
Statement of
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Central Illinois and Indiana Markets

Mr. Chairman and Members of the Committee, thank you for the opportunity to discuss the CARES (Capital Asset Realignment for Enhanced Services) Plan for the Central Illinois and Indiana markets in VISN 11, the Veterans in Partnership Network. The CARES process has been an excellent challenge and a historic opportunity to actively and openly participate with our internal/external stakeholders in planning for our future together. As a result of this effort, we believe that the CARES Market Plans for Central Illinois and Indiana are more responsive to the future needs of our veterans in VISN 11. With appropriate funding, we are very motivated to proceed with the implementation phase of these planning initiatives and hopefully these discussions today will assist us in that effort.

In preparing for the CARES process over this past year, VISN 11 established a comprehensive network-wide communication system and identified the network's Executive Leadership Council as the final decision-making body for the Plan. The communication system included the development of an interactive Website, facility level educational sessions, multiple articles for a wide variety of network/facility publications, and the completion of two rounds of market meetings to educate and formulate the planning options. After three active CARES Work Group sessions and Management Assistance Council (MAC) meetings, the Executive Leadership Council approved the option of choice for each planning initiative on March 26, 2003. The VISN 11 CARES Plan is in alignment with the goals and objectives as described in the Phase II National CARES Guide dated June 18, 2002, the Handbook for Market Plan Development dated January 2003, the national signed Memorandum Of Understanding with the AFGE, and subsequent electronic guidance through the National CARES Program Office and the VISN Support Service Center. All of this activity has been jointly accomplished at the network and facility levels since the official CARES Kick Off on June 6, 2002.

Overview – CARES Baseline FY 2001

The mission of VISN 11 is to provide comprehensive high quality health care, train health care professionals and provide support to DoD. To accomplish this mission our healthcare network provides services for veterans and others who primarily reside in a four-state, 173-county catchment area, covering 90,100 square miles. This large and geographically diverse network includes all of Central Illinois, a large portion of the State of Indiana, the lower peninsula of Michigan, and northwest Ohio. Nearly 1.5 million veterans reside within the network service area, representing 6% of this nation's total veteran population. Some 250,000 or 16.8% of the total veterans in the service area are currently enrolled at the eight major care sites in this network. In FY 2001, we served nearly 175,000 unique patients with 85% of those veterans in Priorities 1 through 6. Just over 22,000 of those patients were served on an inpatient – hospital stay basis while the remaining patients were served at the 29 ambulatory care locations across the network. In alignment with VHA's emphasis on ambulatory care and the CARES baseline year, over 2.2 million stops or 1.5 million visits were provided in this network during FY01. In regards to the research and education components of the mission, VISN 11 supports 320 GME positions and over 1,300 training positions for other direct care (nurses, pharmacists, audiologists, technicians, dietitians, dental) and other allied health professionals. Five of the eight major care sites have active VA and non-VA research projects that generated over \$35.2 million in grant funding during FY 2001. DoD support is rather limited in VISN 11 because there are no active duty military bases, forts or stations in the network catchment area. We do have an aggressive TRICARE and FEDS HEAL programs that provides care for the small active duty members/family population, retirees, and reservists.

VISN 11 is a key player in meeting VA goals regarding veteran satisfaction, access, cost effectiveness, expanded primary care service and service integration in an effort to provide a seamless continuum of care. Over the past few years, Congress has increased the VHA medical budget but at the same time, decisions surrounding eligibility reform and redefinition of the VA basic benefits package have introduced the opportunity for large numbers of veterans to enroll and to obtain access to a broad range of services. Budgetary considerations and other performance goals are driving all networks to find ways to provide care more efficiently. Critical network activities in the areas of Quality, Cost, Access and Communication are as follows. (It should be also noted that on May 16, 2003 VISN 11 provided this Commission a summary of the most significant changes in the network during the past five years. This summary has not been duplicated within this testimony but it certainly reflects some of the major milestones that have challenged all our care sites in this network.)

