

## Chapter 9: Proximity and Campus Realignment

### Facility Placement

In recent years, site selection for VA health care facilities has been supported by careful planning, from needs assessment and demographic analyses, to evaluation of area transportation networks and, of course, careful consideration of the proximity of other VA medical service capacity.

But the placement of medical facilities for veterans has not always been so discriminating. In fact, many VA facilities owe their location less to prudent study than to historic happenstance. For example, the veterans health system had no choice whatsoever in the location of an entire chain of hospitals it acquired en masse from the Public Health Service via Presidential Executive Order. The several U.S. military hospitals turned over to the VA through intergovernmental transfers were located on sites convenient for defense bases. And the location of some VA-built hospitals was influenced by events not entirely under VA control, e.g., land donation, legislative “ear marking” of funds for a particular site, etc.<sup>1</sup>

The resultant arrangement of VA facilities, while not exactly haphazard, was far from the balanced array of services modern strategic planners would design from scratch in order to maximize efficiency in future service to veterans.

In addition, the dramatic changes in health care delivery within the United States and the VA include improved methods of treating patients that have reduced lengths of stay and admissions as outpatient, community and home care replace inpatient care. As a result many campuses have vacant space that is costly to maintain as described elsewhere in the plan. These changes, combined with an aged infrastructure (50.4 years average age of VA facilities) resulted in the need to review the structure of our campuses to develop a more efficient footprint, to transfer services to other campuses, and to find opportunities to enhance use lease all or portions of campuses with services for veterans such as assisted living facilities. Revenues from these enhanced uses would be retained by the VISNs to invest in improved services for veterans.

There were two components in the planning process for reviewing the potential for realigning services and campuses to improve the cost effectiveness and quality of care. The first component, labeled “Proximity,” identified tertiary and acute hospitals located within CARES-prescribed distance criteria, and focused on acute inpatient as well as highly specialized services. After a review of the results of the Proximity initiatives and recommendations by the Under Secretary for Health, a second component was added to this process, entitled Campus Realignment.

The second component focused on the so-called “Division II” facility (a division of another VA hospital, but located on its own, separate campus). Division II facilities are usually smaller or less active facilities integrated to varying degrees with their larger,

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<sup>1</sup> Adkins, Robinson E., Medical Care of Veterans, Wash., DC, 90<sup>th</sup> Congress, 1<sup>st</sup> Session, House Committee Print No. 4., p. 119.

parent facilities. The Division II facilities may have acute beds, but more typically have non-acute inpatient programs as well as a variety of ambulatory services. In considering the results of the CARES Proximity review, the USH noted that many Division II facilities had been overlooked, particularly those without acute inpatient beds.

### **Previous Consolidations**

As noted elsewhere in this Plan, the delivery of, demand for, and economics of health care have changed dramatically over the past decade. The VHA has continually strived to meet and stay ahead of the challenges in this changing environment. Several total facility integrations and a multitude of consolidations of acute inpatient programs, subspecialty programs, diagnostic and therapeutic services and administrative services have occurred in recent years. Some of the facilities reviewed have achieved consolidations, integrations and mission changes that support CARES goals.

### **Proximity**

The Proximity component involved identifying opportunities for consolidations and infrastructure realignments due to close geographic proximity of VHA facilities with similar missions. Planners were cognizant that consolidating or eliminating duplicative clinical and administrative services would increase efficiencies, allowing reinvestment of the savings in enhancing services to veterans.

For tertiary care facilities in close proximity, the focus was on the cost effectiveness of offering highly specialized services and optimizing the use of scarce medical specialties. The standard for proximity (60 miles for acute facilities and 120 miles for “tertiary” facilities) was determined as a practical range for which cooperative arrangements and referrals within a network of facilities might take place.

The Planning Initiative Selection Team identified 32 Proximity Planning Initiatives involving 19 tertiary and 13 acute care facilities. A complete listing and the results of the review are contained in Appendix G.

### **Campus Realignments**

After reviewing the results of the Proximity process, the Under Secretary for Health (USH) review team determined that the opportunity for consolidations and more effective utilization of space had not been fully explored with respect to Division II facilities. A review of utilization data and team analyses led to the identification of the Division II facilities with potential for further consolidation, including changes such as converting from 24-hour, 7-days/week to 8-hours, 5-days/week operations.

