

VISN 4, VA Stars and Stripes Health Care Network

VISN Overview

VISN 4, VA Stars and Stripes Health Care Network, is an integrated, comprehensive health care system that provided medical services to approximately 262,000 of the 428,000 veterans enrolled in VA’s health care system in FY 2003.⁶⁶ Geographically, this VISN spans about 59,000 square miles, which consists of all or part of Pennsylvania, Delaware, Ohio, West Virginia, New York, and New Jersey.

With a staff of approximately 9,647 FTEs⁶⁷, VISN 4 delivers health care services through 10 medical centers, 40 community-based outpatient clinics (CBOCs), 10 nursing homes, and three domiciliary facilities. Additionally, VA operates 12 Vet Centers in VISN 4’s catchment area.

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 4.

VISN 4	FY 2001	FY 2012	FY 2022
Enrollees	370,476	354,744	288,366
Veteran Population	1,582,854	1,172,269	887,670
Market Penetration	23.41%	30.26%	32.49%

For the CARES process, this VISN was divided into two markets: the Western Market (*facilities*: Clarksburg, WV; and Butler, Erie, Altoona, Highland Drive, University Drive, and Heinz (formerly Aspinwall), PA); and the Eastern Market (*facilities*: Philadelphia, Coatesville, Lebanon, and Wilkes-Barre, PA, and Wilmington, DE).

⁶⁶ VSSC KLF Menu Database, *Enrollment Priority and Status by Gender*, as of the end of FY 2003.

⁶⁷ VSSC KLF Menu Database, *FMS Annual Salary Report*, FY 2003: July 2002 through September 2003.

Information Gathering

The CARES Commission visited five sites and held two public hearings in VISN 4. The Commission received 50 comments regarding VISN 4.

- ▶ *Site Visits:* Pittsburgh Health Care System's (HCS) University Drive and Highland Drive divisions and the Butler VA Medical Center (VAMC) on July 9; the Philadelphia and Wilmington VAMCs on July 10.
- ▶ *Hearings:* Pittsburgh on August 27; and Coatesville on August 28.

Summary of CARES Commission Recommendations

I Mission Change, Campus Realignment – Pittsburgh's Highland Drive Division

- 1 The Commission concurs with the DNCP proposal to consolidate services at the Highland Drive Division of the Pittsburgh HCS with the University Drive Division and the Heinz Progressive Care Center. The Commission, however, recommends that VA conduct an improved life cycle cost analysis.
- 2 The Commission recommends that VA consider the appropriateness of the current renovation of inpatient units at the Highland Drive Division in light of the DNCP proposal for consolidation.
- 3 The Commission recommends that VA consider enhanced use leasing (EUL) or divestiture of the Highland Drive Division property. The Commission recommends that any study involving excess or surplus property should consider all options for divestiture, including outright sale, transfer to another public entity, and a reformed EUL process. VA should also consider using vacant space to provide supportive services to homeless veterans.

(see page 5-62)

II Mission Change, Small Facilities – Butler, Erie, and Altoona

Butler

- 1 The Commission concurs with the DNCP proposal to close acute care services at Butler. The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Butler area veterans and that the VISN pursue available resources in the Butler community, particularly with regard to Butler Memorial Hospital. The Commission further recommends that Butler VAMC maintain its outpatient and long-term care (LTC) programs.

Altoona

- 2 The Commission concurs with the DNCP proposal that Altoona maintain its outpatient services as well as its LTC programs.
- 3 The Commission does not concur with the DNCP proposal for Altoona to close its acute care services by FY 2012 and recommends that acute care beds be closed at Altoona as soon as reasonable.
- 4 The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Altoona area veterans and that the VISN pursue available resources in the Altoona community.

Erie

- 5 The Commission concurs with the DNCP proposal that Erie close its inpatient surgical services and retain outpatient (including outpatient surgery) and its LTC programs.
- 6 The Commission does not concur with the DNCP proposal that Erie maintain the remainder of its current inpatient services and recommends that all acute care beds be closed as soon as reasonable.
- 7 The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Erie area veterans and that the VISN pursue available resources in the Erie community.

Butler, Altoona, and Erie

- 8 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 5-65)

III Enhanced Use – Butler

- 1 The Commission concurs with the DNCP proposals regarding EUL leasing opportunities at the Butler VAMC. The Commission also recommends that the EUL proposal with Butler Memorial Hospital be made a high priority for VA and that the evaluation of this EUL opportunity be completed within six to nine months.
- 2 The Commission concurs with the EUL proposal with Butler County for a new 16-bed intermediate mental health facility on VA grounds.

(see page 5-70)

IV Inpatient Care

- 1 The Commission concurs with the DNCP proposals to improve inpatient care through in-house expansions and community contracts, where appropriate.
- 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.
- 3 The Commission recommends that the Philadelphia and Wilmington VAMCs proceed with further consolidation of services.

