

VISN 18 Network Director Oral Testimony
CARES Commission Hearing
New Mexico/West Texas Market
September 18, 2003

[Introduction] Chairman Colley, Commissioner Ferguson, Commissioner Kendall, Commissioner McCormick, Commissioner Ray, CARES Commission staff, and distinguished guests. I am Patricia A. McKlem, Network Director of the Southwest VA Health Care Network, Veterans Integrated Service Network #18, referred to as VISN 18. I am pleased to testify on the New Mexico/West Texas Market Plans. The other members of this network leadership panel are Jamie Robbins M.D. the VISN Chief Medical Officer, John Fears the Director at the Carl T. Hayden VA Medical Center, Wallace Hopkins the Director at the Amarillo VA Health Care System, Cary Brown the Director at the West Texas VA Health Care System, Byron Jaqua the El Paso VA Health Care System, and David Graeber M.D. the Chief of Staff at the New Mexico VA Health Care System.

[Markets] VISN 18 includes Arizona, New Mexico and the western portion of Texas which encompasses 352,000 square miles and 136 counties. Based on geography, transportation, and referral patterns we divided VISN 18 into two market areas. The New Mexico/West Texas Market Area and the Arizona Market area. Today we will be focusing on the New Mexico/West Texas Market Area. This market area is highly rural with 2 large cities (El Paso and Albuquerque), several medium sized cities and many small towns. The northern portion of New Mexico includes many native Americans living on tribal land. The New Mexico/West Texas Market area consists of the New Mexico VA Health Care System, the Amarillo VA Health Care System, the West Texas VA Health Care System, the El Paso VA Health Care System, and a total of 23 CBOCs. The medical center at Albuquerque provides tertiary level health care, the medical centers at Amarillo and Big Spring provide secondary level health care, the facility at El Paso provides primary care, specialty outpatient health care, and mental health care, and the CBOCs provide outpatient primary health care and some mental health services. The

medical centers at Albuquerque, Amarillo, and Big Spring have contiguous VA nursing homes.

In the year 2001, the baseline year for CARES, 380,000 veterans lived in the New Mexico/West Texas Market, 118,000 veterans are enrolled for VA healthcare which gives us a market share of 31%. Veterans enrolled for VA healthcare are projected to fluctuate until the year 2007 when we are projected to have 118,000 veterans enrolled or 34% of the market share. From the year 2007 until the year 2022 the number of veterans enrolled is projected to drop to 103,000. In the year 2022, the veteran population is projected to drop to 268,000 with a market share of 38%.

[Process] The Network's CARES planning process was designed to involve as many employees and stakeholders as possible in determining where and how VA services are offered in response to VA determined planning initiatives. Guiding the process was the VISN 18 CARES Steering Committee, Chaired by the Director of the Carl T. Hayden VA Medical Center and whose membership included stakeholders such as the Director, Arizona Department of Veterans Affairs, an American Legion District Commander, a mayor, 3 physicians, 2 VA health care planners, a Department of Defense health care planner, and a national service officer from Paralyzed Veterans of America. VISN 18 staff and planners from the medical centers provided workload data, options, and scenarios to the VISN 18 CARES Steering Committee who made recommendations to the VISN 18 Board of Directors and me. In all cases, I accepted the recommendations of the Steering Committee to incorporate into the New Mexico/West Texas Market Plan submitted to VA Central Office in April of this year. The only difference in the draft market plan you have before you and the one VISN 18 submitted in April 2003 is the inclusion of a study requested by VA Central Office to determine the best way to deliver care to the veterans in the West Texas VA Health Care System catchment area. We will conduct the study as soon as we receive guidance from central office. At this time, there is no way to know what the results of that study will be.

[Planning Initiatives] The New Mexico/West Texas Market had 2 access planning initiatives and 4 capacity planning initiatives.

