

**Statement of the Network 22 Executive Leadership Panel  
Department of Veterans Affairs  
before the  
CARES Commission  
on the  
Nevada Market Plan**

**September 26, 2003**

Mr. Chairman and members of the Commission, I am pleased to be here today to discuss the VA Desert Pacific Healthcare Network's Capital Assets Realignment for Enhanced Services (CARES) Market Plans. We will dedicate this hearing in Las Vegas to the Southern Nevada plan, and address the Southern California plan at the hearing in Long Beach on September 29<sup>th</sup>.

Our formal testimony will:

- Describe the CARES planning process in Network 22,
- Briefly outline Network 22's geographic area,
- Describe the Southern Nevada Market area,
- Provide an overview of CARES projections for this market,
- and, describe specific CARES issues and plans that affect Southern Nevada

**CARES Planning Process**

The Network 22 CARES Committee provides the strategic leadership for CARES in Network 22. The Committee membership includes a representative sample of facility leadership, clinicians, engineers and planners from all five Network 22 facilities. Members also include a representative from DoD, the Network 22 Labor Coalition, directors of the Los Angeles Veterans Benefits Administration (VBA) Regional Office, and the Los Angeles National Cemetery Administration (NCA) Director. The Network CARES Communications Team was a subcommittee of this group. The CARES Committee met many times over the past three years. Initially, a team of physicians, engineers and associate directors from the committee completed the space and functional assessment of all Network capital assets by walking and scoring every square foot of space. This detailed assessment was a very critical part of the process which resulted in some of our Network's major recommendations. This past year the CARES Committee met to assess the CARES data and planning initiatives that were identified for Network 22. They identified solutions for those planning initiatives, which were then communicated to stakeholders for feedback. The CARES Committee briefed Network Leadership periodically throughout the process and obtained their approval on the submission of our Draft Network CARES Market Plan.

Three individuals in the Network Office served as Network 22's CARES Coordinators, each focusing on a different aspect of the process including data analysis and planning, space and construction, and communications. These individuals worked closely with the CARES Coordinators at each of the network facilities in their assigned areas to develop market plans, including workload and space mappings, proximity solutions, new projects, contract solutions, space shortage solutions, and vacant space and land solutions. In

turn, the facility CARES Coordinators worked closely with key individuals and decision-making bodies at their facilities to develop those plans and solutions.

Physician leaders from each Network facility had a major role in developing strategies and/or background information included in our CARES Plan. They addressed outpatient primary care and specialty care gaps as well as inpatient bed gaps throughout the Network. They also conducted the proximity analysis and integration and consolidation strategy.

Network 22 conducted an intensive communications program throughout the planning process, which continues today. A subcommittee of the Network CARES Committee, which was lead by a Network staff member and included two members from each facility, coordinated the CARES communication plan. At the Network level, CARES information was published quarterly in the Network-wide employee publication **Network News** with a distribution to 9,600 employees. It was also communicated to veteran patients, their families and community stakeholders on a biannual basis through the Network-based publication **Veterans Health Today** with a distribution of 250,000. Last September we added a CARES link to our Network Internet site with an automated CARES comment form allowing stakeholders to submit comments on the CARES plan on-line. I joined with the CARES Committee and facility directors in holding town hall meetings at each facility in December 2002 to explain the CARES data and planning initiatives for our Network. The Network Labor Coalition also received quarterly briefings on CARES at their Network meetings. The Network Communications subcommittee developed and distributed three stakeholder letters to our decentralized Management Assistance Council and other key stakeholders which included summaries of the planning initiatives, proposed network plans and a comment form for suggested changes. Several PowerPoint slide presentations were developed for presentation throughout the Network. The use of standardized letters and presentations Network-wide ensured that stakeholders received the same information at each site. We felt this was especially important in our urban environment where facility boundaries and issues often overlap and messages can get muddled.

In developing the Network CARES Market Plan, CARES Committee members made contact with key stakeholders to explain the data, obtain information, discuss their concerns and review the market plan.

At the facility level, the Medical Center Directors and CARES Communications Coordinators ensured the dissemination of CARES information to stakeholders in the form of e-mail, newsletters, town hall meetings, flyers, briefings, etc. Each facility provided CARES updates and/or formal CARES briefings to their stakeholder groups on an ongoing basis including union partners, affiliated medical school deans, congressional representatives, Veteran Service Officers, State and County Veterans Representatives, volunteers and other groups. All facilities held at least one town hall briefing in addition to the Network briefing before the CARES Market Plan was submitted to the Commission in April 2003. Network 22 continues to submit detailed reports of all communication outreach and contacts each month to the CARES office.