(see page 5-72)

V Outpatient Care

- 1 The Commission concurs with the DNCP proposal to meet increased demand through in-house expansion, contracting out, enhanced use arrangements, and increased use of CBOCs.
- 2 The Commission recommends that:⁶⁸
 - a The Secretary and USH utilize their authority to establish new CBOCs within the VHA medical appropriations without regard to the three priority groups for CBOCs outlined in the DNCP.
 - b VISNs set priorities for the establishment of new CBOCs based on VISN needs to improve access and respond to increases in workload.
 - c VISNs should be able to address capacity issues, to relieve space deficits at the parent facility, by establishing new sites of care, provided the VISNs have the resources necessary to do so.
 - d VISNs make efficient use of existing resources, including staffing facilities appropriately to reduce wait times, providing specialty care at CBOCs where appropriate, and providing expanded hours of service at CBOCs to facilitate veteran access to care.

⁶⁸ Chapter 3, *National Crosscutting Recommendations: Community-Based Outpatient Clinics (CBOCs)*, contains additional information on this topic.

- e Whenever feasible, CBOCs provide basic mental health services.
- f VISNs collaborate with academic affiliates to develop learning opportunities utilizing CBOCs as teaching sites to enhance quality of care in community-based service settings.

(see page 5-74)

VI Special Disability Programs – Spinal Cord Injury Outpatient Clinic at the Philadelphia VAMC

- 1 The Commission concurs with the DNCP proposal to establish a certified spinal cord injury/disorder (SCI/D) outpatient clinic in Philadelphia.
- 2 The Commission recommends that inter-VISN coordination and planning for SCI/D patients be improved, especially between VISN 3 and VISN 4. Once this inter-VISN coordination has been improved, the Commission recommends that VA reevaluate the current and projected SCI/D bed needs for VISN 4 in order to determine whether a 30-bed SCI Center should be established in the eastern part of VISN 4.

(see page 5-76)

VII Extended Care

- 1 The Commission recommends that:⁶⁹
 - a Prior to taking any action to reconfigure or expand LTC capacity or replace existing LTC facilities VA should develop a LTC strategic plan. This plan should be based on well-articulated policies, address access to services, and integrate planning for the LTC of the seriously mentally ill.
 - b An integral part of the strategic plan should be maximizing the use of State Veterans Homes.
 - c Domiciliary care programs should be located as close as feasible to the population they serve.
 - d Freestanding LTC facilities should be permitted as an acceptable care model.

(see page 5-78)

⁶⁹ Chapter 3, *National Crosscutting Recommendations: Long-Term Care*, contains additional information on this topic.

I Mission Change, Campus Realignment – Pittsburgh’s Highland Drive Division

DNCP Proposal

“Current services at Highland Drive will be transferred to University Drive and Heinz (formerly Aspinwall) campuses, with new facilities for psychiatry, mental health, and related research and administrative services. VA will no longer operate health care services at this campus. The campus will be evaluated for alternative uses to benefit veterans such as enhanced use leasing for an assisted living facility. Any revenues or in-kind services will remain in the VISN to invest in services for veterans. A major construction project to accommodate services at the University Drive and Aspinwall campuses is required.”

DNCP Alternatives

- 1 *Status quo*
- 2 *Original Market Plan [The VISN’s preferred alternative]:* Over 500,000 square feet of new space and additional parking at University Drive must be added to the two remaining divisions to fit all essential services now housed at Highland Drive. The plan also adds space for the projected increases in demand in care as well as the proposed collocation of VBA.
- 3 *100 Percent Contracting:* All care provided at the Highland Drive division would be sent to an outside health care facility. Those services include inpatient psychiatry, inpatient PR RTP, outpatient specialty care, and ancillary and diagnostics. Administrative space would be leased.

Commission Analysis

The Pittsburgh HCS has three facilities: the University Drive and Highland Drive divisions and the Heinz Progressive Care Center. The University Drive Division consists of 146 medicine, surgery, neurology, and critical care beds. It also has primary and specialty care outpatient clinics and ambulatory surgery. The Heinz facility has 336 nursing home beds, primary care, adult day care, and hospice care. The third, the Highland Drive Division, has 210 psychiatry beds, including 101 patients in a homeless veteran domiciliary unit.⁷⁰

The consolidation of the Highland Drive and University Drive divisions has been ongoing for a number of years, and much of the Highland Drive Division has unused buildings. The proposed change would consolidate Highland Drive’s psychiatry services (average daily census [ADC] 60) at the University Drive Division, which, as stated, currently provides acute medicine services. Consolidating Highland Drive’s

⁷⁰ VISN 4, Pittsburgh HCS, *Trip Pack Data* Submitted for the July 9, 2003 Commission Site Visit.

residential rehabilitation (ADC 31) and domiciliary services (ADC 58) to the Heinz facility would not adversely affect the mission of these two services nor veterans' access to them.

