

CARES COMMISSION
POST HEARING SUMMARY

VISN 21 Livermore Hearing
October 1, 2003

- I. Commissioners in Attendance
 - 1. John Kendall, M.D., Hearing Chair
 - 2. Richard McCormick, PhD.
 - 3. Robert Ray
 - 4. John Vogel, Vice Chairman

- II. Market Areas Addressed in Hearing
 - 1. North Coast Market
 - 2. North Valley Market
 - 3. Pacific Island Market
 - 4. South Coast Market
 - 5. South Valley Market
 - 6. Sierra Nevada Market

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III. Market Area Summary

Market	Planning Initiative	Market Plan Recommendation	DNCP Recommendation
North Coast	Outpatient Primary Care 2012 – 63% increase 2022 – 24% decrease	Expand primary care at San Francisco VAMC, expand 3 CBOCs, add x new CBOCs, relocate one CBOC	Expansion of existing CBOCs, increase services at parent facilities. High priority CBOCs include multi-specialty in San Joaquin Valley and East Bay CBOC.
North Coast	Outpatient Specialty Care 2012 – 32% increase 2022 – 9% increase	Expand specialty care and tele-medicine at Martinez, Oakland/Alemeda and 3 CBOCs, expand ambulatory specialties, for long term utilize vacated research space	Expansion of existing resources through construction, renovation and leases; tele-health, offering selected high volume specialties at larger CBOCs.
North Coast	Inpatient Surgery Decrease Workload 2012 – 36% decrease 2022 – 54% decrease	After concerns raised by medical affiliate the National Cares Planning Office reviewed/withdrew initiative.	Planning Initiative dropped.
North Coast	Campus Realignment - Proximity Tertiary Palo Alto and San Fran.	Maintain all facilities	VA no longer offer services at Livermore campus: transfer 60% of nursing home care to Menlo Park and contract in community for balance, outpatient care to expanded and new CBOC. Continued consolidation of Palo Alto/San Francisco admin and clinical services.
North Coast	Infrastructure	Major construction needed for Bldg. 3 Main Hospital, ranked 2 nd for exceptionally high risk	Seismic construction projects proposed in North Coast, South Coast and South Valley Markets (Palo Alto, Menlo Park, Fresno).
North Coast	DOD Collaboration	Utilize shared space at former Oakland Army Base with 63 rd Regional Command	DOD collaboration for shared space at former Oakland Army Base with 63 rd Regional Command not specifically mentioned.
North Coast	Research – Enhanced Use	Need for parking, and research space at 2 nd largest VA research program	Proposals being developed for research in San Francisco involving construction and leasing; enhanced leases for: Menlo Park - assisted living Palo Alto - Eye Institute and research with UCSF.
North Valley	Outpatient Primary Care 2012 – 16% increase 2022 – 11% decrease	Expand Redding OPC by trading admin space for clinical space, expand CBOCs, expand VAMC space through leasing	See North Coast Outpatient Primary Care.
North Valley	Outpatient	Expand Redding OPC by trading admin space for clinical	See North Coast Outpatient Specialty Care