As mentioned, we have decentralized our Management Assistance Council. This was done approximately two years ago when the attendance at the quarterly Network MACs dwindled and the feedback from the group indicated they preferred a facility-based communication process. With the decentralized MAC, the Facility Directors meet with

these individuals at least quarterly, briefing them on important facility and Network issues. CARES communication with our MAC was handled in this decentralized manner.

Please note that the late national addition to Network 22's Draft CARES Plan, including the hospital in Las Vegas was not fully addressed with our stakeholders in all locations.

### **Network 22 Geographic Areas**

Network 22 or the VA Desert Pacific Healthcare Network serves veterans from an economically and demographically diverse area covering Southern California and Southern Nevada. The Network includes five VA Healthcare Systems (HCS), including a VA/DoD joint venture medical center in Las Vegas. In California, there are HCS in Loma Linda, San Diego, Long Beach and Greater Los Angeles, which includes the formerly independent facilities of Wadsworth, Brentwood, Sepulveda and LA Ambulatory Care Center. The VA Southern Nevada Healthcare System serves veterans from Southern Nevada, Eastern California, Western Arizona and Southern Utah. Due to structural problems at the Addeliar D. Guy Ambulatory Care Center, they recently relocated to 10 care sites throughout the city of Las Vegas. An active VA/DoD joint venture supplies the inpatient capacity for veterans at the Mike O'Callaghan Federal Hospital located at the Nellis Air Force Base. All of the HCSs operate several community clinics. We have 30 community clinics at this time located across the Network in strategic locations that meet veteran access requirements. CARES data show that 92% of veterans in Network 22 live within 30 miles/minutes of a VA point of care. Crossover market issues in the northern part of the Network have been coordinated with the CARES planners from Network 21.

### **Network 22 Market Areas**

Two market areas were defined in Network 22 for CARES planning purposes. These areas correspond with the California and Nevada state boundaries. The California Market has three sub markets including Inland, Coastal and Southern. The Market definitions accommodated current and projected referral patterns between HCSs and clinics, transportation patterns and travel barriers. The major travel barrier in Network 22 is the severe traffic congestion experienced in the urban areas of California where traffic can often make a 30-mile drive into a two-hour ordeal for an elderly veteran. The remote desert regions of California and Nevada also present distance barriers.

### **Southern Nevada Market Characteristics**

The key focus of the CARES plan for Southern Nevada is growth. The existing VA facilities have functional space deficiencies for the patient volume and significant enrollee growth is projected across the 20-year planning period. Despite a projected decrease in veteran *population*, the number of enrollees is projected to *increase* over the planning period. While Southern Nevada's 2001 base-line penetration rate (enrollees/vet pop) was just 25%, the rate is projected to reach 36% by 2022.

Market Name	2001 Enrollees	2001 Penetration Rate	2012 Enrollees	2012 Penetration Rate	2022 Enrollees	2022 Penetration Rate
California	281,526	20%	284,107	28%	233,489	32%
Nevada	41,405	25%	50,333	31%	48,749	36%

The Nevada Market consists of Clark, Nye and Lincoln Counties. For CARES, demand projections must consider the phenomenal growth occurring in Clark County. Las Vegas, which is in Clark County, is one of the fastest growing markets in the U.S. Clark County is home to the VA Southern Nevada Healthcare System which currently includes 10 care sites located throughout the City of Las Vegas providing primary and specialty care. Primary care is also provided at community clinics in Pahrump, Henderson, and at the MASH homeless village in Las Vegas. Inpatient care is provided through 52 VA beds at the Mike O'Callaghan Federal Hospital, a VA/DoD Joint Venture facility located at the Nellis Air Force Base. The staggering growth in Las Vegas has resulted in a shortage of medical resources in the community and has made it difficult for VA Southern Nevada Healthcare System to recruit and retain health care professionals or contract for care in the community. This has required the transfer of Nevada veterans to VA facilities in Southern California for specialty care and subspecialty care. This has been a major area of dissatisfaction for patients and their families.

### Workload

Southern Nevada faces significant capacity gaps (workload increases) in outpatient primary and specialty care and inpatient medicine beds. The data reflected in the following table is based on treating facility data and not on population data, which are 15-20% higher.

Category	2001 Baseline	Increase by 2012	Increase by 2022
Primary Care (stops)	123,193	49%	35%
Specialty Care (stops)	87,501	120%	112%
Medicine (BDOC)	9,716	125%	103%

A CARES review of special populations identified a significant unmet need for a blind rehabilitation center in Network 22. The aging of the spinal cord injured veteran population was also noted with a planning initiative to reduce acute SCI beds replacing them with long-term care.