Lawrence Biro, VISN Director, testified on the impact of the consolidation on inpatient and outpatient services and research space:

The most reasonable location for the addition of most outpatient care and research space is the University Drive Division, which is adjacent to the affiliate and nearest to the urban center of Pittsburgh. Veterans expressed a strong preference to have their outpatient care provided at the University Drive location. Consolidation of behavioral health and medical care functions and collocation of administrative functions would be possible in this scenario.⁷¹

The Highland Drive Division is a 50-year-old, campus-style setting situated on approximately 168 acres. The main patient care buildings are in good condition overall, while some areas are functionally and aesthetically antiquated. The inpatient units are currently under renovation, and all the beds will be grouped in one of the more than 20 existing buildings within the next few years. Most of the remaining space is in moderate-to-poor condition and houses administrative and patient care support functions. The Highland Drive Division has the most vacant space of the three divisions in the Pittsburgh Health Care System. One building is in good condition and has a large, vacant floor, which could be used for enhanced use alternatives. Another building has vacant wings that would make excellent office space and are also available for enhanced use opportunities.

The Commission's review of the life cycle cost data raised questions about the validity of the data. For example, construction costs for the garage and addition to University Drive are estimated as approximately \$100 million but past experiences in constructing similar garages indicate the cost could be \$200 million. Also, demolition costs of \$286,000 are cited but, again, similar experiences would indicate that the costs could be as high as \$11 million.⁷²

Veterans and stakeholders expressed support for the enhancement of services that the proposed consolidation would bring, but raised two key concerns. First, they seek assurances that there would be no loss of

⁷¹ Lawrence Biro, VISN 4 Director, Written Testimony submitted at the Pittsburgh, PA, Hearing on August 27, 2003, page 18, available from [<http://www.carescommission.va.gov/Documents/PittsburghPanel1Part2.pdf>].

⁷² Office of Program Evaluation, Policy, Planning, and Preparedness, Department of Veterans Affairs, *Financial Review of CARES Realignment Proposals*, November 13, 2003.

services while construction is being completed. Second, they discussed the funding issues. As Senator Rick Santorum stated:

I remind the Commission of the difficulty of delivering on these construction funds and that it not undermine the delivery of care to those in need.⁷³

The academic affiliation with the University of Pittsburgh School of Medicine will benefit from the proposed consolidation of services. Dr. Loren Roth, Associate Vice Chancellor for Health Services at the University of Pittsburgh School of Medicine, testified:

Of particular interest to the University of Pittsburgh, as an affiliate partner, is the proposal to consolidate the three divisions of the VA Pittsburgh Health Care System into two. We do support this proposal, if fully funded, for several critical reasons. The modern facilities that this plan proposes are an essential precursor to the delivery of excellent care. Patient confidence and comfort are enhanced when it is delivered in an aesthetically appealing environment designed to meet modern space, privacy standards, technology requirement, and so forth.⁷⁴

Commission Findings

- 1 Consolidation of Highland Drive Division's inpatient services to the University Drive campus over the past few years has resulted in vacant buildings at the Highland Drive campus.
- 2 The proposed consolidation of Highland Drive Division's psychiatry services to the University Drive campus would align psychiatry services with acute medicine services.
- 3 To accommodate the consolidation of Highland Drive Division's services to the other two facilities, VA would need to construct more than 500,000 square feet of additional clinical and administrative space at the two receiving divisions and a 900-car parking garage at the University Drive Division.
- 4 Since considerable consolidation of services has already taken place at the Highland Drive Division and the facilities are in close proximity, there should be less impact on veterans' access to care, on the community, and on employees.

⁷³ The Honorable Rick Santorum, U.S. Senator from Pennsylvania, Written Testimony submitted at the Pittsburgh, PA, Hearing on August 27, 2003, page 5, available from [<http://www.carescommission.va.gov/Documents/PittsburghCongressionalStatementsPart1.pdf>].

⁷⁴ Dr. Loren Roth, Associate Vice Chancellor for Health Services at the University of Pittsburgh School of Medicine, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, page 56.

- 5 There are inpatient units at the Highland Drive Division currently under renovation.
- 6 From a clinical perspective, additional consolidation appears to be appropriate.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposal to consolidate services at the Highland Drive Division of the Pittsburgh Health Care System with the University Drive Division and the Heinz Progressive Care Center. The Commission, however, recommends that VA conduct an improved life cycle cost analysis.
- 2 The Commission recommends that VA consider the appropriateness of the current renovation of inpatient units at the Highland Drive Division in light of the DNCP proposal for consolidation.
- 3 The Commission recommends that VA consider EUL or divestiture of the Highland Drive Division property. The Commission recommends that any study involving excess or surplus property should consider all options for divestiture, including outright sale, transfer to another public entity, and a reformed EUL process. VA should also consider using vacant space to provide supportive services to homeless veterans.

II Mission Change, Small Facilities – Butler, Erie, and Altoona.

DNCP Proposals

Butler – “Butler will maintain nursing home and outpatient services and close its hospital acute care services.”

Altoona – “Altoona will maintain outpatient services and close its hospital acute care services by FY 2012 as the need for acute care beds declines.”

Erie – “Erie will maintain its current services except it will close its inpatient surgical services and retain outpatient surgery and observation beds. The inpatient demand from these programs will be referred to Pittsburgh or contracted out to the community.”

