Statement of the
VISN 7 Executive Leadership Panel
Department of Veterans Affairs
before the
CARES Commission
on the
South Carolina Market Plan

September 8, 2003

Mr. Chairman and members of the Commission, I am pleased to be here today to discuss the Atlanta Network's Capital Assets Realignment for Enhanced Services (CARES) Market Plans. We will dedicate this hearing in Charleston to the South Carolina plans, having addressed the Georgia and Alabama markets at the hearing in Atlanta on August 28.

Our formal testimony will:

- Describe the CARES planning process in VISN 7,
- Briefly outline VISN 7's geographic area,
- Provide an overview of CARES-identified needs in VISN 7,
- Describe the South Carolina market area,
- Provide an overview of CARES projections for this market,
- And, describe specific CARES issues and plans that affect South Carolina.

CARES Planning Process

The VISN 7 CARES Steering Committee provides the strategic leadership for CARES in VISN 7. The Steering Committee membership includes the directors and chiefs of staff from all eight VISN 7 VAMCs, all network-level service line directors, the three state directors of veterans' affairs, VISN 7 union representatives, DoD principals, and Veterans Benefits Administration (VBA) and National Cemetery Administration (NCA) representatives. The Steering Committee met several times during the past year for 1) initial briefings on the Planning Initiatives that were identified for VISN 7, 2) strategic sessions to identify solutions for those Planning Initiatives, and 3) to approve the key elements that form the basis of VISN 7's Draft CARES Plan. In between meetings, the Steering Committee is continuously informed via email of all CARES developments and information disseminated by the National CARES Planning Office (NCPO) and the VISN Support Service Center (VSSC) CARES support staff. Since the last full Steering Committee meeting and the submission of our Draft CARES Plan, the VISN 7 Executive Leadership Council is updated at least quarterly on CARES at their face-to-face meetings.

Three individuals in the Network Office served as VISN 7's CARES Coordinators, each focusing on a single market. These individuals worked closely with the CARES Coordinators at each of the VAMCs in their assigned markets to develop the plans, including workload and space mappings, identifying new community based outpatient clinic (CBOC) locations, contract solutions, space shortage solutions, and vacant space solutions. In turn, the facility CARES Coordinators worked closely with key individuals and decision-making bodies at their facilities to develop those plans and solutions.

Two VISN 7 Service Lines had major roles in developing strategies and/or background information to include in our CARES Plan. The Primary Care Service Line, which handles VISN 7's CBOC strategic planning, assisted in identifying locations for new CBOCs. The Acute Care Service Line, which oversees acute inpatient and specialty care services, conducted the "Proximity" and "Small Facility" analyses.

VISN 7 conducted an intensive communications program throughout the planning process, which continues today. At the facility-level, the Public Affairs Officer and the CARES Coordinator coordinate the dissemination of CARES information to stakeholders in the form of email, newsletters, town hall meetings, flyers, briefings, etc. Each facility conducted at least two formal town hall-style briefings at key points during the planning process—1) to describe the Planning Initiatives that were identified for the VISN and market, and 2) to describe the proposed strategies that would form the basis of the VISN's CARES Plan and to seek input and alternative strategies. VISN 7 submits detailed reports each month to the NCPO of all CARES communication events.

At the network level, numerous stakeholder outreach and briefing events were conducted including a face-to-face briefing for our state directors of veterans' affairs and video- and audio-conference briefings for union leaders. VISN 7 and facility CARES Coordinators, Chiefs of Staff, and Directors have also conducted individual briefings for affiliated medical school deans and Dean's Committees.

Please note that the late-breaking national additions to VISN 7's Draft CARES Plan, including the Central Alabama Veterans Health Care System (CAVHCS) and Augusta realignment recommendations and certain aspects of the Dublin small facility recommendation, were not fully addressed with our stakeholders. The period for stakeholder input on these elements is now, and for the next 60 days.

VISN 7 Geographic Area

VISN 7 or the *Atlanta Network* serves veterans from economically and demographically diverse areas within three states--the entire state of South Carolina, and most of Georgia and Alabama. The Network includes eight VA Medical Centers (VAMCs), including two two-division medical centers. In Alabama, there are VAMCs in Tuscaloosa and Birmingham, and CAVHCS, which have two divisions—one in Montgomery and the other in Tuskegee. There are three VAMCs in Georgia—Atlanta (Decatur), Dublin, and Augusta. The Augusta VAMC has two divisions just a few miles apart—the Downtown Division and the Uptown Division. And, in South Carolina, there are VAMCs at Charleston and Columbia. All the VAMCs except Augusta and Tuscaloosa operate several CBOCs. We have 23 CBOCs at this time located across the three states in strategic locations that meet veteran access requirements. Crossover market issues have been coordinated with VA CARES planners from our neighboring VISNs 6, 8, 9, and 16.