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	Specialty Care 2012 – 44% increase 2022 – 19% increase	trading admin space for clinical space, expand CBOCs, expand VAMC space through leasing, contract in community	Specialty Care.
North Valley	Inpatient Medicine Increase Workload 2012 – 22 beds (84%) 2022 – 10 beds (39%)	55 -bed tower recently completed	Plan resolved.
North Valley	Inpatient Surgery Decrease Workload 2022 – 30% decrease	55 – bed tower recently completed, surgery beds could be contracted within DOD/VA sharing agreement	Plan resolved.
North Valley	Inpatient Psychiatry Increase Workload 2012 – 10 bed	Shift workload to Palo Alto and possibly expand contract with VA/DOD 60 th Medical Gr.	Not mentioned in DNCP.
North Valley	Collaboration – NCA	Master Sharing Agreement with Travis AFB revised FY02 with 2 nd largest USAF Medical Center offering array of programs; VA purchases \$2M in inpatient care from USAF with cost avoidance of \$500K.	Multiple opportunities for expanded DOD collaboration with Travis AFB for inpatient care and outpatient primary and specialty care.
South Coast	Access to Hospital Care 53% vs. 65% goal	After incorporating fee-based acute care services the access increased to 79% - issue resolved	Contract locally to meet demand and improve access.
South Coast	Inpatient Surgery Decrease Workload 2012 – 36% 2022 – 53%	Could not find in write up	Reduce services at Palo Alto.
South Coast	Inpatient Psychiatry Decrease Workload 2012 – 10% decrease 2022 – 34% decrease	Consolidate acute psychiatric beds at Palo Alto from Sacramento	Reduce in-house services.
South Coast	Infrastructure	Seismic issues, 4 of top 5 exceptionally high risk building are in this market: Palo Alto – Bldg. 2 & 4, inpatient psych, research Menlo – Bldg. 137 & 324, PTSD, mental health, geropsych nursing home Menlo Park estimate \$36M	See North Coast Infrastructure.
South Coast	Special Programs	Restore Blind Rehab beds	Not specifically mentioned in DNCP.
South Coast	Collaboration	VA Monterey CBOC and DOD facilities inadequate, interested in joint venture clinic on Ft Ord property	Working with DOD on joint ventures for inpatient and outpatient care in Monterey.
South Coast	Assisted Living – enhanced use	Sunrise Development wants to develop 45 year lease for 85 non-VA units worth \$30M,	Pursuing joint venture enhanced leases for joint venture ambulatory and long

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		would fund VA research, parking, seismic initiatives	term care with Alameda Co.
South Valley	Outpatient Specialty Care 2012 – 48% increase 2022 – 38% increase	Explore stronger relationship with Lemoore Naval Air Station, renovate existing space	See North Coast Outpatient Specialty Care.
South Valley	Collaboration – DOD	Increase collaboration with Lemoore NAS, currently share pathology, MRI and lithotripsy	DOD collaboration with Lemoore NAS not specifically mentioned in DNCP.
Sierra Nevada	Access to Tertiary Care 39% vs. 65%	Expand specialty services at Reno VAMC to reduce referrals to Bay area, increase community contracting in Reno	Expand services at Reno VAMC and contract locally.
Sierra Nevada	Outpatient Primary Care 2012 – 26% increase 2022 – 26% decrease	Renovate vacant space at Reno VAMC, expand 2 CBOCs and add 2 CBOCs	See North Coast Outpatient Primary Care.
Sierra Nevada	Outpatient Specialty Care 2012 – 42% increase 2022 – 42% increase	Expand Reno VAMC, double specialty care through use of vacant space	See North Coast Outpatient Specialty Care.
Pacific Islands	Outpatient Primary Care 2012 – 45K stops (67%) 2022 – 31K stops (46%)	Increase partnership with Tripler Army Hospital and VA Ambulatory Care Center, add 6 CBOCs and tele-medicine	See North Coast Outpatient Primary Care; expanded joint venture with Tripler; \$7.8M in proposed construction/renovation.
Pacific Islands	Outpatient Specialty Care 2012 – 78K stops (212%) 2022 – 71K stops (192%)	Build new DOD/VA joint Ambulatory Care Center, in interim expand fee-base and contract care	See North Coast Outpatient Specialty Care; expanded joint venture with Tripler; \$7.8M in proposed construction/renovation.
Pacific Islands	Collaboration – DOD	Increase DOD sharing at Tripler, Guam; study underway on joint biomedical research at Tripler, tele-health project underway with DOD	Proposed expansion of research facilities through joint biomedical research at Tripler.
Pacific Islands	Inpatient Psychiatry	Not mentioned.	Access to residential rehab will improve through for additional 12.5K sq ft space

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IV. Brief Description of Hearing Testimony

1. Elected Officials

Congresswoman Tauscher (V-tel)

Congresswoman Bordallo (V-tel)

Congressman Faleomavaega (V-tel)

Supervisor Ornellas, San Joaquin County 5th District

Ms. Barton, Livermore City Manager

Congresswoman Tauscher thanked Commissioners for holding the hearing in Livermore. Her concerns include pulling services out of one of the fastest growing areas, loss of the only VA facility in Alameda County, lack of nursing home beds in the community, and heavy traffic congestion for patients/families going to Menlo Park. She pointed out Livermore has received over \$20M of improvements. She has yet to see data that transferring services to Palo Alto and Menlo Park is fiscally prudent.

