

VISN 2 – VA Health Care Network Upstate New York



Copyright © 1988-2001 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>
 © Copyright 2000 by Geographic Data Technology Inc. All rights reserved. © 2000 Navigation Technologies. All rights reserved. The data includes information taken with permission from Canadian authorities. © Her majesty the Queen in Right of Canada. © Copyright 2000 by CompuSearch Micromarketing Data and Systems Ltd.

VISN 2, VA Health Care Network Upstate New York

VISN Overview

VISN 2, VA Health Care Network Upstate New York, is an integrated, comprehensive health care system that provided medical services to approximately 115,000 of the 206,000 veterans enrolled in VA's health care system in FY 2003.²² While the estimated veteran population for VISN 2 is 547,000, it is projected to decrease by 32 percent by FY 2012. Geographically, this VISN spans 42,925 square miles in most of New York and parts of Pennsylvania.

With a VA staff of 5,240 FTEs,²³ VISN 2 delivers health care services through five medical centers, 27 community-based outpatient clinics (CBOCs), six nursing homes, and two domiciliary units in Upstate New York. In addition, there are four Vet Centers in VISN 2.

The following table indicates actual enrollment figures for FY 2001. Figures for enrollment in FY 2012 and FY 2022 are based on the latest CARES Scenario Milliman USA projections and represent end-of-year projections. Figures for veteran population come from the latest VetPop2001 model. These data were used by the Draft National CARES Plan (DNCP) to identify the levels of need for services in VISN 2.

VISN 2	FY 2001	FY 2012	FY 2022
Enrollees	187,408	162,667	124,582
Veteran Population	585,805	396,811	287,638
Market Penetration	31.99%	40.99%	43.31%

For the CARES process, this VISN is divided into four markets: the Eastern Market (*facility*: Albany, NY); the Central Market (*facility*: Syracuse, NY); the Finger Lakes Market (*facilities*: Canandaigua and Bath, NY); and the Western Market (*facilities*: Buffalo and Batavia, NY).

²² VSSC KLF Menu Database, *Enrollment Priority and Status by Gender*, as of the end of FY 2003.

²³ VSSC KLF Menu Database, *FMS Annual Salary Report*, FY 2003: July 2002 through September 2003.

Information Gathering

The CARES Commission visited three sites and conducted one public hearing in VISN 2. It received 108,996 comments regarding VISN 2. Site visits and hearing(s) were held as follows:

- ▶ *Site Visits:* Buffalo, Batavia, and Canandaigua, NY, on July 9 and 10; Canandaigua, NY, on October 19.
- ▶ *Hearing:* Canandaigua, NY, on October 20.

Summary of CARES Commission Recommendations

I Mission Change, Campus Realignment – Canandaigua and Finger Lakes Market

- 1 The Commission does not concur with the DNCP proposal on transferring services from Canandaigua to other VA Medical Centers (VAMCs) within the VISN.
- 2 The Commission recommends that Canandaigua retain long-term care, including the nursing home, psychiatric nursing home care, and the domiciliary.
- 3 The Commission concurs with the DNCP proposal to transfer acute inpatient psychiatric beds.
- 4 The Commission also concurs with the DNCP proposal that Canandaigua retain its ambulatory care.
- 5 The Commission recommends that the VISN develop another strategic plan for the challenges it faces in Canandaigua with high overhead costs, unused or underutilized buildings, and the impact on the community and on employees.
- 6 In line with Recommendation 5 above, the Commission recommends that the VISN involve stakeholders and the community to help resolve these challenges.

(see page 5-26)

II Inpatient Care

- 1 The Commission concurs with the DNCP proposal to contract for the projected increase in inpatient medicine care with community providers in markets with increased need, given the relatively small increase in beds and the benefit of providing such care nearer to patient residences.

- 2 The Commission recommends that:
 - a Before taking action to alter existing VA services, VA must ensure that there are viable alternatives in the community.
 - b VA ensure that it has quality criteria and procedures for contracting and monitoring service delivery, as well as the availability of trained staff to negotiate cost-effective contracts.

(see page 5-31)

III Outpatient Care

- 1 Given projected increases in workload in primary and specialty care, the Commission recommends that the need for either expanded and/or additional CBOCs be part of the strategic plan for VISN 2.