DNCP Alternatives

- 1 Retain acute hospital beds
- 2 Close acute hospital beds and reallocate workload to another VA facility

- 3 Close acute hospital beds and implement contracting, sharing or joint venturing for workload in the community.
- 4 Combination of any of the above, but predominately contracting with a community provider(s) and referral to another VAMC(s).

Commission Analysis

Three of the five medical centers in VISN 4's Western Market – Butler, Altoona, and Erie – were identified through the CARES process as small facilities. The Commission evaluated these three medical centers by first reviewing current and projected workload data, the facilities' relationship to the Pittsburgh HCS, and identifying resources available in the communities as alternatives to VA care.

Butler VAMC. The Butler VAMC has eight acute medicine beds (ADC 3, 42 percent occupancy), a 97-bed nursing home care unit (NHCU) (ADC 60, 62 percent occupancy), and 56 domiciliary beds (ADC 45, 81 percent occupancy). It also provides outpatient primary care, specialty care, and mental health services. Workload data indicate that Butler has three inpatient psychiatry beds with an ADC of zero. CARES projections indicate that the Butler VAMC will need 11 acute beds by FY 2012 and eight by FY 2022.⁷⁵ Patients requiring complex health care services are referred to the Pittsburgh HCS, which is approximately 39 miles away, and veterans who are unable to be transported to Pittsburgh use Butler Memorial Hospital for emergent care. There are at least four hospitals with JCAHO accreditation within 60 minutes of the Butler VAMC, and all appear to have excess capacity.⁷⁶

Altoona VAMC. The Altoona VAMC has 28 acute medicine beds (ADC 17, 60 percent occupancy) and 40 NHCU beds (ADC 31, 77 percent occupancy). It also provides outpatient primary care, specialty care, and mental health services, and ambulatory surgery. CARES projections indicate that Altoona will need 19 acute beds by FY 2012 and 13 by FY 2022.⁷⁷ Patients requiring complex health care services are referred to the Pittsburgh HCS, which is approximately 92 miles from Altoona, and veterans who are unable to be transported to Pittsburgh use local hospitals for emergent care. There are 10 community medical centers with JCAHO accreditation that are within 60 minutes of the Altoona VAMC. Six of these 10 community medical centers appear to have excess capacity.⁷⁸ Altoona VAMC currently uses community resources for urgent care services, MRI services, as well as employing 60 to 70 community physicians for specialty services.⁷⁹

⁷⁵ Appendix D, *Data Tables*, page D-21.

⁷⁶ Appendix D, *Data Tables*, page D-21.

⁷⁷ Appendix D, *Data Tables*, page D-21.

⁷⁸ Appendix D, *Data Tables*, page D-22.

⁷⁹ Gerald Williams, Director Altoona VAMC, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, page 32.

Erie VAMC. The Erie VAMC has 26 acute medicine beds (ADC 9, 34 percent occupancy), nine surgery beds (ADC 2, 26 percent occupancy), and 52 transitional care/NHCU beds (ADC 37, 71 percent occupancy). It also provides outpatient primary care, specialty care, and mental health services, and ambulatory surgery. CARES projections indicate that this facility will need 14 acute beds by FY 2012 and 10 by FY 2022.⁸⁰ Patients requiring complex health care services are referred to the Pittsburgh HCS, approximately 135 miles from Erie. Veterans who are unable to be transported to Pittsburgh use local hospitals for emergent care. There are four JCAHO medical centers within 60 minutes of Erie, three of which indicate excess capacity.⁸¹ Erie VAMC currently uses community resources for urgent care services, as well as employing a group of community physicians for specialty and subspecialty services, such as neurology and cardiology.⁸²

While Pennsylvania's veteran population will decline over the next eight years, the number of veterans projected to enroll for medical care in the Western Market served by Pittsburgh, Erie, Butler, Altoona, and Clarksburg, WV, will increase from 161,000 in FY 2002 to 192,000 in FY 2012. In addition, the VISN 4 Director testified that in FY 2012, this area would need to be prepared to handle a 20 percent increase in inpatient medical care services for veterans from FY 2001.⁸³ The need for inpatient surgery services is decreasing due to improved ambulatory surgical care and new non-invasive treatments.

The Western Market is built on a hub-and-spoke system in which the Pittsburgh HCS, the hub, provides a full array of acute inpatient services. Erie, Butler, Altoona, and Clarksburg are the spokes that have a strong referral relationship with Pittsburgh, as well as ensuring collaboration and coordination among the five facilities on individual patient care.

The DNCP proposes consolidation of the Highland Drive Division of the Pittsburgh HCS with new construction to affect the consolidation effort. Closing the Highland Drive Division at the Pittsburgh HCS would not appear to negatively impact the referral patterns for these small facilities for two reasons. First, the consolidation effort has been underway for a number of years. Second, the VISN Director testified that the Pittsburgh HCS would convert decreasing surgery beds to medicine beds to absorb the workload referred from Butler, Erie, and Altoona.⁸⁴

⁸⁰ Appendix D, *Data Tables*, page D-21.

⁸¹ Appendix D, *Data Tables*, page D-22.

⁸² James Palmer, Director Erie VAMC, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, page 33.