VISN 7 Market Areas

Three market areas were defined in VISN 7 for CARES planning purposes. These areas roughly correspond with the three states' boundaries. The Alabama market area includes parts of west-central Georgia, the Georgia market includes parts of west-central South Carolina, and the South Carolina market includes the southeastern section of

Georgia. Market definitions accommodated current and projected referral patterns between VAMCs and CBOCs. There are no significant travel barriers in VISN 7, other than traffic congestion in the most urban areas, especially Atlanta and Birmingham. Most of VISN 7 is rural and medically underserved and patients frequently have to travel too far for VA health care.

South Carolina Market Characteristics

The key word for VISN 7, and for South Carolina, is "growth". Significant enrollee growth is projected across the 20-year planning period. Despite a projected decrease in veteran *population*, the number of enrollees is projected to *increase* over the planning period (due to recent increases in enrollment rates, which are projected to continue). While South Carolina's 2001 base-line penetration rate (enrollees/vet pop) was just 24% (this is relatively low), the rate is projected to reach 33% by 2022:

Market Name	2001 Enrollees	2001 Penetration Rate	2012 Enrollees	2012 Penetration Rate	2022 Enrollees	2022 Penetration Rate
Alabama	106,774	26%	120,560	33%	114,063	36%
Georgia	122,419	19%	156,454	27%	159,114	31%
South Carolina	106,015	24%	118,898	30%	115,444	33%
Total	335,208	23%	395,912	30%	388,621	33%

Most of the market is rural and medically underserved. VA healthcare facilities in the market include the Charleston and Columbia VAMCs and nine CBOCs in Myrtle Beach, Anderson, Orangeburg, Sumter, Greenville, Florence, Beaufort and Rock Hill, South Carolina, and Savannah, Georgia. Special mention should be made of VAMC Augusta which, even though in the Georgia market, draws many South Carolina enrollees due to its border location. The state of South Carolina is also home to five military healthcare facilities that create options for military retirees to receive their health care and opportunities for VA-DoD sharing programs. Additionally, Fort Stewart and Hunter Army Airfield have healthcare facilities in the Savannah/Hinesville, GA portion of the South Carolina CARES market. The weather and attractive cost of living in South Carolina are attractive to military retirees, resulting in significant growth in the number of enrollee users in this market each year since 1996.

All three VAMCs, including VAMC Augusta, which serve South Carolina veterans are tertiary, medical school-affiliated facilities. The Augusta, GA VAMC is in the Georgia market but serves veterans residing in five western South Carolina counties. It also houses VISN 7's Spinal Cord Injury Unit and long-term mental health programs. The Columbia VAMC was built in 1979 as a replacement facility for the original 1932 hospital. The University of South Carolina School of Medicine occupies the old hospital buildings for their medical education and research programs. Columbia and Charleston offer a full array of services from primary care to long-term care. The Charleston VAMC was opened in 1965 adjacent to the Medical University of South Carolina (MUSC) and has a medical education and research program affiliation with MUSC.

Workload

South Carolina faces significant capacity gaps (workload increases) in outpatient primary and specialty care, mental health and inpatient medicine and psychiatry:

Category	2001 Baseline	Increase by 2012	Increase by 2022
Primary Care (stops)	257,589	20%	8%
Specialty Care (stops)	192,862	100%	94%
Mental Health (stops)	94,401	60%	34%
Ancillary and Diagnostics (stops)	276,376	63%	63%
Medicine (BDOC)	31,330	40%	22%
Psychiatry (BDOC)	9,223	79%	43%

Expanding current sites of care and adding new CBOCs will address these capacity gaps. The replacement Greenville CBOC in 2007 will be a large, multi-specialty clinic.

Bed Capacity

Columbia and Charleston will add medicine bed capacity by converting currently available space at both locations and new construction in Charleston. Charleston and Columbia will add psychiatry beds by converting currently available space.

VBA Collaboration/Enhanced Use Sharing

The Veterans Benefit Administration has agreed to collocate the Regional Office at the Columbia VAMC campus through an enhanced use construction project with a private developer. This new facility will be built on unoccupied land within 25.7 acres that the VAMC has designated as an enhanced use site. The Office of Asset Enterprise Management in VA Central Office is coordinating this process. Other projected uses of these 25.7 acres are a fire station for the City of Columbia, administration building for the School of Medicine, childcare facility, South Carolina Law Enforcement Assistance Program (SCLEAP), a lodging facility such as Fisher House, relocated and consolidated VAMC administrative functions and other market driven uses identified by the master developer that are compatible with the mission of the VAMC. This VBA/VHA collaborative initiative has been assigned “high priority” in the Draft National CARES Plan. Delays in the EU process have now led to a new delay due to new OMB requirements.