- All network facilities participate in nationally recognized external accreditation processes, including Joint Commission on Accreditation of Healthcare Organizations (JCAHO), selected facilities for the Commission on Accreditation of Rehabilitation Facilities (CARF) and all facilities for the College of American Pathologists (CAP). The most recent JCAHO survey process was conducted in this network in the fall 2000, with hospital accreditation scores ranging from 86 to 93. VISN 11 is preparing for the next cycle of JCAHO examinations this year.

- VHA has also undertaken an aggressive national performance measurement system, including establishing baseline performance and outcome goals in the areas of prevention, clinical guidelines and chronic disease management. VISN 11 on a quarterly basis monitors our achievements and makes adjustments to those programs that are not meeting these important performance measures.
- Numerous activities are underway to improve waiting times in all clinics. Network facilities participated in a collaborative initiative with the Institute for Healthcare Improvement (IHI) to decrease waiting times in clinics and delays for veterans obtaining appointments and have initiated numerous actions to ameliorate these delays in this network. Improvements in waiting times have been achieved but increased demand for service, space limitations, critical staff vacancies and resource constraints continue to present daily challenges. We continue to develop additional solutions to meet the wait time performance standards.
- In 1998, VA launched its National Center for Patient Safety, designed to apply “systems approaches” to patient safety. Since that time some specific actions taken include implementing bar coding for medication administration and computerized order entry. The current objectives of the patient safety program are to identify system problems and solutions, not to assign fault to individuals. VISN 11 has supported extensive staff education and training programs to develop skills in identifying sentinel events and conducting root cause analyses.
- The Network has responded to budgetary challenges by shifting care to less costly settings, developing a continuum of care across facilities to reduce unnecessary duplication, closing unneeded hospital beds, standardizing supplies and pharmaceuticals, and expanding use of blanket purchase agreements. In order to meet the projected health care needs of veterans, VISN leadership continues to address efficiencies such as standardizing volume contract purchases, leveraging resources through partnerships, the expanded use of information and other technologies and developing new enhanced use lease projects to reduce overhead and generate new revenue streams. VISN 11’s FY01 budget allocation was \$721 million. Critical network initiatives, e.g., CBOCs, leases, special projects, employee education, fire and safety program and national program support were funded at a level of \$10 million. Prosthetics special purpose funding as distributed from VA Central Office totaled \$26 million in FY01. Facility- specific Research and Education support funding also comes from VA Central Office for those facilities that are actively engaged in these two important programs.
- As addressed earlier, VISN 11 has moved significantly from a healthcare delivery system traditionally rooted in inpatient care to a more outpatient-based system. An integral part of the expansion of outpatient access is the establishment of new Community-Based Outpatient Clinics (CBOCs). VISN 11 has 21 CBOCs currently operational, with 14 additional CBOCs proposed network-wide through the CARES process to address CARES access issues. Nine of these 21 CBOCs are located in Central Illinois and Indiana and they are: In Illinois - Decatur, Effingham, Peoria, Springfield, and in Indiana - Bloomington, Lafayette, Muncie, South Bend, and Terre Haute. The Lafayette CBOC is co-located at the Indiana State Veterans Home. While the primary care workload plans for the CBOCs ranged from 500 to 5,000 patients per year, almost all of the CBOCs have met or exceeded their planned capacity. In FY01, the network also budgeted \$1 million

to expand mental health services to each CBOC with services to be provided, as needed, by psychiatrists, psychologists, social workers and/or advanced practice nurses.