⁸³ Lawrence Biro, VISN 4 Director, Written Testimony submitted at the Pittsburgh, PA, Hearing on August 27, 2003, page 9, available [<http://www.carescommission.va.gov/Documents/PittsburghPanel1Part1.pdf>].

⁸⁴ Lawrence Biro, VISN 4 Director, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, page 1.

Describing the current situation, Mr. Biro, VISN Director, testified:

This option [referring to the VISN's proposals for Butler, Erie, and Altoona] ensures that inpatient care will be provided in hospitals that have, at the very least, full secondary inpatient services and that generate volume, which can maintain provider/staff competency. It should be noted that all three medical centers work closely with their respective community hospitals and have a strong referral relations with VA Pittsburgh. This past experience helps to substantiate the quality of care received at the community hospitals and VA Pittsburgh and will ease the implementation of closing the VA beds. The use of community hospitals can also increase access for veterans.⁸⁵

The Commission notes that the three small facilities currently use community resources to augment VA health care services including inpatient services. The Commission believes that expanded use of community resources may be in order. In keeping with VA's high standards of health care, however, the Commission would urge the VISN to proceed to expand use of community resources only if such resources ensure veterans access to quality care.

Commission Findings

- 1 The number of veterans projected to enroll for medical care in the Western Market of VISN 4, the area served by Pittsburgh, Erie, Butler, Altoona, and Clarksburg, WV, will increase from 161,000 in FY 2002 to 192,000 in FY 2012.
- 2 The Western Market of VISN 4 is built on a hub-and-spoke system in which the Pittsburgh HCS is the hub.
- 3 Butler, Altoona, and Erie have low acute inpatient ADC and occupancy rates. CARES projections indicate all three will be well below the 40-bed threshold for small facilities.
- 4 There are JCAHO-accredited hospitals within 60 minutes of each of the three facilities that appear to have excess capacity.
- 5 The three facilities currently use community providers.
- 6 The VISN Director acknowledged that, in conjunction with the Pittsburgh HCS, local hospitals could absorb the workload and provide quality care.

⁸⁵ Lawrence Biro, VISN 4 Director, Written Testimony submitted at the Pittsburgh, PA, Hearing on August 27, 2003, page 13, available from [<http://www.carescommission.va.gov/Documents/PittsburghPanel1Part2.pdf>].

- 7 The simultaneous reduction or elimination of inpatient services at the Erie and Altoona VAMCs may have a combined negative effect on the delivery of VA care in the Western Market of VISN 4 that cannot be calculated.

Commission Recommendations

Butler

- 1 The Commission concurs with the DNCP proposal to close acute care services at Butler. The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Butler area veterans and that the VISN pursue available resources in the Butler community, particularly with regard to Butler Memorial Hospital. The Commission further recommends that Butler VAMC maintain its outpatient and LTC programs.

Altoona

- 2 The Commission concurs with the DNCP proposal that Altoona maintain its outpatient services as well as its LTC programs.
- 3 The Commission does not concur with the DNCP proposal for Altoona to close its acute care services by FY 2012 and recommends that acute care beds be closed at Altoona as soon as reasonable.
- 4 The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Altoona area veterans and that the VISN pursue available resources in the Altoona community.

Erie

- 5 The Commission concurs with the DNCP proposal that Erie close its inpatient surgical services and retain outpatient (including outpatient surgery) and its LTC programs.
- 6 The Commission does not concur with the DNCP proposal that Erie maintain the remainder of its current inpatient services and recommends that all acute care beds be closed as soon as reasonable.
- 7 The Commission recommends that VISN 4 continue its referral practices to the Pittsburgh HCS for Erie area veterans and that the VISN pursue available resources in the Erie community.

Butler, Altoona and Erie

- 8 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 Enhanced Use – Butler**DNCP Proposal**

“Butler is exploring a number of potential enhanced use proposals. The proposals include: adult residential living program, 16-bed intermediate psychiatry facility, administrative space for DOD, and community diagnostic services center. In addition, the local community hospital (Butler Memorial) and Butler have explored enhance use opportunities on the VA campus to expand specialty care. This innovative proposal would enhance services to veterans in the Butler area and could results in replacing older buildings with more state-of-the-art, energy efficient space.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

Mr. Michael Finegan, Director of the Butler VAMC, indicated that Butler Memorial Hospital and the Butler VAMC have been working together for a number of years and currently share some services, such as computerized tomography services. He said that Butler Memorial Hospital has expressed an interest in locating part or all of its health care system on the VA campus. This would provide a more desirable location and better transportation for its patients and would also benefit VA, which then could maintain some services in Butler that might not otherwise be available.⁸⁶

Mr. Joseph Stewart, the CEO of Butler Memorial Hospital, testified that Butler Memorial Hospital has outgrown its present campus and that, as part of its long-term plan, there is a need to consider

⁸⁶ Michael Finegan, Director Butler VAMC, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, pages 28-31.

creating a new campus elsewhere. Mr. Stewart would support establishing a partnership with the Butler VAMC.⁸⁷

At the site visit to Butler, Mr. Finegan noted that Butler Memorial Hospital is anxious to move forward on the EUL opportunity. Mr. Stewart raised concerns, however, about the potential delay in the EUL process noting during the Pittsburgh hearing, “I hope this can be achieved in the timeframe that benefits all. Frankly, we are, the community sector, staggered sometimes by the government timelines.”⁸⁸

At the Pittsburgh hearing, Mr. Finegan also indicated that the Secretary of Veterans Affairs has approved an EUL project with Butler County to build a 16-bed intermediate mental health facility on VA grounds. Two of these beds would be dedicated to veterans.