Congresswoman Bordallo asked why Guam was left out of the draft national plan. Although the replacement Navy Hospital will have a CBOC, she wants it moved to a central location. She is also concerned about funding and locating VBA at the CBOC.

Congressman Faleomavaega was concerned American Samoa were left out of the draft national plan. VA spends \$1M annually transporting patients 2,300 miles to Honolulu. He asked Commissioners to recommend putting a CBOC in the top priority group. He believes they have 5,000 veterans, although network figures differ from the Network Director's testimony.

Mr. Ornellas talked about the need for a VA clinic in San Joaquin Valley, since the Stockton CBOC is fully utilized. This is a fast growing area for veterans. Ms. Barton urged Commissioners to keep the Livermore facility open. Relocating vital services would force patients and family members to travel up to two hours by car to San Francisco. Testimony from Congressman Gibbons was also entered into the record.

2. Network Leadership – Dr. Robert Wiebe, Network Director

Dr. Weibe reviewed VISN 21's process and plans. They include providing a safe environment by correcting seismic deficiencies, expanding current outpatient services, adding 12 new CBOCs, and transferring services from Livermore to Menlo Park, Palo Alto and the community. Adding a new East Bay CBOC is a prerequisite for realignment of the Livermore campus. The proposal was developed following a request from the Undersecretary to consider eliminating 24 hour/7 day a week operations at this site. The network also identified business and clinical activities for consolidation between the tertiary facilities, and ranked their seismic correction projects.

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Most Livermore nursing home patients come from Modesta or Stockton. Like many nursing homes it serves a local patient population. As part of the upcoming data call, Commissioners asked for an analysis of maintaining only the nursing home at Livermore, similar to a free standing community nursing home.

None of the 12 proposed CBOCs is in the priority group. Various CBOCs were discussed, e.g., doubling the size of the Chico CBOC to take pressure off Redding. Network teams found 800 veterans in America Samoa, with a VA enrollment of 400 veterans, which is below the CBOC threshold. Even with a CBOC, the number of transfer patients may not decrease since their conditions require acute care.

3. Veterans Organizations

Mr. Tracey, The American Legion

Mr. Steese, Disabled American Veterans

Mr. Mullally, Paralyzed Veterans of America

Mr. Jensen, Vietnam Veterans of America

Mr. Schroth, Alameda County Veterans Affairs Commission

Mr. Boardman, Northern California Organized Veterans Advocates

Mr. Daves, Oahu Veterans Council

All of the representatives opposed plans to relocate inpatient services from Livermore. Mr. Tracey thought it was a cumbersome plan with Livermore offered as a sacrificial lamb. Mr. Steese talked about access problems in the Redding area and emergency care overall. Mr. Mullally said PVA was interested in adding long term care SCI beds. Mr. Jensen was concerned about providing mental health, substance abuse, PTSD, and services for homeless veterans, and disappointed only three CBOCs were proposed for NW California. Mr. Schroth stated Alameda County veterans are shortchanged on VA facilities. Without Livermore veterans will forego treatments or travel farther for services. Mr. Boardman said there was a need for more urgent care, contracting for specialty care, a larger outpatient clinic in Redding, and a new state veterans home. Mr. Daves was optimistic about services for island veterans, particularly the new clinic adjacent to Tripler Army Medical Center. He wants the VA to add more parking spaces and obtain more specialty care in the community through the DOD joint venture.

