Wilmington, it would be counterproductive to CARES philosophy not to efficiently and effectively use the existing space and services to provide high quality, cost effective care.

Patient satisfaction is very high at Wilmington. Changes in access to care that would occur with consolidation would decrease satisfaction for both the veterans and family who would not be within easy travel distance to support the veteran.

Wilmington also supports other functions on campus. A 60-bed Nursing Home Care Unit, a VBA Regional Office and a Readjustment Counseling Vet Center are also on the grounds and are supported by the hospital and surgical presence at Wilmington.

Wilmington also supports DoD, serving as a secondary receiving facility in support of Dover Air Force Base, Dover, DE.

For those reasons and more, maintaining both facilities-- and surgical programs in particular-- is consistent with the objectives of CARES for quality, academic affairs, access, need, and efficiency. It should be pointed out that many of our stakeholders have provided feedback regarding this PI and how it should be addressed, and they also strongly support the recommendation to maintain both facilities with no additional consolidation of services.

Draft National CARES Plan and Western Market Area—VISN 4

Capacity Planning Initiatives (PIs)

1. **Inpatient Surgery:** It is anticipated that the demand for inpatient surgery will steadily decrease over the next two decades (as is occurring in most health care settings due to improved and expanded ambulatory surgical care and new non-invasive treatments). By FY 2022, it is projected that the Western Market area will need to be prepared to handle a 41% decrease in the amount of inpatient surgery services provided to veterans versus what was provided in FY 2001.

Options Considered:

- (1) Manage the inpatient surgery workload changes in-house, or
 - (2) through outside contracts or the transfer of more surgical inpatients to the VA Pittsburgh Healthcare System (VAPHS).
- The recommended option is to continue to manage the projected inpatient surgery workload in-house, using the space vacated through declines in admissions to support the projected increases in Medicine and Specialty Care.
2. **Inpatient Medicine:** In FY 2012, it is projected that the Western Market area will need to be prepared to handle a 20% increase in the amount of inpatient medical care services we provide to veterans versus what was provided in FY 2001.

Options Considered:

- (1) Manage the inpatient medicine workload in-house, or
- (2) through outside contracts or the transfer of more acute medical inpatients to VAPHS from Altoona, Butler, Clarksburg, or Erie VAMCs.

➤ The recommended option is to manage the projected inpatient medicine workload in-house at each facility.

3. Specialty Care Outpatient Services: In FY 2012, it is projected that VISN 4's Western Market area will need to be prepared to handle a 41% increase in the amount of outpatient specialty care provided to veterans versus what was actually provided in FY 2001.

Options Considered:

- (1) Manage the outpatient specialty care workload in-house, or
- (2) through outside contracts or the transfer of more patients to VAPHS.

➤ The recommended option is to manage the projected outpatient specialty care workload in-house, using contracted services as needed and continuing the process of sending some specialty services to VAPHS. Space for additional in-house specialty clinics will be achieved through increased use of CBOCs for

specialty care, including the addition of new CBOCs in Fayette, Warren, Venango, and Monongalia Counties.

Small Facility PIs

If a facility is projected to have less than 40 acute inpatient beds in both 2012 and 2022, VISN 4 was required to conduct a review to determine if there is a significant need to continue to provide inpatient acute care at that location. The review considered several factors including:

- (1) Quality of care and access issues
- (2) Opportunity for reassigning inpatient workload and/or
- (3) Increasing the number of patients treated at the facility through collaboration with other organizations.

Altoona, Butler, and Erie were the VA facilities within VISN 4 that are projected to fall below the 40-bed criterion. All three facilities are in the Western Market of VISN 4.

The recommendations for addressing these PIs are as follows:

- Altoona VAMC will maintain outpatient services and close its hospital acute care services by 2012 as the need for acute care beds declines.
- Butler VAMC will maintain nursing home, domiciliary, and outpatient services and close its hospital acute care services.

- Erie VAMC will maintain its current services, except it will close its inpatient surgical services and retain outpatient surgery and observation beds.
- Inpatient demand for the discontinued inpatient services at Altoona, Butler, and Erie VAMCs will be referred to the VA Pittsburgh Healthcare System or contracted out to the community.

In analyzing the Small Facility PIs, careful attention was given to how each option would have an impact on veteran access, operational cost-effectiveness, and overall continuity of care.