### **Evaluation Process for Campus Realignment**

The identified sites were reviewed for initial concept feasibility for inclusion in the Draft National CARES plan. A more comprehensive evaluation will occur prior to approval of the draft National CARES Plan and prior to implementation. The concept criteria used were:

1. Can the proposal be implemented in the next 5 years?
2. What and how much workload will be absorbed at other VA facilities?
3. What and how much workload will be contracted in the community?
4. How much in capital investments will be required? How much will be saved?
5. What will become of the campus or excess space?
6. How much in recurring dollars will be saved to reprogram elsewhere?
7. Can the FTEE be absorbed in the 8-hour operation, or at other VA sites?

The results by facility are summarized in Table 9.1 below.

**Table 9.1 Campus Realignment Proposals**

VISN	Facility	Description
1	Bedford Mass.	Maintain current outpatient services at Bedford campus or another site accessible to veterans. Current services for inpatient psychiatry, domiciliary, nursing home and other workload) will be transferred from Bedford campus to Brockton, West-Roxbury and other appropriate campuses (Manchester VAMC). The remainder of the Bedford 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 local services for veterans.
1	Jamaica Plain Boston Mass	Study the feasibility of redesigning the Jamaica Plain campus to consolidate services into fewer buildings for operational savings and to maximize the enhanced use lease potential of the campus for assisted living or other compatible types of use. Any revenues or in kind services will remain in the VISN to invest in local services for veterans.
2	Canandaigua NY	Current services of acute inpatient psychiatry, nursing home, domiciliary and residential rehabilitation services at Canandaigua will be transferred to other VAMCs within the VISN. Outpatient services will be provided in Canandaigua's market. 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 local services for veterans.
3	Lyons NJ	Campus remains open with current mission.
3	St. Albans NYC	St Albans maintains existing services. Build new facilities for outpatient, nursing home, and domiciliary care. Demolish old facilities. Design new construction to include facility placement on site to maximize the area for an enhanced use lease project for alternative uses to benefit veterans such as an assisted living facility or other compatible use. Any revenues or in kind services will remain in the VISN to invest in local services for veterans.

VISN	Facility	Description
3	Montrose NY	Maintain outpatient services on the Montrose campus at a location that maximizes the enhanced use lease potential of the site. Current domiciliary, psychiatry, medicine, nursing home and other inpatient units will be transferred to Castle Point. 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 local services for veterans.
3	Manhattan/Brooklyn NYC	Develop a plan to consider the feasibility of consolidating inpatient care at Brooklyn. Incorporate the proposed outpatient improvements for Brooklyn in the current proposed plan. Maintain a significant outpatient primary and specialty care presence at the current site or another location in Manhattan. Evaluate the site for enhanced use leasing. Any revenues or in kind services will remain in the VISN to invest in local services for veterans.
4	Pittsburgh– Highland Drive (HD) Pa.	Current services at Highland Drive will be transferred to University Drive and 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 local services for veterans.
5	Perry Point MD	While maintaining the current mission, redesign the campus to maximize the enhanced use lease of the 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 local services for veterans. The redesign of the campus should include the current proposed new nursing home, other required new buildings to consolidate services; and preservation of the historic sites: the Mansion, Grist Mill, and 5 acres of Indian burial grounds.
7	Augusta-uptown Division (UD) GA	Augusta Uptown Division will remain open. Study the feasibility of realigning the campus footprint including the feasibility of consolidating selected current services at the Uptown Division to the Downtown Division or other VAMCs and contracting with the community. 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 local services for veterans. Explore with DoD the feasibility of greater coordination of VA/DoD services at either VA division.
7	Central Alabama (CAVHCS)-West (Montgomery) AL	Montgomery campus would remain open. The proposal to convert Montgomery to an outpatient-only facility and to contract out inpatient care requires further study.
8	Lake City FL	Transfer of current inpatient surgery services to Gainesville. Inpatient medicine will be re evaluated when Gainesville has expanded inpatient capacity (due to construction of a proposed new bed tower). Nursing home care and outpatient services will remain at Lake City.