Commission Findings

- 1 The Butler VAMC and Butler Memorial Hospital presently share services such as computerized tomography services.
- 2 Butler Memorial Hospital has outgrown its present campus and is aggressively searching for a new location.
- 3 The CEO from Butler Memorial Hospital and the Butler VAMC Director believe the EUL proposal in Butler represents an opportunity that would benefit both veterans and the community.
- 4 The current EUL opportunity with Butler Memorial Hospital is time-critical and, if it is not approved, the opportunity may disappear.
- 5 VA Central Office has indicated that the Butler VAMC should proceed with an EUL project with Butler County for a new 16-bed intermediate mental health facility on VA grounds.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposals regarding EUL opportunities at the Butler VAMC. The Commission also recommends that the EUL proposal with Butler Memorial Hospital be made a high priority for VA and that the evaluation of this EUL opportunity be completed within six to nine months.
- 2 The Commission concurs with the EUL proposal with Butler County for a new 16-bed intermediate mental health facility on VA grounds.

⁸⁷ Joseph Stewart, CEO Butler Memorial Hospital, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, pages 119-120.

⁸⁸ Joseph Stewart, CEO Butler Memorial Hospital, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, pages 120-121.

IV Inpatient Care

DNCP Proposal

“Inpatient medicine demand is increasing the Eastern Market while inpatient surgery demand is decreasing in the Western Market. The Eastern Market increase will be managed by in-house expansion, contracting out, and enhanced use at all five hospital sites. The Pittsburgh HCS in the Western Market will convert the decreasing surgery beds to medicine beds to absorb part of the workload from Butler, Altoona, and Erie.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

The inpatient growth in VISN 4 is primarily in the Eastern Market, which is projected to experience a 32 percent increase in inpatient medicine workload over the FY 2001 baseline by FY 2012. Western Market’s inpatient medicine workload is projected to increase by 20 percent over baseline by FY 2012, but is projected to decrease by 13 percent from baseline by FY 2022. On the other hand, the Western Market’s inpatient surgery workload is projected to decrease by 13 percent from baseline by FY 2012 and to further decrease by 38 percent from baseline by FY 2022. Projections for inpatient psychiatry for FY 2012 include some increased workload for both markets (9 percent for Eastern Market; 7 percent for Western Market).

There has been consolidation of health care and administrative services between the Wilmington and Philadelphia VAMCs to maximize the VISN’s use of available resources. As Mr. Lawrence Biro, VISN Director, testified:

There are a lot of things going on between Philadelphia and Wilmington. Philadelphia is our tertiary center, and they take the serious cases and the additional diagnostic work. They’re the ones that have the MRI and the full range of tertiary services. So Wilmington has mission critical services, and they work together to make sure that there’s that continuum of care. There are consolidations. Philadelphia is the laboratory...and a lot of laboratory work from Wilmington, in fact a great amount, goes to Philadelphia.⁸⁹

⁸⁹ Lawrence Biro, VISN 4 Director, Transcribed Testimony from the Coatesville, PA, Hearing on August 28, 2003, pages 67-68.

CARES Workload Reports⁹⁰ and the hearing record indicate that most of the projected increases throughout the VISN are in inpatient medicine. Since the Western Market’s surgery demand is decreasing, the increased demand for inpatient medicine care in that market will be managed by converting the decreasing surgery beds to medicine beds. Doing this will also enable the Pittsburgh HCS to absorb workload from Butler, Erie, and Altoona. In the Western Market, increased demand for inpatient medicine will be managed in-house by “using the space vacated through declines in admissions to support the projected increases in medicine and specialty care.”⁹¹ Further, the VISN indicated that it would like to reclaim inpatient space by moving some specialty care services into outpatient clinic settings.

Commission Findings

- 1 Inpatient medicine workloads are projected to increase in VISN 4, but significantly in its Eastern Market.
- 2 Inpatient surgery in the Western Market is projected to decrease, which will allow the Pittsburgh HCS to manage its increasing workload through conversion of surgery beds to medicine beds. It also enables the Pittsburgh HCS to absorb the workload from Erie, Butler, and Altoona.
- 3 Philadelphia and Wilmington have been consolidating health care and administrative services to maximize the VISN’s use of available resources.
- 4 Inpatient capacity at the VAMCs will be achieved by reallocating specialty care to CBOC settings.
- 5 Contracting for care is a reasonable approach to maintaining or improving access to health care.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposals to improve inpatient care through in-house expansions and community contracts, where appropriate.
- 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.
- 3 The Commission recommends that the Philadelphia and Wilmington VAMCs proceed with further consolidation of services.

