

Capital Asset Realignment for Enhanced Services (CARES) Commission Hearing

Date: September 26, 2003

Place: Las Vegas, Nevada

Statement by: Stephen C. Simmons, Director, Reno VA Regional Office

Thank you Mr. Chairman, and Member of the Commission, for the opportunity to testify on the CARES Program as it relates to the Reno VA Regional Office.

The Veterans Benefits Administration fully supports the CARES Program goals. We continue to work closely with the Veterans Health Administration to identify and prioritize co-location opportunities. VBA believes that the coordination of efforts is essential as we analyze identified opportunities. We need to ensure that the efforts help us meet our strategic goal of continued improvements in the quality and timeliness of benefits delivery.

Five goals were established, through the CARES planning process and the joint efforts of VBA and VHA, to evaluate potential co-location opportunities. They are:

- Improve Service to Veterans
- Improve Operational Efficiency
- Reduce Net Costs
- Maximize Use of VA Assets, and
- Improve Employee Working Conditions

Cooperative efforts between VBA and VHA, in addressing the needs of veterans in Southern Nevada, clearly demonstrate our positive, close working relationship. We were on our way to achieving some of the stated goals at the facility now being abandoned due to structural deficiencies. The increased volume of walk-in interviews we experienced while we were co-located clearly showed it offers service improvements to our veterans. The open communication between medical examiners and claims examiners, and the records exchange efficiencies, are just two of many operational efficiency improvements realized during that time.

We look forward to co-locating our out-based Veterans Assistance Office with VHA again in Las Vegas as soon as possible. In addition to the improvements noted above, elimination of our annual GSA lease payments would clearly reduce our net cost. Preliminary planning already emphasizes maximum use of shared assets, and a new facility offers an opportunity to create a healthier, safer and more accommodating environment, which would feature state-of-the-art equipment, for visitors and employees.

Mr. Chairman, this concludes my prepared statement.

**STATEMENT OF
JESSE J. MORALES
THE AMERICAN LEGION
BEFORE THE
CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES
(CARES) COMMISSION
ON
THE NATIONAL CARES PLAN
SEPTEMBER 26, 2003**

Mr. Chairman and Members of the Commission:

Thank you for the opportunity today to express the local views of The American Legion on the Department of Veterans Affairs' (VA)'s Capital Asset Realignment for Enhanced Services (CARES) initiative as it concerns Veterans Integrated Services Network (VISN) 22. As a veteran and stakeholder, I am honored to be here today.

The CARES Process

The VA health care system was designed and built at a time when inpatient care was the primary focus and long inpatient stays were common. New methods of medical treatment and the shifting of the veteran population geographically meant that VA's medical system was not providing care as efficiently as possible, and medical services were not always easily accessible for many veterans. About 10 years ago, VA began to shift from the traditional hospital based system to a more outpatient based system of care. With that shift occurring over the years, VA's infrastructure utilization and maintenance was not keeping pace. Subsequently, a 1999 Government Accounting Office (GAO) report found that VA spent approximately \$1 million a day on underused or vacant space. GAO recommended, and VA agreed, that these funds could be better spent on improving the delivery of services and treating more veterans in more locations.

In response to the GAO report, VA developed a process to address changes in both the population of veterans and their medical needs and decide the best way to meet those needs. CARES was initiated in October 2000. The pilot program was completed in VISN 12 in June 2001 with the remaining 20 VISN assessments being accomplished in Phase II.

The timeline for Phase II has always been compressed, not allowing sufficient time for the VISNs and the National CARES Planning Office (NCPO) to develop, analyze and recommend sound Market Plan options and planning initiatives on the scale required by the magnitude of the CARES initiative. Initially, the expectation was to have the VISNs submit completed market plans and initiatives by November, 2002, leaving only five months to conduct a comprehensive assessment of all remaining VISNs and develop recommendations. In reality, the Market Plans were submitted in April 2003. Even with the adjustment in the timeline by four months, the Undersecretary for Health found it necessary in June 2003, to send back the plans of several VISNs in order for them to reassess and develop alternate strategies to further consolidate and compress health care services.

The CARES process was designed to take a comprehensive look at veterans' health care needs and services. However, because of problems with the model in projecting long-term care and mental health care needs into the future, specifically 2012 and 2022, these very important health care services were omitted from the CARES planning. The American Legion has been assured that these services will be addressed in the next "phase" of CARES. However, that does not negate the fact that a comprehensive look cannot possibly be accomplished when you are missing two very important pieces of the process.

The American Legion is aware of the fact that the CARES process will not just end, rather, it is expected to continue into the future with periodic checks and balances to ensure plans are evaluated as needed and changes are incorporated to maintain balance and fairness throughout the health care system. Once the final recommendations have been approved, the implementation and integration of those recommendations will occur.

Some of the issues that warrant The American Legion's concern and those that we plan to follow closely include:

- ? Prioritization of the hundreds of construction projects proposed in the Market Plans. Currently, no plan has been developed to accomplish this very important task.
- ? Adequate funding for the implementation of the CARES recommendations.
- ? Follow-up on progress to fairly evaluate demand for services in 2012 and 2022 regarding long-term care, mental health, and domiciliary care.