(see page 5-32)

IV Special Disability Programs – Spinal Cord Injury Center

- 1 The Commission concurs with the DNCP proposal to build a new Spinal Cord Injury (SCI) Center in Syracuse.
- 2 VA should conduct an assessment of acute and long-term bed needs for SCI Centers to provide the proper balance of beds to better serve veterans and reduce wait times.

(see page 5-34)

I Mission Change, Campus Realignment – Canandaigua and Finger Lakes Market

DNCP Proposal

“Current services of acute inpatient psychiatry, nursing home, domiciliary, and residential rehabilitation services at Canandaigua will be transferred to other VAMCs within the VISN. Outpatient services will be provided in Canandaigua’s market. The campus will be reevaluated for alternative uses to benefit veterans such as enhanced use leasing for an assisted living facility. Any revenues of in-kind services will remain in the VISN to invest in services for veterans.”

DNCP Alternatives

- 1 *Status quo*
- 2 *Original Market Plan*: Maintain baseline workload at medical center; contract for projected growth in workload, acute services, and expanded specialty care in the Rochester area.
- 3 *100 Percent Contracting*
- 4 *[The VISN’s preferred alternative]*: Realign inpatient services with other VISN VAMCs. Open new CBOC in Canandaigua area; expand Rochester CBOC. Divest campus.

Commission Analysis

The Canandaigua VAMC was established in 1932 and consists of 23 buildings on 171 acres of land. Of the 664,248 square feet of space at Canandaigua, 26 percent is vacant or underutilized; an additional 8 percent of square footage is leased for non-VA purposes and provides a revenue stream for the hospital. According to a periodic study conducted by VA’s Office of Facilities Management dated November 1, 2000, the estimated cost to correct deficiencies at the Canandaigua VAMC is approximately \$50.7 million. Since 1998, Canandaigua has installed air conditioning and renovated two buildings. Following completion of this work in early 2004, a gero-psychiatric unit for elderly psychiatric patients was planned. The number of current enrollees in the Finger Lakes Market (Rochester, Canandaigua, and Bath areas) is 41,000 and is projected to decline to 36,000 by FY 2012 and to 28,000 by FY 2022.²⁴

²⁴ VSSC KLF Menu Database, *Enrollment Priority and Status by Gender*, as of the end of FY 2003.

At its peak, the Canandaigua VAMC had approximately 1,700 operational beds.²⁵ Inpatient medicine and surgery services were discontinued 3 years ago. Today, Canandaigua's 700 employees²⁶ maintain its 276 beds: 138 nursing home beds, 88 psychiatric beds (50 inpatient psychiatry and 38 residential rehabilitation), and 50 domiciliary beds. The average daily census (ADC) on these 276 beds is 159 (occupancy rate of 58 percent).²⁷ Customer satisfaction scores for this facility are above the national average. Canandaigua also has 270 patients in community placement residential care.²⁸ The nearest acute care VAMCs are located in Buffalo (approximately 1½ hours away) and Syracuse (approximately 1¼ hours away).

Outpatient care services for the Finger Lakes Market are provided through the Rochester CBOC and at Canandaigua. Of the approximately 15,000 users of outpatient services in this market, more than half receive at least a part of their outpatient care at the Rochester CBOC and the remainder use the Canandaigua VAMC. The driving time between these two facilities is about 40 minutes and probably longer in winter conditions. In addition, data show that Rochester has the greatest concentration of veterans (50 percent) in the market and is the only major city in the VISN without a VA hospital. VISN 2 proposed adding a five-bed triage area to the Rochester CBOC for acute psychiatric patients. Enhancing Rochester and Canandaigua outpatient services and maintaining some capability for emergent acute psychiatric inpatient care are important components of the VISN's plan for providing services to more veterans.

At the stakeholders' meeting during the site visit in July, there was no discussion of closing Canandaigua. Instead, hospital staff focused on the lack of funds to maintain the facility. After submission of the VISN plan, the Under Secretary of Health asked VISN 2 to consider realigning Batavia's mission to an outpatient clinic and relocating long-term care (LTC) beds to Buffalo or Canandaigua. Instead, VISN 2 proposed to evaluate changing the mission at Canandaigua. After analysis of both Batavia and Canandaigua, the VISN selected Canandaigua based on its greater potential savings to reinvest in direct patient care. The DNCP proposed that Canandaigua's inpatient services be relocated to other facilities. The inpatient psychiatric care units would be split between Syracuse and Buffalo; residential rehabilitation services would be moved to Batavia; domiciliary beds would be moved to Bath; and nursing home beds would be moved to Buffalo, Batavia, Bath, and contracted for in the community. The revised proposal also calls for outpatient services being provided in Canandaigua's market and for the campus to be reevaluated for alternative uses, such as enhanced use leasing (EUL).