As noted previously, in VISN 4, the alignment of resources to meet veteran health care needs consists of two hub-and-spoke arrangements of facilities. A tertiary care hub facility on either end of the network supports four surrounding spoke facilities. A series of CBOCs further assures veterans access to care in areas with some geographic and transportation barriers not quantifiable by distance alone. This highly functional arrangement has historically allowed the eight spoke facilities to limit the amount and type of acute care provided. Efficiency and improved quality are realized through provision of the more complex, costly, and specialized health care services only in centralized locations. The efficiency gained through the development of this arrangement has resulted in the spoke facilities' need for only a small number of acute inpatient beds.

In consideration of this, future projections of reduced inpatient demand, and other alternatives, it was determined that the preferred option is to close acute care beds at

VAMC Butler in 2004 and Altoona in 2012, and inpatient surgery beds at VAMC Erie in 2005, and send the workload to VAPHS and community hospitals. This option ensures that inpatient care will be provided in hospitals that have, at the very least, full secondary inpatient services and that generate volume which can maintain provider/staff competency. It should be noted that all three medical centers work closely with their respective community hospitals and have a strong referral relationship with VAPHS. This past experience helps to substantiate the quality of care received at the community hospitals and VAPHS and will ease the implementation of closing the VA beds.

The use of community hospitals can also increase access for veterans. This includes the potential enhanced use agreement between VAMC Butler and Butler Memorial Hospital, which would relocate community hospital services conveniently on the VA campus.

Proximity Planning Initiative (PI)

As noted earlier, under the CARES criteria, if two acute care hospitals are within 60 miles of one another, the VISN is requested to consider mission changes and/or possible realignment of these acute care facilities. The three facilities comprising the current VA Pittsburgh Healthcare System fall within this 60-mile range.

VA Pittsburgh Healthcare System Proximity PI

Three options were considered in addressing this PI: retaining all three facilities without additional consolidation, integrating VAPHS into two sites, and maintaining all three

facilities but integrating or consolidating services. After much analysis, the recommendation developed through CARES is to integrate VA Pittsburgh Healthcare System into two facilities-- University Drive Division and Heinz—Aspinwall Division-- with major construction projects undertaken to accommodate the related services. This consolidation would include the sale and elimination of the Highland Drive campus. This approach complies with the main tenets of CARES:

- it would pay for itself in approximately six years through an annual savings of \$15 million;
- the consolidation/merger would significantly improve access to care and services as well as provide for improved continuity of care and efficiency.

Before discussing details about this recommendation, here is a brief overview of these three facilities in their current environment.

Current mission of each facility - The VA Pittsburgh Healthcare System's three divisions each have a distinct clinical mission. Heinz (formerly called Aspinwall) and University Drive have historically been recognized as 'University Drive' and managed by one administration. Highland Drive and University Drive, since their integration in 1996, have one administration and fully integrated service lines and support activities.

Redundancies in clinical services were eliminated at that time. **University Drive** is a 146-bed acute care facility providing primary and specialty medical/surgical care as well as research. It also serves as the tertiary referral center for the other four western VISN 4 facilities. **The H. John Heinz III Progressive Care Center**, or Heinz, is a 336-bed

nursing home care/progressive care geriatric center of excellence. In addition to nursing home care, dementia care, and adult day health care, Heinz also provides some outpatient specialty care for Heinz residents. Primary care has also been added at Heinz for outpatients to decompress University Drive's outpatient clinics and parking. **Highland Drive** is a 210-bed comprehensive acute and long-term psychiatric care facility, including comprehensive substance abuse, post-traumatic stress disorder (PTSD), schizophrenia, and comprehensive homeless and domiciliary programs. The Highland Drive division is also a Regional Center for the treatment of former Prisoners of War. Some primary care is provided at Highland Drive as well, primarily for patients also receiving behavioral health care.

Market access (accessibility) - All three divisions are located in the metropolitan Pittsburgh area in Allegheny County, the most populous county in western VISN 4. The entire western market of VISN 4 exceeds access guidelines. Since the three Pittsburgh facilities are situated within five miles of one another, closure of any one of them would not impact veteran access measurably.

Travel - University Drive is located adjacent to the University of Pittsburgh, its principal affiliate. While public transportation in the county is only fair overall, University Drive, the nearest to downtown Pittsburgh, has the best public transportation access of the three divisions. The small acreage surrounding University Drive severely constrains parking, creating a tremendous access problem for those driving to the facility. Despite valet service to compress parked cars, a wait of one or more hours to enter the parking lot is not unusual.