Access PIs

- Insufficient access to hospital care
- Insufficient access to tertiary care

Capacity PIs

- Outpatient specialty care
- Outpatient mental health care
- Inpatient medicine beds
- Inpatient psychiatry beds

[Access to hospital and tertiary care] The CARES criteria requires 65% of the veterans within a market to have access to both hospital care and tertiary care within the defined driving time (120 minutes for this highly rural area). In the New Mexico/West Texas Market only 57% have access to hospital care and only 54% have access to tertiary care. Our CARES Steering Committee determined that the access PI for both hospital care and tertiary care can not be met by realigning enrolled veterans under the only tertiary care facility in the market area for tertiary care (New Mexico VA Health Care System) or by realigning the New Mexico/West Texas Market's enrolled veterans to the existing VA medical centers in the market for hospital care. The preferred option and the scenario that best meets the CARES standards is to establish a 33 bed inpatient tertiary medical care unit in El Paso, Texas through the expansion of the existing VA/DoD Joint Venture with William Beaumont Army Medical Center. In addition to addressing the access issues for hospital and tertiary care, this scenario includes establishing an inpatient psychiatry unit, expanding outpatient specialty care, and expanding outpatient mental health care which addresses the capacity PIs for those categories of care. Through this VA/DoD joint venture the El Paso outpatient clinic would become a tertiary care medical center. It is fair to say that the entire market plan for the New Mexico/West Texas Market hinges on implementing this VA/DoD joint venture. In order for this scenario to be successful, it is essential that the inpatient medical beds and the inpatient psychiatry beds are staffed with VA providers, not DoD providers because of the fluctuations in

DoD provider staffing levels. In addition to establishing the 33 acute medical beds at the El Paso VA Health Care System, we will provide the remainder of the needed beds by reactivating and/or contracting 24 inpatient medical beds at the New Mexico VA Health Care System, reactivating 13 beds at the Amarillo VA Health Care System, contracting for 3 beds in Lubbock Texas, and 2 beds in Roswell New Mexico.

[Specialty Care PI] The outpatient specialty care planning initiative has a significant impact on all of the VISN 18 facilities but to a lesser degree in the New Mexico/West Texas Market than the Arizona Market because outpatient specialty care is only projected to increase until the year 2006 and then slowly decrease until the year 2022. By the year 2012, outpatient specialty care is projected to increase in the New Mexico/West Texas Market from 260,000 clinic stops to 397,000 clinic stops, an increase of 53%. By the year 2022, the workload is projected to decrease back down to 337,000 clinic stops. Our short-term solution is to move part of our outpatient primary care workload into leased space and increase outpatient specialty care in the space vacated by outpatient primary care. Because outpatient primary care is projected to start decreasing in the year 2006, at that point we may be able to start moving more primary care from the parent facility campuses to make more space for outpatient specialty care depending on how accurate the projections are.

[Mental Health PI] Our outpatient mental health planning initiative is going to have a significant impact on the New Mexico/West Texas Market. By the year 2012, outpatient mental health is projected to increase in the New Mexico/West Texas Market from 121,000 clinic stops to 183,000 clinic stops, an increase of 52%. By the year 2022, the workload is projected to decrease back down to 141,000 clinic stops. Since March of 2002 we have been making a concerted effort to improve access to outpatient mental health services at our CBOCs. We are hiring mental health providers and using telemedicine where we can. This will reduce the impact on the parent facilities in the short term but is not a long term solution. We considered contracting out this workload but the steering committee didn't feel that we could assure quality care through

contracting so, in the long term we must increase the outpatient mental health workload at the parent facilities through a combination of construction and leased space.

