

VISN: 17

Facility Name: Kerrville (Inpatient Medicine Beds)

Affected Facilities: San Antonio VAMC

A. Summary and Conclusions

- a. Executive Summary: Write a narrative summary that communicates the rationale for the proposed change clearly.

The following is an analysis of the realignment of inpatient medicine beds at Kerrville. VISN 17 was asked to only provide one alternative for this analysis, and that alternative is relocation of these beds from Kerrville to San Antonio. The VISN was also not required to analyze contracting the workload out as an alternative.

South Texas Veterans Health Care System is divided into two markets for the purposes of CARES – the Valley-Coastal Bend (V-CB) and the Southern Market. It has been determined that the Kerrville acute medicine workload could be absorbed at San Antonio by constructing an additional 10,000 square feet of space in San Antonio to accommodate the Kerrville workload. The analysis shows the transition date is estimated to be 2010. If the project is completed within the next several years the beds realignment can occur before 2010.

In addition, the following CARES supported actions will be necessary to ensure that the San Antonio facility has capacity to absorb the acute medicine workload at Kerrville.

- Contracting for inpatient care in the Valley/Coastal Bend Market.
- Renovation of vacated research space to upgrade existing inpatient programs to current operating standards. This would address the significant space deficit in existing inpatient bed areas at the San Antonio division.

- b. Current environment:

Kerrville is located approximately 60 miles Northwest of San Antonio. The facility provides primary and secondary care. There is tremendous community support from local VSO's and City Government for the medical center. The main building is 54 years old. The buildings have been well maintained and meet the latest fire and safety codes. It does not meet all of the latest privacy or handicap access requirements.

c. Workload Summary:

Alternate # 1				
Workload or Space Category	2001 Wkld (ADC for IP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)
Inpatient Medicine	17.62	20	14	12

d. Proposed Realignment:

The inpatient medical beds at Kerrville would be relocated to San Antonio when space is made available at the San Antonio VA facility by taking the actions in 1-3 below.

1. A construction project for roughly 10,000 square feet of space would be needed at San Antonio in order to accommodate the Kerrville workload. In implementation, this project would be sized to offset the beds lost from the renovation of bed space described in paragraph 3.
2. The VISN 17 Draft CARES plan recommends contracting out BDOC at a level that is equivalent to 10 beds in Harlingen, and 10 beds in Corpus Christi. This action would ease the demand for acute medicine care at the San Antonio division.
3. The VISN 17 Draft CARES plan recommends the need for an additional 15,000 square feet in medicine, and 12,000 square feet in psychiatry. This would be accomplished by renovation of existing research space to correct space deficits in these programs. This action would correct deficiencies in space per room, and provide patient privacy. The result would be a slight net reduction in the available operating beds at the facility. This net reduction would be addressed by the construction of new space at the facility.

The research program will be relocated to newly constructed space and the space that it vacates will allow for the renovation of inpatient programs. The project to build new research space has already been approved in CO, and the construction will begin in December of 2003 with activation anticipated in February of 2005.

An analysis showing the specific impact of this action on available beds along with associated construction costs is attached.

4. **Analysis.** The steps in the analysis should clearly present the information for each critical area and the conclusions.

e. Description of current programs and services environment:

Alternate # 1					Moving of Medical Beds from Kerrville to ALMD San Antonio				
Workload or Space Category	2001 Wkld (ADC for IP)	2001 Baseline Wkld (beds, stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out	
Inpatient Medicine	17.62	20	14	12	100	2010	ALMD San Antonio	5	

The services currently under review include 20 acute medical beds and 5 ICU beds.

f. Travel times:

Alternate # 1											
Name of Facility Being Studied: Kerrville											
CARES Category (Dom, Specialty Care or NHCU)	Counties (With Bulk of the Workload)	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied	Current weighted Travel Time (calculated)	Workload to be transferred to San Antonio	Travel Time from County to San Antonio	Workload to be transferred to Facility B	Travel Time from County to Facility B	Workload to be transferred to Facility C	Travel Time from County to Facility C	New weighted Travel Time (calculated)
Medicine	Kerr	738	20		738	75					
	Webb	580	240		580	150					
	Bexar	216	75		216	30					
				111							97

Type	Baseline Access % 2001	Current Market Plan Access % 2012	New Access % 2012
Primary Care	82	85	85
Acute Care	84	90	85

The Southern Market remains within the acute care access standards with the elimination of the beds in Kerrville. This is primarily due to the fact that many of the patients that currently receive inpatient medical care at the Kerrville facility do not live in the Kerrville area. A significant number of the current patients actually live closer to San Antonio than Kerrville, but are being referred to Kerrville because the San Antonio facility is routinely at capacity.

g. Current physical condition of the realignment site and patient safety

2001 Baseline Data		Name of Facility Being Studied: Kerrville						
Facility Name	Campus Acreage	Original Bed Capacity (Beds)	Number of Vacant Bldgs	Number of Occupied Bldgs	Vacant Space (SF)	Average Facility Condition Score	Annual Capital Costs *	Valuation of Campus (AEW)
Kerrville	70	345	1	22	11,308	3.6	655,158	\$57,000,000