VISN	Facility	Description
9	Lexington-Leestown (L) KY	Current services of outpatient care and nursing home care will be transferred to the Cooper Drive campus, as space is available. Due to possible space limitations at Cooper Drive it may be necessary to relocate some outpatient primary and outpatient mental health services to alternative locations other than Cooper Drive. 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 local services for veterans. Enhanced use opportunities for the majority of the Leestown campus appear to exist with Eastern State hospital.
10	Brecksville OH	Current services at the Brecksville Division will be transferred to the Wade Park Division. 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 local services for veterans.
15	Leavenworth KS	The Secretary's Advisory Board developed a realignment plan for Topeka and Leavenworth that was accepted by the USH. Further realignments would not be cost effective. Realignments include nursing home, psychiatry, and domiciliary care.
16	Gulfport MS	Gulfport's current patient care services will be transferred to the Biloxi division and possibly Keesler AFB. 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 local services for veterans.
17	Marlin TX	Remaining current outpatient services will be transferred to a new and more accessible location in the Marlin and Waco area. 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 local services for veterans.
17	Waco TX	Current services will be transferred to other VAMCs and community contracts. Current inpatient psychiatry services will be met primarily at Temple. The VISN will also lease inpatient psychiatry beds in Austin. The CARES market based demand data projected a need for 28-inpatient medicine and 10-inpatient surgery beds for the Austin submarket. The balance of inpatient psychiatry, all of Blind Rehabilitation and a third of Waco's nursing home care services will be transferred to the Temple VAMC. The balance of nursing home care needs will be contracted out in the community. Outpatient services will be transferred to a new a new location more strategically placed to improve access for patients from both Waco and Marlin. 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 local services for veterans.

VISN	Facility	Description
17	Kerrville TX	Kerrville will continue to provide nursing home and outpatient services. Acute care services will be transferred to San Antonio VAMC as space becomes available from the proposed inpatient construction at San Antonio. In the interim, Kerrville would convert to a Critical Access Hospital (CAH). An enhanced use lease for assisted living for veterans is under development. Any revenues or in kind services will remain in the VISN to invest in local services for veterans.
18	Big Spring TX	Close surgery and contract for care in communities nearest to patients. Study the possibility of no longer providing health care services at Big Spring by development of a Critical Access or acute care hospital for the Odessa Midland area. That study would include a nursing home and expansion of an existing clinic to a multi specialty outpatient clinic.
20	Vancouver WA	Study/develop plan to enhance use lease the campus by contracting for nursing home care and relocating outpatient services. 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 local services for veterans.
20	White City OR	White City will maintain outpatient services. The Domiciliary care and CWT programs will be transferred to other VAMCs in VISN 20. The balance of 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 local services for veterans.
20	Walla Walla WA	Walla Walla will maintain outpatient services and contract for acute inpatient medicine and psychiatry (will improve hospital access in the Inland North Market) and nursing home care. 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 local services for veterans.
21	Livermore CA	Current nursing home bed services will be transferred Menlo Park campus and community contracts. Outpatient services are to be transferred to an expanded Central Valley CBOC and a new East Bay CBOC closer to where the patients live. 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 local services for veterans.
23	Hot Springs SD	Hot Springs will remain open as Critical Access Hospital (CAH)
23	Knoxville IA	Knoxville will remain open. All VA Central Iowa HCS inpatient care, including acute care, long-term care and domiciliary care at Knoxville will be transferred to the Des Moines campus. A new 120-bed nursing home is proposed at Des Moines to replace the 226 nursing home beds at Knoxville. VA Central Iowa HCS will operate a CBOC at Knoxville for outpatient care once inpatient care is shifted to Des Moines.

### **Future Actions on Campus Realignment**

While the campus realignment initiative was complementary to the CARES plans submitted by the VISNs, it was developed after those plans. Therefore, the capital requirements and cost savings of proposed campus realignment proposals were not developed and analyzed using the IBM template and are not included in the summary cost tables in the draft National CARES Plan.

Further analysis will be undertaken during the CARES Commission review to prepare for their recommendations to the Secretary. In addition, should the CARES Commission recommend and the Secretary concur in these recommendations there would be a detailed assessment of all costs and service relocations as part of the initial phase of implementation of the National CARES Plan.