- In response to the requirements of the "Veterans Millennium Health Care and Benefits Act," VISN 11 has established plans to increase the VA nursing home average daily census. Plans include improved staffing levels and reallocation of staff, increased patient referrals to VA nursing home units, and the re-designation of some long-term care unit beds as nursing home beds based on evaluation of current patient needs. The total long-term care needs are addressed across the network through a combination of VA nursing home, contract nursing home, state veterans home, home-based primary care, and community-based services.
- Investments in information technology will and have already had a positive influence on access, timeliness and quality. VISN 11 telemedicine initiatives include tele-psychiatry, tele-ophthalmology, tele-radiology pilots and tele-home care for the LTC patient.
- As with the CARES process, communication with our internal/external stakeholder groups is a high priority throughout the network and is an on-going process. With the organizational activation of the networks in 1996, VISN 11 implemented a Management Assistance Council that is comprised of veterans service organization representatives, affiliates, employee unions, volunteers and others that meet quarterly to advise the Network Director on such program matters as service delivery, customer satisfaction, tactical/strategic planning, activation of new programs, marketing, budget implementation, and communication. We also have stakeholders directly participating with our strategic planning committee, service line boards, and other special study groups throughout the year. Additionally, in order to assure these communications across all care sites, the network has designed a Veteran Service Officer (VSO) Forum. The first Forum was held in December 1997 with approximately 75 national, state and county service officers in attendance. The program grew to over 100 attendees at the 2001 Forum. These Forums cover a wide variety of topics important to veteran groups including eligibility, womens' health, service line development, program changes and access. VISN 11 staff work closely with our colleagues in the Veteran Benefits Administration regional offices in Detroit and Indianapolis to meet veterans' needs regarding compensation and pension (C&P) examinations. In the network, 99% of C&P exams are found adequate for rating purposes by the regional office rating boards. In a collaborative effort to continuously improve performance, VHA and VBA officials in this network developed joint performance standards to reduce incomplete C&P examination rates and to provide training to VBA rating specialists in the use of electronic medical record information. Our CARES communications with our stakeholders during this past year have been captured in Appendix A.
- VISN 11 currently has 289 structures located on 637 acres of property within the four-state catchment area. The total amount of square feet in these structures is over 7.5 million. There are 142, or almost one-half of all structures in this network's inventory, that are designated historically significant by the National Historic Registry. This historical registry building count is the highest in the VHA and these structures are located at three facilities: Battle Creek (1920's), Illiana HCS (1890's) and the NIHCS-Marion Division (1890's). All three sites have been aggressively compressing their large campuses' to reduce their overhead costs, submitting plans to historic agencies/societies, and pursuing enhanced use leasing and sharing opportunities.

The Central Illinois Market & Proposed CARES Actions

This predominately rural market currently serves some 165,200 veterans who primarily reside in Central Illinois (29 counties), stretching from the City of Danville in the east, to the mid-sized communities of Peoria and Springfield to the west. The catchment area also includes 5 rural counties in west central Indiana. There are no major topographic barriers and the area is well served by five major interstates and five mid-sized airports. As a result of the new veteran/enrollee population estimates released in January 2003, there are currently 37,325 (22.6% Market Share) VHA enrollees in the area, and that number is expected to progressively decline to 27,800 (29.5% Market Share) by the year 2022. Today, the Illiana Health Care System is comprised of the Danville Medical Center, four CBOCs located in Decatur, Effingham, Peoria, Springfield, Illinois and one CBOC at Lafayette, Indiana. These facilities almost exclusively serve the entire Central Illinois Market. In 2001, over 2,500 enrollees (unique individuals) were served on an inpatient basis while the ambulatory care program provided care to over 24,900 enrollees. During this same time, there were 204 Hospital and 193 Nursing Home staffed-operating beds all located at the Danville facility. The Danville facility has been serving the market since the 1890's and is located on a large campus with multiple buildings. On the outpatient side of the clinical inventory, the Illiana HCS provided 203,508 visits or 327,580 stops during FY 01. Patients requiring tertiary care are transferred primarily to the Indianapolis, Indiana VA Medical Center for that sophisticated level of care.

In February 2003, the National CARES Program Office (NCPO) identified four significant Planning Initiatives (PIs) for the Central Illinois Market and one planning initiative was identified by VISN 11.