⁹⁰ VISN 4 CARES Planning Initiatives, *Power Point slide show*, available from [<http://www1.va.gov/cares/page.cfm?pg=35>].

⁹¹ Lawrence Biro, VISN 4 Director, Written Testimony submitted at the Pittsburgh, PA, Hearing on August 27, 2003, page 9, available from [<http://www.carescommission.va.gov/Documents/PittsburghPanel1Part1.pdf>].

V Outpatient Care

DNCP Proposal

“Specialty care is increasing in demand for both markets and primary care in the Eastern Market. In-house expansion, contracting out, and enhanced use arrangements will handle the specialty care workload. Space for additional in-house specialty clinics will be achieved through increased use of CBOCs for primary care to free up specialty care space at VAMCs. These CBOCs are proposed but are not in the national high priority category.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

There are five new CBOCs proposed, but none in VISN 4 are in priority group one. Growth in outpatient demand in this VISN is primarily in the Eastern Market, where outpatient primary care workload is projected to increase by 50 percent over the FY 2001 baseline by FY 2012 and, for this same period of time, specialty care will increase by 117 percent. By FY 2022, demand for primary care in the Eastern Market is projected to have decreased from the 2012 projections at 19 percent over the baseline of FY 2001, and specialty care will be only 79 percent over baseline. In the Western Market, outpatient specialty care is the primary growth area, and this workload is projected to increase by 43 percent over the baseline by FY 2012 and then drop to 11 percent over baseline by FY 2022.

In the Eastern Market, increased demand for outpatient specialty care services will be managed in-house by reclaiming inpatient space vacated through declines in admissions or when appropriate through outside contracts. Testimony from one academic affiliate at the Coatesville hearing described how the VISN furnishes specialty care services through contracts with the medical school:

Specialty contracts with PSUCOM/MSHMC [Penn State University College of Medicine, Milton S. Hershey Medical Center] have allowed VAMC [Lebanon] to provide needed specialty services to veterans. Current specialty contracts with PSU/MSHMC include the following: anesthesia, cardiology, dermatology, ophthalmology, and urology. Without these specialty agreements, veterans would be required to travel a minimum of two hours for care to the VISN 4 eastern hub facility.⁹²

⁹² R. Kevin Grigsby, D.S.W., Vice Dean for Faculty and Administrative Affairs Milton S. Hershey Medical Center at Penn State University, Written Testimony Submitted at the Coatesville, PA, Hearing on August 28, 2003, page 2, available from [<http://www.carescommission.va.gov/Documents/CoatesvillePanel6.pdf>].

The VISN Director testified that the VISN can establish new CBOCs within allocated resources.⁹³ Veterans and stakeholders strongly support the expansion of services through CBOCs.

At present, our veterans and their dependents must travel 40-46 miles to reach the nearest medical facility (outpatient clinic) located at 3100 Hamilton Blvd., Allentown, PA. In addition, if a veteran were in need of more advanced medical care, the nearest VA medical hospital is 72-83 miles from Bangor Borough. Average travel times for veterans from Bangor to Wilkes-Barre = 1 hour 55 minutes. Average travel time Bangor to Allentown – 1 hour 5 minutes.⁹⁴

In the Western Market, a new CBOC was requested by the VISN for Morgantown, WV, in order to redistribute workload from the parent facility, the Clarksburg VAMC. This CBOC would promote the affiliate relationship between VA and the University of West Virginia Medical School, which has expressed a willingness to place residents in medical and surgical specialties in the CBOC.⁹⁵

The Commission also heard testimony on how best to include specialty care for women veterans:

It is of importance that each VISN keep in mind the growing number of women veterans who will be knocking on the door to access the VA in the future. An additional concern of women veterans is the uncertain outcome of the possibility of mainstreaming women veterans' health care into general primary care clinics. We fear if these clinic areas are lost or if a total mainstreaming is accomplished, the attention to the interplay of the medical conditions of women will take a step back in time.⁹⁶

Commission Findings

- 1 Outpatient primary and specialty care workloads are projected to increase in the Eastern Market.
- 2 The VISN plans to increase specialty care services in CBOC settings.
- 3 The VISN Director stated that the VISN can establish new CBOCs within allocated resources.
- 4 In the Eastern Market, the VISN has been successful in involving a medical affiliate to provide specialty care.

⁹³ Lawrence Biro, VISN 4 Director, Transcribed Testimony from the Coatesville, PA, Hearing on August 28, 2003, page 67.

⁹⁴ The Honorable Joseph Capozzolo, Mayor of Bangor, PA, Written Testimony submitted at the Coatesville, PA, Hearing on August 28, 2003, page 1, available from [<http://www.carescommission.va.gov/Documents/CoatesvillePanel7.pdf>].

⁹⁵ Glen Struchtemeyer, Director Clarksburg, WV, VAMC, Transcribed Testimony from the Pittsburgh, PA, Hearing on August 27, 2003, page 49.