²⁵ Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 94.

²⁶ Bill Feeley, VISN 2 Director, Written Testimony submitted at the Canandaigua, NY, Hearing on October 20, 2003, Attachment G.

²⁷ Appendix D, *Data Tables*, page D-8.

²⁸ Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 66.

While the quality of inpatient psychiatric care at Canandaigua appears to be high,²⁹ there is no evidence to suggest that either the quality of care or patient safety would be adversely affected by the transfer of the inpatient psychiatry beds to the tertiary care hospitals at Syracuse and Buffalo. The transfer of inpatient psychiatric patients, especially those requiring acute psychiatric care, closer to tertiary care hospitals would likely result in enhanced clinical care and coordination in terms of psychiatric research and the education of psychiatric caregivers. Although Commissioners did note that a transfer would leave the Fingers Lakes Market with no inpatient acute psychiatric beds, travel times would remain within the one-hour standard.

Historically, Canandaigua has been a long-term care hospital. It has been downsized considerably in the past 10 years as the paradigm for psychiatric care has changed to one stressing reintegration into society. Today, 270 former inpatients currently reside in foster homes supervised by the Canandaigua Community Residential Care staff. Others are in the community under the care of Canandaigua's Intensive Community Case Management program. Outpatient support services for seriously mentally ill patients in the Canandaigua area would be retained. The transfer of the residential rehabilitation beds to Batavia would not significantly change access for patients needing such care.

The proposal to transfer 90 of Canandaigua's 138 nursing home beds to Bath, which is approximately 75 miles away from Rochester, would unnecessarily hamper access for a market that has an enrollment and patient base predominately from the Rochester metropolitan area. Also, separating the nursing home from adult day care would also be a loss for dementia patients and would reduce the capacity for respite care for families. While the traditional model for nursing homes in VA indicates that it is optimal for a nursing home to be collocated with an acute care facility, the private sector model for nursing homes is primarily a freestanding nursing home. The Commission believes that VA nursing homes need not always be collocated with inpatient psychiatric hospitals or acute inpatient hospitals, and this includes the nursing home at Canandaigua.

The 50 domiciliary care beds at Canandaigua are used primarily to provide residential rehabilitation services for homeless veterans, most of whom are from the greater Rochester metropolitan area. These patients receive care and rehabilitation for their medical and mental health disorders, and are then provided comprehensive psychosocial and vocational rehabilitation services to enable them to successfully reintegrate into their community. These services should be provided in as close proximity as is feasible to the metropolitan area from which the patients come. The proposal to move these services to Bath, which is a largely rural area and significantly farther from the Rochester metropolitan area, would be

²⁹ Performance Measures Quadrants, FY 2003, Mental Health. Available at [vawwu.oqp.med.va.gov].

inconsistent with the mission of this program, would decrease access, and potentially would impair the effectiveness of these services. In addition, Commissioners learned at the hearing that relocating services to Bath would mean additional travel times of more than an hour for patients and their families.³⁰

A cost analysis was evaluated to justify divestiture of the Canandaigua campus, establish a new multi-specialty outpatient clinic, and realign the workload to other VISN 2 medical facilities. The analysis was inconclusive and did not provide an adequate basis for decision among alternatives. For example, demolition costs were not identified; new construction costs were inappropriately included in the contracting alternative; capital costs of \$8.5 million for an SCI unit in Syracuse were included in all alternatives but are immaterial to the choice among alternatives; inconsistent operating costs were included; and annual operating savings of \$20.8 million are cited but are not substantiated in the cost analysis.³¹

The transfer of Canandaigua’s workload to other VISN 2 facilities would have an impact on employees. It is not clear, however, exactly how many employees would lose their jobs or would retire. In testimony, the VISN Director stated, “Canandaigua employees will be given first chance for any position that may open in the VISN for which they are qualified,”³² although this is not a guarantee and may not be attractive to many employees, as nearly 50 percent reside in the Canandaigua area.