- A. *Does not meet the access standard for outpatient primary care (54% vs 70%).*
- B. *Does not meet the access standard for hospital care (36% vs 65%).*
- C. *The projected outpatient specialty care workload is expected to increase significantly between 2001 and 2022 (41,455 stops in FY 01, to 99,204 stops in FY 12 and to 79,676 stops in FY 22).*
- D. *There is significant Vacant/Underutilized Space at the Danville site (101,176 gsf).*
- E. *In addition to the NCPO sanctioned CARES PIs above, VISN 11 also identified a critical patient care need for the Illiana HCS. The VA Nursing Home Program currently located in a 40-year old 'temporary - Butler - building' needs to be replaced.*

VISN 11 and the Central Illinois Management/Stakeholder team identified strategies, options and an option of choice for each of these four PIs and the NHCU initiative at their two market meetings in December and March. In some cases, the team developed up to six viable options for a given PI. The VISN 11 CARES Coordinator, Assistant CARES Coordinator, CARES Facility Liaison, and VSSC liaison staff assisted this market with the associated current and projected workload and the refinement of options surrounding each PI. It should be noted that the CARES process was placed on hold from mid-January through mid-February to re-run the veteran population and associated workload. Nevertheless, each

market developed an option of choice that was ultimately reviewed by the CARES Work Group, MAC and the ELC. Our proposed solutions are as follows:

- A. To address the access standard for outpatient primary care, VISN 11 plans to add three additional CBOCs in McLean, Champaign and Coles Counties, in the State of Illinois. As a result, the access standard for outpatient primary care in this market will improve from 54% to 75% by the year 2012 and to 77% by the 2022.
- B. To address the access standard for hospital care, VISN 11 plans to add new contract hospitalization authority for the communities of Peoria and Springfield, Illinois. The current access rate in this market for hospital care is 36%, primarily due to Danville Medical Center's location on the far eastern end of the market. Veterans in these two mid-sized communities, located on the far western shores of the market, must travel some two plus hours for inpatient care. The most effective approach to addressing this access issue is to establish contracts with community providers so that the veteran will not have to travel these long distances for inpatient medical/surgical care. As a result, the access standard for hospital care will improve from 36% to 85% in FY 2012 and to 84% in FY2022.
- C. To address the workload gap for outpatient specialty care, VISN 11 plans to increase the outpatient specialty care workload from the FY 01 base of 41,455 stops to 99,204 stops in FY 12, and to 79,676 stops in FY 22. We will enlarge the program through the continued conversion of inpatient care to outpatient care for the recurring component and convert and/or lease additional space primarily at the Danville and Peoria sites. Some specialty programs may also be added at selected CBOCs. Because of the significant importance and increase in the workload projected for this program area, a network implementation group, led by the Network Chief Medical Officer has already been formed. They will be evaluating the projected workload in relation to the clinical capacity and determining the optimum program alternatives at each care site.
- D. All of the vacant/underutilized space (101,176 sf) for this market is located at the Danville Medical Center site. Of the available 1.017 million square feet at Danville just over 101,100 (9.9%) is vacant. As addressed earlier, this site is compressing its campus to reduce its overhead costs, initiated an enhanced-use lease agreement for three vacant buildings for senior housing and just recently had several acres and buildings appraised for future EU-Leasing projects. Additionally, as addressed above some of this vacated space will be converted to address the ever-expanding ambulatory care program.
- E. As you know this year's CARES process does not address VHA's Long Term Care Program. Nevertheless, VISN 11 needs to immediately address a long-standing environment of care issue within its existing 280-bed Nursing Home Care Unit. This important program is currently housed in a 40-year old 'temporary building' that is no longer appropriate for this type of program. It does not meet ADA standards, VA patient privacy standards and there are several space and functional issues with the existing building. These issues are so significant that VISN 11 elected to include them under the CARES umbrella. We propose to develop a new facility through the Enhanced-Use Leasing Program. A selected developer will be required to build the facility on the Danville property (capital cost avoidance), annual lease payments will be made for the structure and maintenance, with existing Danville nursing home staff operating the facility.