⁹⁶ Marsha Four, Program Director Homeless Veterans, Written Testimony submitted at the Coatesville, PA, Hearing on August 28, 2003, pages 2 and 3, available from [<http://www.carescommission.va.gov/Documents/CoatesvillePanel4.pdf>].

- 5 A medical affiliate in the Western Market has expressed a willingness to train students and residents in CBOCs.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposal to meet increased demand through in-house expansion, contracting out, enhanced use arrangements, and increased use of CBOCs.
- 2 The Commission recommends that:⁹⁷
 - a The Secretary and USH utilize their authority to establish new CBOCs within the VHA medical appropriations without regard to the three priority groups for CBOCs outlined in the DNCP.
 - b VISNs set priorities for the establishment of new CBOCs based on VISN needs to improve access and respond to increases in workload.
 - c VISNs should be able to address capacity issues, to relieve space deficits at the parent facility, by establishing new sites of care, provided the VISNs have the resources necessary to do so.
 - d VISNs make efficient use of existing resources, including staffing facilities appropriately to reduce wait times, providing specialty care at CBOCs where appropriate, and providing expanded hours of service at CBOCs to facilitate veteran access to care.
 - e Whenever feasible, CBOCs provide basic mental health services.
 - f VISNs collaborate with academic affiliates to develop learning opportunities utilizing CBOCs as teaching sites to enhance quality of care in community-based service settings.

VI Special Disability Programs – Spinal Cord Injury Outpatient Clinic at the Philadelphia VAMC

DNCP Proposal

“Add a new outpatient SCI clinic at Philadelphia.”

⁹⁷ Chapter 3, *National Crosscutting Recommendations: Community-Based Outpatient Clinics (CBOCs)*, contains additional information on this topic.

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

VISN 4 does not have a SCI Center. Veterans requiring care at a SCI Center are referred to VISNs 3, 6, and 10. In VISN 4's Western Market, the Pittsburgh VA HCS has a SCI outpatient clinic.

According to information provided by VISN 4, it had 588 SCI users in FY 2001 who used approximately 5,800 bed days of care. This workload equates to 19 beds. Projections indicate that VISN 4 would need 47 acute and 66 LTC beds dedicated to SCI/D by FY 2022.⁹⁸

VISN 4 refers the greatest number of its SCI veterans to VISN 3.⁹⁹ This suggests that Philadelphia may be an appropriate location to provide SCI services. However, the Philadelphia VAMC does not currently have a certified SCI outpatient clinic where staff are appropriately trained to serve the unique needs of SCI patients.

The Commission notes the need for improved inter-VISN coordination and planning, particularly with regard to SCI care for VISN 3 and VISN 4 veterans.

Commission Findings

- 1 The need for SCI specialty care is increasing in VISN 4.
- 2 The Philadelphia VAMC does not currently have a certified SCI outpatient clinic.
- 3 VISN 4 refers the majority of its SCI patients to VISN 3.
- 4 Because VA planning for SCI services is done at a national level, inter-VISN coordination needs to be improved, especially between VISN 3 and VISN 4.

Commission Recommendations

- 1 The Commission concurs with the DNCP proposal to establish a certified SCI/D outpatient clinic in Philadelphia.

⁹⁸ Michael W. Neusch, FACHE, VISN 4 Assistant Director, Email to Kathy Collier received on September 3, 2003.

⁹⁹ Michael W. Neusch, FACHE, VISN 4 Assistant Director, Email to Kathy Collier received on September 3, 2003.

- 2 The Commission recommends that inter-VISN coordination and planning for SCI/D patients be improved, especially between VISN 3 and VISN 4. The Commission recommends that VA reevaluate the current and projected SCI/D bed needs for VISN 4 in order to determine whether a 30-bed SCI Center should be established in eastern part of VISN 4.

VII Extended Care

DNCP Proposal

“Proposed capital investments for nursing home care to remedy space deficiencies are included for Altoona, Butler, Coatesville, Lebanon, and Clarksburg.”

DNCP Alternatives

None provided in the DNCP.

Commission Analysis

The DNCP did not provide specific data on these space deficiencies. Further, information on the particular sites was not gathered at the relevant hearings. Therefore, the Commission cannot evaluate this proposal.

Commission Findings

- 1 In some cases, especially for existing LTC and chronic psychiatric units, infrastructure and safety improvements are needed to improve the quality of space for patients and to modernize medical settings. No data were provided as to Altoona, Butler, Coatesville, Lebanon, and Clarksburg.

Commission Recommendations

- 1 The Commission recommends that:¹⁰⁰
 - a Prior to taking any action to reconfigure or expand LTC capacity or replace existing LTC facilities VA should develop a LTC strategic plan. This plan should be based on well-articulated policies, address access to services, and integrate planning for the LTC of the seriously mentally ill.
 - b An integral part of the strategic plan should be maximizing the use of State Veterans Homes.
 - c Domiciliary care programs should be located as close as feasible to the population they serve.
 - d Freestanding LTC facilities should be permitted as an acceptable care model.

¹⁰⁰ Chapter 3, *National Crosscutting Recommendations: Long-Term Care*, contains additional information on this topic.