The complete divestiture of the Canandaigua VAMC would have a severe negative impact on the community. There was extensive testimony against transferring services out of Canandaigua. Congressman Walsh expressed the concerns of many people, “...closing the Canandaigua VA hospital would ...have a staggering impact on the economy of the Finger Lakes region.”³³

Commission Findings

- 1 Overall, the facility appears to be in good condition, but is underutilized or unused due to the large decline in inpatient psychiatry care.
- 2 While the cost analysis for Canandaigua is inconclusive at this time, maintaining such a large campus with a vastly reduced inpatient population requires a large overhead that might be better directed to veterans’ medical care.

³⁰ Colleen Combs, President of AFGC Local 3306, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 294.

³¹ Office of Program Evaluation, Policy, Planning, and Preparedness, Department of Veterans Affairs, *Financial Review of CARES Realignment Proposals*, November 13, 2003.

³² Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, pages 60-61.

³³ The Honorable James Walsh, Congressman from New York, 25th District, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 17.

- 3 The transfer of inpatient psychiatry patients to a tertiary level hospital would increase the level of overall care for such patients.
- 4 Closure would likely have a negative impact on the community and possibly on employees.
- 5 Workload has declined in all of Canandaigua's medical service areas; 3 years ago, inpatient medicine and surgery services were discontinued in-house and contracted to the local community.
- 6 Moving domiciliary-based residential rehabilitation units with a large vocational program farther from the Rochester metropolitan area is not consistent with the principles of improving access and providing care near urban areas.
- 7 Moving nursing home units to other facilities further away from Rochester would add a transportation burden for family members, particularly in winter.
- 8 Separating nursing home from adult day care would also be a loss for dementia patients and would reduce respite care for families, as well as comprehensive outpatient services.
- 9 As stated by Mr. Feeley in his testimony on October 20, 2003, the VISN needs to partner with the community and other stakeholders to explore ways to minimize the negative financial impact on the Canandaigua area and to develop alternative uses of the unused or underutilized portions of the campus.
- 10 There was a lack of timeliness, forewarning, and stakeholder awareness and involvement in the DNCP proposal of August 4, 2003, to realign the Finger Lakes Market.
- 11 Almost all of the 108,996 written comments (including petitions with 106,575 signatures) received by the Commission for VISN 2 opposed closing the Canandaigua facility.

Commission Recommendations

- 1 The Commission does not concur with the DNCP proposal on transferring services from Canandaigua to other VAMCs within the VISN.
- 2 The Commission recommends that Canandaigua retain LTC, including the nursing home, psychiatric nursing home care, and the domiciliary.
- 3 The Commission concurs with the DNCP proposal to transfer acute psychiatric beds.
- 4 The Commission also concurs with the DNCP proposal that Canandaigua retain its ambulatory care.

- 5 The Commission recommends that the VISN develop another strategic plan for the challenges it faces in Canandaigua with high overhead costs, unused or underutilized buildings, and the impact on the community and on employees.
- 6 In line with Recommendation 5 above, the Commission recommends that the VISN involve stakeholders and the community to help resolve these challenges.

II Inpatient Care

DNCP Proposal

“Increased inpatient medicine services are projected for both the Central and the Finger Lakes/Southern Tier Markets. The VISN proposes to move workload from the Western or Central Market to the Finger Lakes and Southern Tier Market and utilize contracting for services in the counties where the patient resides. This includes utilizing fee basis and contracts for inpatient medicine services. Additional contract services will need to be established for the increased projected workload especially in the Monroe County area. Projected increase at Bath can be handled in the current space.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

Review of data reveals no gaps in access to hospital and tertiary care, and only minimal increased capacity needs for inpatient medicine services. The Eastern Market has a projected increase of 48 percent (18 beds) above the FY 2001 baseline by FY 2012 for medicine beds and returns to the baseline figures by FY 2022. The Finger Lakes Market projects an increase of 57 percent (eight beds) by FY 2012, while the Western Market projects an 18 percent increase (11 beds). Projections for the Finger Lakes Market return to the baseline figures by FY 2022, while the Western Market is projected to have a 22 percent decrease for medicine beds over the FY 2001 baseline by FY 2022.

To ensure inpatient care is provided in close proximity to the veterans' homes, the VISN plans to contract for some inpatient care. The VISN Director testified, “[T]he Network has a rich history of successful partnerships with community providers. Such partnerships need to be considered as alternatives in addressing any planning initiatives.”³⁴ He indicated that the contracting for inpatient medical services in the local Canandaigua community, which has been ongoing for several years, has been a successful example of contracting.