[Inpatient Medicine] Inpatient medical beds are projected to increase from 39,000 Bed Days of Care (BDOC) to 63,000 by the year 2012, a 59% increase. By the year 2022, the workload is projected to decrease down to 51,000 BDOC. Inpatient medicine is both an access PI and capacity PI so our solution must address both of these issues. Again the only options for providing inpatient medical beds are contracting or increasing capacity in-house. The steering committee felt strongly that this is a quality and continuity of care issue and strongly recommended that we address this issue through increasing our in-house capacity. The solution that best addresses both the access PI and the capacity PI hinges on the VA/DoD joint venture with William Beaumont Army Medical Center. The El Paso VA Health Care System currently has no in-house beds so all inpatient health care is provided either via contract or through the Army. Through the VA/DoD joint venture we will establish 33 VA operated inpatient medicine beds within the William Beaumont Army Medical Center. We will provide the remainder of the needed beds by reactivating and/or contracting 24 inpatient medical beds at the New Mexico VA Health Care System, reactivating 13 beds at the Amarillo VA Health Care System, contracting for 3 beds in Lubbock Texas, and 2 beds in Roswell New Mexico.

[Inpatient Psychiatry] Inpatient psychiatry beds are projected to increase from 22,000 BDOC to 31,000 BDOC by the year 2012, a 41% increase. By the year 2022, the workload is projected to decrease back down to 26,000 BDOC. The options were the same as for inpatient medical beds and for the same reasons we are going to provide for this additional workload in-house. The solution that best addresses our need for inpatient psychiatry beds hinges on the VA/DoD joint venture with William Beaumont Army Medical Center. Through the VA/DoD joint venture we will establish 27 VA operated inpatient psychiatry beds within the William Beaumont Army Medical Center and reactivate 2 psychiatric inpatient beds at the New Mexico VA Health Care System. In addition, 5 years ago we established a contract with the Big Spring State Hospital for

acute psychiatry patients when we didn't have in-house capability. The VA in Waco, Texas may also be a possibility for referrals.

[Space Issues] Historically all of the VISN 18 facilities have had space deficiencies. Part of the reason for this is because historically VA has underestimated the increases in workload over the past 15 years. The other reason for this is because up until the last couple of years VISN 18 facilities have been under funded compared to other VA facilities. So the issues that we are facing are 1) inadequate space to accomplish our current workload and 2) providing the space to accomplish the large projected increases in workload between now and when it is projected to peak in year 2011. Based on VA criteria, VISN 18 currently only has 65% of the space necessary to accomplish our current workload. Now we add the large projected increases in workload in the 50% range for the projected peak year of 2007 and we have huge space deficiencies. We have been addressing our space deficiencies through the minor construction program but that has not nearly kept pace with the need for additional space. For FY 2004 we submitted three minor construction projects that will increase space for patient care that is crucial to our CARES Market Plan. These projects will increase specialty care space at Northern Arizona VA Health Care System, increase clinical support administrative space at Carl T. Hayden VA Medical Center, and increase ambulatory care space at the El Paso VA Health Care System. Once we complete our CARES implementation plan, we will be requesting many additional construction and lease projects to enable us to expand our specialty clinics, diagnostic, and ancillary functions. Leased space is an important factor in the New Mexico/West Texas market because the market workload is projected to peak in the year 2007 and drop significantly by the year 2022. We want to be sure that we don't construct space that we won't need in the year 2022. With space deficiencies of this magnitude, vacant space is not an issue until the workload begins to decrease after the year 2007.

[Conclusion] The CARES process has been a positive undertaking for the New Mexico/West Texas Market of VISN 18. It has enabled us to compare ourselves with the rest of the country and quantify our need for additional space to meet our workload

demands. All of the planning initiatives for the New Mexico/West Texas Market have resulted in identifying ways to improve the manner in which we deliver health care. I feel especially positive about the resolution of the access initiatives which will expand the services provided at the El Paso VA Health Care System through the VA/DoD joint venture with the William Beaumont Army Medical Center. This expansion of the VA/DoD joint venture to include inpatient medical and psychiatric care will benefit the veterans of both west Texas and southern New Mexico. We look forward to your endorsement of the CARES Market Plan for the New Mexico/West Texas Market.