4. Affiliates and Collaborations

Col. Collier, Lead Agent, TRICARE Health Services, Region 10

Col. Meyers, Executive Director, TRICARE Health Services, Region 10

Col. Augustine, (USAF retired), Vacaville

Col. Gargiulo, Chief of Staff, Tripler Army Medical Center (V-tel)

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Each of the representatives expressed support for the CARES process. Col. Collier discussed the long history of joint ventures in Northern California and the Fairfield CBOC. He stated proposed changes at Livermore should not adversely affect the joint venture. Col. Meyers indicated DOD had a high level of commitment for VA. He described DOD's revised financing budget model. Moving to an enrollee capitation payment should give more financial incentives to the VA. Col. Augustine was concerned about access issues and unmet long term care needs. Col. Gargiulo discussed the expanding joint venture at Tripler and successful outpatient clinic.

5. Employee Representatives

Mr. Allyn, AFGE 1620 (Palo Alto)
Mr. Renfro, R.N., NOVA (Palo Alto)
Mr. Luttrell, AFGE (Livermore)

All of the representatives strongly opposed moving services out of Livermore. Mr. Allyn cited major flaws with the plan and said long travel times would be a disservice to wives and families. Menlo Park is full of crime but Livermore is a safe and perfect setting. He also thought contracting in the community would be difficult and reduce Millenium Bill entitled services. Mr. Renfro talked about the culture among Livermore employees, who know veterans needs in a way community providers do not understand. If Livermore is closed all the beds should be replaced in the VA. Mr. Luttrell said the CARES plan leaves elderly veterans out in the cold just as their numbers are increasing. He strongly opposes privitytization of long term care at VA facilities.

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V. Commissioner Views

Market	Planning Initiative	DNCP Recommendation	Commissioner Views
North Coast	Outpatient Primary Care 2012 – 63% increase 2022 – 24% decrease	Expansion of existing CBOCs, increase services at parent facilities. High priority CBOCs include multi-specialty in San Joaquin Valley and East Bay CBOC.	Commissioners agreed with the plan to expand services at existing CBOCs and parent facilities. They concur adding a new East Bay CBOC is a prerequisite to relocating services out of Livermore.
North Coast	Outpatient Specialty Care 2012 – 32% increase 2022 – 9% increase	Expansion of in-house services through construction, renovation and leases, tele-health, offering selected high volume specialties at larger CBOCs.	Commissioners agreed with the plan to expand services at existing sites, including selected high volume specialties.
North Coast	Proximity Tertiary - Palo Alto and San Francisco	Continue consolidation of Palo Alto/San Francisco admin and clinical services.	Commissioners generally agreed with consolidation plans but noted they appear to have limited fiscal impact.
North Coast	Infrastructure	Seismic construction projects proposed in North Coast, South Coast and South Valley Markets (Palo Alto, Menlo Park, Fresno).	Commissioners agreed the need to correct seismic deficiencies and were given the following priority list: SFVAMC – Bld 203 \$40M Palo Alto – Bld 2 - \$30M Menlo Park – Bld 324 - \$32M Fresno – \$12M
North Coast	DOD Collaboration	DOD collaboration for shared space at former Oakland Army Base with 63 rd Regional Command not specifically mentioned.	Commissioners support DOD collaborations but noted this opportunity was not specifically discussed at the hearing.
North Coast	Research – Enhanced Use	Proposals being developed for research in San Francisco involving construction and leasing; enhanced leases for: Menlo Park - assisted living, Palo Alto - Eye Institute.	Commissioners agreed with plans to develop additional research facilities. The proposed Eye Institute with Stanford is no longer an option based on information from the affiliate.
North Valley	Outpatient Primary Care 2012 – 16% increase 2022 – 11% decrease	Expansion of existing CBOCs, increase services at parent facilities.	Commissioners agreed with the plan to expand services at existing CBOCs and parent facilities.
North Valley	Outpatient Specialty Care 2012 – 44% increase 2022 – 19% increase	Expansion of existing resources through construction, renovation and leases, tele-health, offering selected high volume specialties at larger CBOCs.	Commissioners agreed with the plan to expand services at existing sites, including selected high volume specialties.
North Valley	Collaboration – NCA	Multiple opportunities for more DOD collaboration with	Commissioners support further DOD collaborations with Travis