VISN 22 – NEVADA (SOUTH CENTRAL)

The Nevada market encompasses the counties of Clark, Nye and Lincoln Counties. Clark County, NV, is one of the fastest growing markets in the United States. This market is serviced by the Nevada health Care System, and includes the Las Vegas Ambulatory Care Center, Department of Defense (DoD) and VA sharing at Nellis AFB and three Community Based Outpatient Clinics (CBOCs).

Outpatient Services/Inpatient Services

The demand for primary care and specialty care is projected to increase over the next several years. Inpatient services are also expected to increase. To address these increases The DNP proposes to construct a new hospital in Las Vegas to incorporate the current plan for a multi-specialty outpatient clinic. The American Legion supports this proposal. For too long veterans in this market have been shuffled around from one building to the next for their care. These buildings are not collocated, rather, they are dispersed throughout the area, basically where ever the VISN could find space. This objectionable arrangement came about because of the near collapse of the building where veterans were being treated. Practically new, the building was not well built, and in a few short years of opening, started to show signs of faulty construction.

Additionally, further expansion of sharing with the Michael O Callaghan Federal Hospital (MOFH) will allow the VISN to address the gap of acute care medicine.

Extended Care

There is a major gap in long-term care availability within the market. Currently, there are no VA Nursing Home Care Unit (NHCU) beds. The average age of the veteran who is treated is 61 years, and 42% are age 65 and over. Contracting with community nursing homes is very difficult due to several factors:

- quality of care deficiencies;
- high occupancy rate of community nursing homes;
- lack of specialized services;
- low number of skilled beds.

The DNP proposes the construction of a new nursing home in Las Vegas. The American Legion supports this proposal. This market is in desperate need of an extended care facility. Veterans will be well served by the nursing home, once it is established.

Thank you for the opportunity to be here today to comment on the CARES initiative. I will be happy to answer any questions.

Statement
of
Colonel Melissa A. Rank
Chief Executive Officer, Mike O'Callaghan Federal Hospital
Nellis AFB, Nevada
Capital Assets Realignment for Enhanced Services Commission
Las Vegas, Nevada
26 September 2003

Good morning, I am Colonel Melissa Rank, Commander of the 99th Medical Group and Chief Executive Officer of the Mike O'Callaghan Federal Hospital (MOFH) at Nellis AFB. Mr Chairman and members of the Commission, I am pleased to be here to provide comments on the VA CARES proposal for Las Vegas. The MOFH is a successful Joint Venture between the Department of Veterans Affairs (VA) and the Department of Defense (DoD), specifically the Department of the Air Force (AF). AF and VA jointly operate the 94-bed facility, sharing the surgical suites, intensive care unit, emergency department, and several ancillary and support services. The VA currently staffs 52 of the 94 beds to support VA patients, and AF staffs the 42 beds supporting DoD patients.

The VA Draft CARES Plan identifies a requirement for 81 acute care and 120 long term care beds by the year 2012. The 99 MDG supports meeting the VA acute care requirement and maintaining the existing Joint Venture. There is capacity at the MOFH to add 28 additional acute care beds without construction when the VA surgical clinics move to the new VA Ambulatory Care Center. This could increase VA beds to a total of 80. The Air Force Medical Surgical Unit has consistently flexed and admitted VA acute care patients to its unit when the VA Medical Surgical Unit is full. Additionally, the ER Tower Project currently projected for FY 05, will include six new beds, providing the remaining beds to meet the VA CARES requirement of 81, at a significant savings for the taxpayer from building a new 81-bed facility.

The 99th MDG and the Air Force Medical Service support maintaining the current Joint Venture to meet VA acute care bed requirements; however, a long term care facility is beyond our capability, incompatible with our mission, and there is insufficient space to

accommodate the facility. The 99 MDG regrets that the inability of Nellis AFB to support a VA long term care facility has led the VA to consider terminating the entire Joint Venture, after nine successful years. A true win-win partnership, the MOFH Joint Venture is one of only seven existing VA and DoD Joint Ventures, and has been used as an example by both Departments as the most successful. It would be a tremendous loss to VA/DoD endeavors to dissolve the Joint Venture, particularly in a time when both Departments are implementing aggressive programs to increase VA/DoD integration. However, the Air Force understands the VA may desire to keep all their Las Vegas facilities together in one location and that they may choose to move their services to another site away from Nellis AFB. Even if this should be the case, I assure you that the Air Force is committed to a continued relationship with the VA in Las Vegas, whether as the model Joint Venture of today or by working to enhance services and training opportunities through sharing initiatives elsewhere.

In closing, I sincerely appreciate the CARES Commission for holding this hearing. Our VA/DoD Joint Venture is highly valued and the template for other Joint Ventures emerging across the nation. We relish the opportunity to continue our progress with our VA partners. Thank you for this opportunity to present the 99th Medical Group's and the AF view on this very important topic.