MUSC has entered into an enhanced use lease with the Charleston VAMC for the use of VAMC property bordering their two respective facilities as the site for the first phase of their replacement hospital for the medical school. The enhanced use lease includes a process for MUSC to lease the property rights to a one-block segment of a primary VAMC road for a specified period of time. The property is known as Doughty Street and is approximately 20,918 square feet or 0.48 acres. MUSC will mitigate the impact on the VAMC by direct financial compensation as well as providing traffic and road changes

that are necessary to address future expansion and continued access to the VAMC property.

DoD Collaboration

Columbia VAMC has partnered with DoD to provide and enhance services resulting in $2.2 million in cost avoidance in FY 2002. MRI equipment was jointly procured and is operated on the VAMC grounds. Other significant programs are the joint sleep studies program, CT scan sharing, back-up personnel coverage for various specialties and training opportunities for medical/allied health education. Dorn VAMC has a total of 10 sharing agreements with the Department of Defense.
VA/DOD sharing between Dorn VAMC and DoD healthcare organizations has been aggressive, active and successful. Dorn VAMC leadership currently meets with the leaders at the Moncrief Army Community Hospital monthly. The Commander of the Army Southeast Regional Medical Command and Tricare Region 3, BG Eric Schoomaker, M.D., visited Dorn VAMC in July 2003 to develop further sharing ideas. He would like to expand VA/DoD joint ventures and sharing along the Interstate 20 corridor between Columbia and Augusta. One project currently under discussion in the Midlands is the development of an imaging center at Dorn VAMC. This center would benefit both patient populations while optimizing project dollars. The Midlands of SC has approximately 58,000 DoD beneficiaries, and, if resourced appropriately, the project would optimize VA and DoD resources.

The recently formed regional VA/DOD Tiger Team, made up of representatives from VISN 7, The Army Southeast Regional Medical Command and the DoD Tricare Region 3 Lead Agent's Office, has met several times and made recommendations to the national leadership of these organizations to include five VA/DoD proposals as test proposals for the national VA/DoD sharing initiatives. Two of these proposals involve the Dorn VAMC and Moncrief Army Community Hospital; one is to be selected as test sites for the joint VA/DoD medical record initiative and the other is to expand an existing joint venture MRI operation between these two facilities by adding CT capability, and later expanding to a full service imaging center for the VA and DoD patient populations in the Midlands of SC.

Charleston VAMC operates an outpatient clinic in Savannah, GA currently adjacent to Hunter Army Airfield. The VA clinic has a total of 35,000 square feet and was opened in the early 1990's. Clinical services include primary care, mental health and several specialty services. The current lease expires in 2005 and costs $360,000 per year. The Army operates a new 48,000 square foot outpatient facility at Hunter Army Airfield and has inpatient capabilities 30-miles away at Winn Army Hospital at Fort Stewart. The Army will be demolishing the old hospital at Hunter Army Airfield and the minor construction project for a replacement VA clinic on the Hunter Army Airfield was withdrawn due to the limitation of 15,000 square feet that would be affordable under the $4 million cost limit. The current clinic lease will be maintained and future capacity needs in the Savannah area will be met with the planned Hinesville clinic. Our inquiries for inpatient services at Winn Army Hospital have not been successful due to capacity issues. VISN 7 will continue to review the level of interest and capability to partner for services at these sites.

The Beaufort VA Clinic is located at the Beaufort Naval Hospital with 2,500 square feet leased to the VA. Ancillary services are provided for VA patients by the Naval Hospital.

The replacement clinic planned for this facility will be at the Marine Corps Air Station about five miles away and the VA will discuss options for relocating to that site.

The planned replacement clinic for Charleston Naval Hospital will be located at the Naval Weapons station in Goose Creek, SC. The VA is discussing the potential for locating a VA clinic at this site instead of the planned nearby Summerville location. Both are scheduled to open in 2006.

Proximity PI

Three tertiary care facilities in VISN 7 were flagged for a proximity review due to the 120-mile standard. These facilities are the Augusta, Columbia, and Charleston VA Medical Centers. Columbia is geographically located between the other two facilities, with Augusta 82 miles to the west and Charleston 116 miles east. The basis for this Planning Initiative (PI) is the proximity of Columbia to Charleston and Columbia to Augusta. (The distance between Charleston and Augusta is greater than 120 miles and does not create a tertiary proximity PI.) One problem encountered when conducting the proximity review is the lack of a clear definition of a tertiary facility. Assuming tertiary services are on a continuum, Columbia provides less tertiary care than Augusta and Charleston. VISN 7 considers a transplant center on the high end of the continuum.