Commission Finding

VISN 2 currently contracts for inpatient services and has the ability to meet projected increases in demand through local contracting.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposal to contract for the projected increase in inpatient medicine care with community providers in markets with increased need, given the relatively small increase in beds and the benefit of providing such care nearer to patient residences.
- 2 The Commission recommends that:
 - a Before taking action to alter existing VA services, VA must ensure that there are viable alternatives in the community.
 - b VA ensure that it has quality criteria and procedures for contracting and monitoring service delivery, as well as the availability of trained staff to negotiate cost-effective contracts.

III Outpatient Care

DNCP Proposals

“*Primary Care* – Increased primary care outpatient services has been identified in the Finger Lakes and Southern Tier Markets. There is a significant increase in primary care workload, especially in Monroe County. The VISN proposes to utilize contractual services in close proximity to the patients’ homes

³⁴ Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 55.

to address increased outpatient primary care demand. *Specialty Care* – Increasing specialty care outpatient services has been identified in three markets (all but the Western Market). The VISN is proposing a combination of approaches tailored to the individual needs of each market. These approaches include utilizing fee basis; contracting for services in the counties where the patient lives; maintaining existing current workload at the existing medical center and existing CBOCs, and renovating CBOC space.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

As an early proponent of CBOCs, VISN 2 has already provided 80 to 90 percent access to primary care for its veterans across all four markets. For FY 2012, the projected increase in primary care workload for the Finger Lakes Market is 66 percent above the FY 2001 baseline. The workload for specialty care is expected to increase by 117 percent in the Eastern Market, by 90 percent in the Central Market, and by 173 percent in the Finger Lakes Market. By FY 2022, the projected increase in primary care workload for the Finger Lakes Market is still 26 percent above the FY 2001 baseline. The workload for specialty care by 2022 shows increases of 69 percent in the Eastern Market, 44 percent in the Central Market, and by 111 percent in the Finger Lakes Market.³⁵

Proposals to address workload increases for all facilities show: 1) construction and conversion of 67,000 square feet for additional outpatient care, and 2) contracting for some primary and specialty care with 31,000 square feet of leased space. The only new CBOC site being proposed in the DNCP is in the Canandaigua area (Finger Lakes Market), to enhance outpatient services following the proposed closure of the facility. The VISN also recognizes the importance of the Rochester CBOC, as there is no VA hospital in the community. VISN testimony called for expansion of outpatient services in Rochester.³⁶ However, the DNCP did not address expansion of the Rochester CBOC.

Commission Findings

- 1 Projected workload in the Finger Lakes Market indicates that additional services will be needed in this VISN, particularly for specialty care.

³⁵ Appendix D, *Data Tables*, page D-8.

³⁶ Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 58.

- 2 The DNCP proposes to address gaps in outpatient care through a mix of contracting and expansion of services at current sites of care.

Commission Recommendation

Given projected increases in workload in primary and specialty care, the Commission recommends that the need for either expanded and/or additional CBOCs be part of the strategic plan for VISN 2.

IV Special Disability Programs – Spinal Cord Injury Center

DNCP Proposal

“Build a new 30-bed Spinal Cord Injury (SCI)/Disorders unit at the Syracuse VAMC.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

SCI plans were developed on a national basis using actuarial modeling. Currently, patients go to VISN 3 (Castle Point, East Orange, Bronx) or VISN 10 (Cleveland). During the site visit, the Commissioners learned that VISN 2 had evaluated both Albany and Syracuse for the new SCI Center. After study and consultation with concerned stakeholder groups, Syracuse was selected, due to both its central location within the state and clinical expertise in managing the care of spinal cord injured patients.³⁷

Mr. Richard DeNoyer from Paralyzed Veterans of America testified, “...PVA supports the CARES construction plan for a 30-bed SCI Center with an additional 18 long-term care beds...[W]e feel this new facility must be located on the Syracuse campus with easy access to all tertiary care services offered at the Syracuse facility.”³⁸

³⁷ Bill Feeley, VISN 2 Director, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, page 56.

³⁸ Richard DeNoyer, Paralyzed Veterans of America, Transcribed Testimony from the Canandaigua, NY, Hearing on October 20, 2003, pages 250-251.

Commission Finding

Adding an SCI Center in Syracuse will improve access and eliminate transportation hardships into New York City or Cleveland for patients and their families.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposal to build a new SCI Center in Syracuse.
- 2 VA should conduct an assessment of acute and long-term bed needs for SCI Centers to provide the proper balance of beds to better serve veterans and reduce wait times.