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		Travis AFB for inpatient and outpatient services.	AFB.
South Coast	Access Hospital Care 53% vs. 65% goal	Contract locally to meet demand and improve access.	Commissioners agreed with plans for community contracts and requested information on the proposed types of services and community hospitals.
South Coast	Inpatient Surgery Decrease Workload 2012 – 36% 2022 – 53%	Reduce services at Palo Alto.	Commissioners agreed with the plan to manage bed reduction. They were confident the network would monitor and respond to bed needs based on actual utilization.
South Coast	Inpatient Psychiatry Decrease Workload 2012 – 10% decrease 2022 – 34% decrease	Reduce in-house services.	Commissioners agreed with the plan to manage bed reduction. They were confident the network would monitor and respond to bed needs based on actual utilization.
South Coast	Campus Realignment – Livermore, Menlo Park and Palo Alto	VA to no longer offer services at Livermore campus: transfer 60% of nursing home care to Menlo Park and contract in community for balance; add new, expanded East Bay CBOC for outpatient care.	Commissioners did not reach consensus on the recommendation for realignment of the Livermore facility and look forward to receiving additional cost/benefit analysis by 10/03. Commissioners had concerns about the ability to contract for nursing home beds in the community. Some felt it was beneficial to have VA nursing home beds available outside the coast, since East Bay appears to be a growth area. They were not convinced nursing home beds have to be adjacent to acute care facilities. They also asked for cost/benefit analysis on a second option – moving outpatient services to an East Bay CBOC but keeping nursing home beds at Livermore.
South Coast	Infrastructure	Seismic construction projects proposed in North Coast, South Coast and South Valley Markets (Palo Alto, Menlo Park, Fresno).	Commissioners agreed the need to correct seismic deficiencies and were given the following priority list: SFVAMC – Bld 203 \$40M Palo Alto – Bld 2 - \$30M Menlo Park – Bld 324 - \$32M Fresno – \$12M
South Coast	Collaboration	Working with DOD on joint ventures for inpatient and	Commissioners support further DOD collaborations. They were

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		outpatient care in Monterey.	interested in Col. Meyers testimony about DOD's 5-year transition to a revised budget /financing system. Under the budgeting mandate MTF's will receive three types of funding, including a capitated fund allocation based on enrolled population.
South Coast	Assisted Living – enhanced use	Pursuing enhanced leases, joint venture ambulatory, and long term care Alameda Co.	Commissioners generally concur with plans for enhanced lease opportunities. There was limited discussion and they were told the network is waiting for the VA policy on Assisted Living programs.
South Valley	Outpatient Specialty Care 2012 – 48% increase 2022 – 38% increase	Expansion of in-house services through construction, renovation and leases, tele-health, offering selected high volume specialties at larger CBOCs.	Commissioners agreed with the plan to expand services at existing sites, including selected high volume specialties.
Sierra Nevada	Access to Tertiary Care 39% vs. 65%	Expand services at Reno VAMC and contract locally.	Commissioners agreed with plans for community contracts and requested information on the proposed types of services and community hospitals.
Sierra Nevada	Outpatient Primary Care 2012 – 26% increase 2022 – 26% decrease	Expansion of existing CBOCs, increase services at parent facilities.	Commissioners agreed with the plan to expand services at existing CBOCs and parent facilities. They recommend proposed CBOCs be re-evaluated for inclusion in the priority group.
Sierra Nevada	Outpatient Specialty Care 2012 – 42% increase 2022 – 42% increase	Expansion of existing resources through construction, renovation and leases, tele-health, offering selected high volume specialties at larger CBOCs.	Commissioners agreed with the plan to expand services at existing sites, including selected high volume specialties.
Pacific Islands	Outpatient Primary Care 2012 – 45K stops (67%) 2022 – 31K stops (46%)	Increase partnership with Tripler Army Hospital and VA Ambulatory Care Center, \$7.8M proposed construction and renovation projects, 150% increase in primary care space, new CBOCs not in priority group.	Commissioners support plans for expanded DOD partnership, and were pleased to hear directly from the Chief of Staff at Tripler. They support the proposed co-location arrangement in Guam at the replacement Navy hospital. They encourage the network to provide primary care services in