### Patient Care Planning Initiative

The Network 22 Market Plan addresses the patient care capacity and space planning initiatives in Southern Nevada by recommending the construction of a VA medical center which would include 90 inpatient beds, outpatient primary and specialty care clinics, research and teaching facilities in addition to a nursing home care unit. This plan was precipitated by the need to relocate service out of the Las Vegas Ambulatory Care Center in June due to structural deficiencies and by recent Air Force planning data that showed their need for additional bed capacity, consuming most of the beds at the Federal Hospital by 2007. The lack of available land to expand inpatient beds and to build a VA nursing home adjacent to the hospital in addition to security concerns raised

by the Base Commander also reinforced the need for a stand-alone VA medical center. The current and projected veteran population in Southern Nevada also supports the need for a full service VA medical center.

### **Special Populations Planning Initiative**

The CARES special disability program market projections for Southern California and Southern Nevada support construction of a 24-bed Blind Rehabilitation Unit in Network 22. A new center would improve access and better meet patient's inpatient rehabilitation needs. Currently, patients needing inpatient blind rehabilitation services are referred outside the Network to Centers in Palo Alto and Tucson. Outpatient blind rehabilitation services are provided at each of our HCS through visual impairment treatment teams. While outpatient services are preferred to the six-week intensive inpatient program, providing a new state of the art blind rehabilitation center in the Network will have a positive impact on patient care, education and research. We believe that Long Beach is the best location for a Blind Rehabilitation Center. It is located in the center of the Network and, with the exception of Las Vegas, it is equally accessible to veterans from Greater Los Angeles, Loma Linda and San Diego. Long Beach has the land to support construction of a new center and its location next to shopping, a college campus and public transportation make it an excellent site for a blind rehab program. Most importantly, a blind rehabilitation center fits well with the Long Beach focus on special populations such as spinal cord injury and rehabilitation. The Medical Center and its affiliate are excited to implement this new program. Veterans from San Diego, Loma Linda and Las Vegas have voiced support for this location. Finally, in looking at the Network data on blinded veterans, the numbers are fairly well distributed throughout the Network and support the placement in a central location.

The Spinal Cord Injury and Dysfunction special disability program population data show a decrease in acute beds and an increase in long-term care beds over time. This supports the realignment of 30 SCI/D beds from acute to long term at the SCI Unit In Long Beach.

### **Access Planning Initiative**

Network 22 meets all CARES access standards for primary, acute and tertiary care in Southern Nevada. While our plan does not include establishing new community clinics, we are currently evaluating ways to meet the care needs of veterans in Laughlin, Nevada. Future growth in primary care may also be addressed by expanding care at existing community clinics.

### **VBA Collaboration**

Prior to the CARES process, the Veterans Benefit Administration (VBA) agreed to co-locate out-placed staff from the Regional Office in Reno to the VA Southern Nevada Healthcare System. Approximately 14,000 gross sq. ft. of space for this function will be incorporated into the plans for a VA Medical Center.

## **DoD Collaboration**

The VA/DoD Joint Venture in Las Vegas with Nellis Air Force Base has served as a model of success for the past nine years. However, recent Veteran and Air Force beneficiary population projections show that the growth in both groups will rapidly exceed the capacity of the Mike O'Callaghan Federal Hospital. This growth, coupled with the need to add a new VA Ambulatory Care Center and Nursing Home, has prompted the recommendation to construct a VA Medical Center in Las Vegas and eliminate the inpatient sharing that is currently occurring. Despite our need for separate inpatient facilities, we look forward to continuing our sharing with the Air Force in other ways that improves the delivery of health care services to our beneficiaries.

## **Nursing Home Planning Initiative**

Network 22's CARES Plan identifies the need for the construction of a 120-bed VA nursing home in Southern Nevada. Long-term care is a major gap in Southern Nevada with no VA nursing home care unit beds available within the market. The average age of veterans treated in Southern Nevada is 61 and 42% are age 65 and older. Contracting with community nursing homes is limited because of quality of care deficiencies, high occupancy rates, lack of specialized services, and a low number of skilled beds. Although the new Nevada State Veterans Home has recently been certified, it will not eliminate the need for a VA nursing home care unit.

## **Summary**

In summary, Network 22 and the Southern Nevada market is in a major expansion mode due to projected enrollment and workload increases. A full service VA medical center and nursing home will not only meet current capacity, they also create the additional capacity needed into the future. Network 22 has produced a Draft CARES Plan that addresses our current and future enrollees' needs in a realistic and responsible way. We welcome your questions.