The inpatient medical beds at Kerrville occupy 6,000 square feet of space. Alternatives for using this space for primary care services or for assisted living would be pursued.

h. Impact considerations:

▪ **Capital:**

Capital Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1
Facility Being Studied	Kerrville			
New Construction	-	\$ 2,222,235	-	\$ 2,222,235
Renovation	-	\$ 1,561,371	-	\$ 1,561,371
TOTAL	-	\$ 3,783,606	-	\$ 3,783,606
Receiving Facility 1	San Antonio			
New Construction	-	\$ 15,481,761	-	\$ 21,433,096
Renovation	-	\$ 2,566,720	-	\$ 2,566,720
TOTAL	-	\$ 18,048,481	-	\$ 23,999,816

\$5 Million in construction costs will be incurred with implementation of alternative 1 that would not have been incurred in the original market plan.

▪ **Operating costs: (new 10-29-03)**

Operating Cost Summary	Status Quo	Original Market Plan	100% Contract	Alt 1
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Facility Being Reviewed: Kerrville				
Operating Costs	\$ 629,861,622	\$ 628,802,498	-	\$ 578,722,032
Receiving Facility 1: San Antonio				
Operating Costs	\$ 5,415,941,678	\$ 4,431,152,017	-	\$ 4,589,243,736

(Old Numbers below in Grey)

Operating Cost Summary	Status Quo	Original Market Plan	100% Contract	Alt 1
Facility Being Studied	Kerrville			
Operating Costs	\$ 629,861,622	\$ 628,802,498	-	\$483,489,480
Receiving Facility 1	San Antonio			
Operating Costs	\$ 5,415,941,678	\$ 4,431,152,017	-	\$ 4,589,243,736

The net impact on operating costs from transitioning the inpatient medicine workload from Kerrville to San Antonio is minimal.

- **Human resources:** The FTEE currently working on the inpatient medicine units at Kerrville would be offered positions in San Antonio. Authorization of relocation expenses would be required since San Antonio is outside of the Kerrville commuting area.
- **Patient care issues and specialized programs:** There would be no impact on quality of care. Patients in the Kerrville area would have diminished access to care by being required to travel to San Antonio for all inpatient medicine services. Patients in need of inpatient services at San Antonio would likely realize improved access if the construction projects and other actions outlined above were taken. Any impact on specialized programs would be minimal.
- **Impact on Research and Academic Affairs:** None
- **Reuse of the Realigned Campus:** N/A (Campus would not be vacated under this analysis)
- **Summarize alternative analysis:** (over)

Preferred alternative description and rationale:	Beds would be relocated to San Antonio as space becomes available at San Antonio from taking the actions described in the implementation plan for Alternative #1			
	Status Quo	Original Market Plan	100% Contract	Alternate # 1
Short Description:	No changes to the current operations of Kerrville	Retain inpatient medicine beds at Kerrville	Contract out all inpatient medicine services to the community	Realign the inpatient medicine beds at Kerrville to San Antonio
Total Construction Costs		18,048,481		23,999,816
Life Cycle Costs	6,290,021,826	5,028,409,639		5,124,942,067
Impact on Access	Patient Privacy would continue to be an issue. Currently ALMD is not in compliance with privacy & handicap access standards.	Interim conversion to Critical Access hospital. Over time will reexamine potential for closure of all acute beds by 2012.	No Impact	Access to inpatient medicine services for veterans in the Kerrville area would be diminished.
Impact on Quality	The quality of care would be diminished due to the inability to meet patients needs of privacy and accessibility.	Ensure appropriate quality of care.	It would be difficult to ensure adherence to performance measures.	This action would result in minimal or no impact on quality.
Impact on Staffing & Community	Safety concern for staffing would still be an issue. The lack of space around the beds hinders staff to be able to provide safer 21st century medicine.	The staff would not need to be moved at an expense of \$1.7 million. The community would continue to benefit from a major employer and civic supporter.	VHA staff providing inpatient medicine services would not be needed for that function but may be needed elsewhere in the organization. The community would likely not support this approach.	Staff providing inpatient medicine services would be offered positions at the San Antonio VAMC. Impact on the community would likely be minimal in fact, but potentially significant in perception.
Impact on Research and Education	Research space and new projects would be impacted. The ability to provide proper space for research grants would be limited.	If the beds are moved from Kerrville to ALMD and a construction project is not authorized, research space would be limited.	No Impact	No Impact
Optimizing Use of Resources	Sharing/EU agreements are under development for all of the opportunities identified. Shared services are already being implemented at the Corpus Christi Naval hospital.	Sharing/EU agreements are under development for all of the opportunities identified. Shared services are already being implemented at the Corpus Christi Naval hospital.		The cost analysis shows this analysis to not be the most cost effective, but the difference is minimal.
Support other Missions of VA	No Impact	No Impact	No Impact	No Impact