Historically, the presence of an open-heart surgery program and neurosurgery were two major determining indicators for a facility to be designated tertiary. Columbia does not provide either service in-house. Veterans needing these services are referred to Augusta or Charleston VAMCs. The three facilities that make up this Proximity PI have overlapping acute care roles but do not overlap tertiary care services. The Columbia VAMC, while it has a full range of consultative services, does not have Neurosurgery and Cardiac Surgery, which are important for a tertiary classification.

Consolidations have already taken place in the areas of cardiac surgery (notably Augusta VAMC and Eisenhower Army Medical Center), neurosurgery, invasive/interventional cardiology, orthopedics, and administrative services. It should also be noted that this proximity PI was "borderline" for VISN 7, due to near-threshold distance between facilities and the lack of a cardiac surgery program at VAMC Columbia (the usual indicator for a "tertiary" VAMC). These facilities can manage inpatient workload by “right sizing” inpatient unit beds. This right sizing includes flexibility in designating beds as medicine or surgery. Many of Columbia’s high cost services are already being referred to another VA facility, thereby avoiding duplication of these services and improving efficiency. VISN 7’s CARES Plan and the Draft National Plan proposed status quo or no mission change, since no additional consolidations of services are feasible and the CARES model projects significant increased need for additional capacity in specialty care and medicine.

Access PI

Access to primary care does not currently meet the 70% of enrollees within 30 minutes drive time standard, with primary care baseline year 2001 access at 61%. The South Carolina CARES market plan includes adding CBOCs in Anderson (opened in 2002), Beaufort (opened in 2001), Hinesville, GA in 2006, Spartanburg in 2005 and Summerville in 2006. (A new Aiken SC CBOC will be added in 2006, which is assigned to VAMC Augusta in the Georgia market.) This will raise the percent of enrollees within

guidelines to 70% in FY 2012 and 71% in FY 2022. While meeting access requirements, these new CBOCs also allow the transfer of workload from other treating facilities with gaps or insufficient square footage to manage the projected workload. This strategy avoids construction expense while providing primary care closer to veterans' homes.

Access to hospital care does not currently meet the 70% of enrollees within 60 minutes drive time standard, with hospital care baseline year 2001 access at 53%. Hospital access will be improved by contracting for medical/surgical inpatient stays in the Greenville and Savannah communities in order to raise the percentage of enrollees within guidelines to 82% in FY 2012 and FY 2022. There was insufficient capacity within the DoD MTF to obtain inpatient care at Savannah and no MTF in Greenville.

Access to tertiary care is met in all years at 100% of the enrollees residing within four hours drive time to Columbia or Charleston.

Facility Condition PI

VA's change in delivery of health care services in the late 1990's required significant capital resources to create more outpatient clinics and this focus occupied most of the VISN's capital resources in the last five years. Significant progress has been made in these outpatient areas and now VISN 7's CARES Plan identifies the need for critical inpatient ward improvements at VAMCs Columbia and Charleston.

Columbia and Charleston VAMCs have not done any significant renovations to their inpatient wards since they were built. The only exception is Columbia has nearly completed and reoccupied the inpatient surgical ward that was constructed in FY 02. Emphasis was placed on upgrading utility systems, patient privacy, Americans with Disabilities Act (ADA) compliance, staff efficiency in patient care delivery and equipment storage. Columbia has a medical inpatient unit proposed for minor design in FY 04 and construction in FY 05. A future inpatient project will address relocation and replacement of intensive care beds, the development of an imaging center, and expansion of specialty care clinics in order to meet the large gaps projected for Columbia's workload.

The Charleston VAMC has begun the renovation of their beds with a minor design for their ward 3B North in FY 03 and construction in FY 04. Their FY 04 minor design will address ward 4B North with construction in FY 05. Additional inpatient space is identified in a major project concept paper for medicine and psychiatry.

Summary

In summary, VISN 7 is in a major expansion mode, due to projected enrollment and workload increases. Additional clinic and bed capacity will be needed to support the workload increases. CBOCs will be added network-wide, with three in this market, which have been given the highest priority in the Draft National Plan, since they not only meet access needs, they also create the additional capacity we will need.

The large network of CBOCs in South Carolina has fueled the growth of VA health care users. This in turn has generated a need for facility capacity enhancements in acute inpatient care, specialty care and ancillary and diagnostics at the medical centers. Columbia and Charleston VAMCs have not had a major project in the last ten years that

addresses the significant growth that has occurred in this market and the significant changes that have taken place in VA health care. There have been major project concept papers proposed for each VAMC and the approval of these projects, augmented with specific minor construction projects, will adequately address identified needs and prepare these facilities to care for our nation's heroes for the next 20 years.

VISN 7 has produced a Draft CARES Plan that addresses our current and future enrollees' needs in a realistic and responsible way. We welcome your questions.