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			American Samoa through potential partnerships if necessary.
Pacific Islands	Outpatient Specialty Care 2012 –78K stops (212%) 2022 –71K stops (192%)	Build new DOD/VA joint Ambulatory Care Center and \$7.8M proposed construction and renovation projects.	Commissioners support plans for expanded DOD partnership, and were pleased to hear directly from the Chief of Staff at Tripler.
Pacific Islands	Collaboration – DOD	Enhance access to tertiary and acute care, and to meet primary and specialty care outpatient needs through expanded agreements with Tripler. Plan includes opportunities for medical research collaboration with DOD in Hawaii with anticipated Oahu research facility.	Commissioners wholeheartedly support expanding DOD collaborations in Hawaii. They felt strongly the VA should attempt to provide primary care services in American Samoa. If there are not enough veterans to warrant a full panel they encourage the network to consider a joint venture CBOC with Department of the Interior or the Army Reserves.
Pacific Islands	Inpatient Psychiatry	Access to residential rehab will improve with lease for additional 12.5K sq ft space.	Commissioners support plans for expanded DOD partnership, and were pleased to hear directly from the Chief of Staff at Tripler.

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VI. Other Comments

Commissioners heard extensive testimony about the need for medical services in the remote islands of Guam and American Samoa, which defy the conventional designation of “highly rural”. As stated in Section V, Commissioners support co-location with the proposed replacement Navy hospital on Guam. They encourage the network to provide primary care in American Samoa, through joint arrangements with Department of the Interior or Department of the Army, after hearing testimony about the LBJ facility and Army Reserve forces stationed there. Commissioners noted the U. of Hawaii Medical School has a focus on training physicians for remote islands. They suggest the network speak with the Dean about a joint teaching arrangement.

Commissioners also noted network interest in plans for the SORCC, formerly known as the White City Domiciliary, which handles 40% of VISN 21’s homeless patients.

VII. Follow-up questions for VHA/VISN

1. Please provide information on nursing home beds available for contracting in the East Bay area.
2. Please provide information on the proposed types of services and community hospitals targeted for community contracts.
3. Please provide more detailed information on the DOD revised budget/financing system, particularly the capitated fund allocation, and MTF incentives to seek lower cost providers.
4. Please confirm the capital investment in Livermore over the past ten years.

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VISN 21 – EXHIBIT 1 SUMMARY OF MAJOR PLANNING INITIATIVE GAPS						
Market	North Coast	North Valley	South Coast	South Valley	Sierra Nevada	Pacific Islands
Facilities	San Francisco	Sacramento	3 divisions: Palo Alto Menlo Park Livermore	Fresno	Reno	Through Tripler
Current CBOCs	4	5	6	2	2	6
Planning Initiatives *						
Access to Hospital	-	-	53%	-	39%	-
Outpatient Primary Care	63% ↑ 24% ↑	16% ↑ 11% ↓	42% ↑ 9% ↑	-	26% ↑ 0	67% ↑ 46% ↑
Outpatient Specialty Care	32% ↑ 9% ↑	44% ↑ 19% ↑	46% ↑ 21% ↑	57% ↑ 22% ↑	42% ↑ 21% ↑	212% ↑ 192% ↑
Inpatient Medicine	-	-	-	-	-	-
Inpatient Surgery	-	-	18 beds ↓ 26 beds ↓	-	-	-
Inpatient Psychiatry	-	-	13 beds ↓ 41 beds ↓	-	-	-
Other	DOD Infrastructure Enhanced Use	DOD	DOD Infrastructure Enhanced Use	DOD	-	DOD

* Projections are for 2012 and 2022