

VISN 3:

Facility Name: VA Hudson Valley HCS – Montrose Campus

Affected Facilities: VA Hudson Valley HCS – Castle Point Campus

A. Summary and Conclusions

- Executive Summary:

This study of the VA Hudson Valley Health Care System (VA HVHCS) examines various alternatives for realignment of services currently provided at the Montrose campus. Realignment has been deemed necessary due to the high cost of maintaining vacant space on the Montrose campus.

- Current environment:

The Montrose campus of the VA Hudson Valley HCS is located in Northern Westchester, NY. It is a sprawling 53-year-old facility on 193 acres overlooking the Hudson River. Services provided are primarily psychiatric, psychosocial residential and extended care services in addition to a full service outpatient clinic.

- Workload summary:

VA Hudson Valley HCS: Montrose Division								
Alternate # 1					Short description: Transfer of all inpatient workload to the Castle Point campus.			
Workload or Space Category	2001 ADC	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	2.00	2.65	5.43	3.70	0%			100%
Inpatient Surgery		0.55	0.36	0.24	0%			100%
Inpatient Psych	74.00	87.36	92.72	82.78	100%	2008	Castle Point	0%
Inpatient Dom	126.00	132.16	132.16	132.16	100%	2008	Castle Point	0%
Inpatient NHCU	106.00	243.62	243.62	243.62	100%	2008	Castle Point	0%
Inpatient PR RTP		0.14	0.14	0.14	100%	2008	Castle Point	0%
Inpatient SCI								
Inpatient BRC								
Outpatient Primary Care	N/A	66,805	65,439	47,205				
Outpatient Specialty Care	N/A	33,101	70,488	52,004				
Outpatient Mental Health	N/A	78,974	80,042	79,190				
Ancillary & Diagnostics	N/A	14,935	32,270	23,815				

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Research SPACE	N/A	N/A	N/A	N/A				
Admin SPACE	N/A	N/A	N/A	N/A				
Other SPACE	N/A	N/A	N/A	N/A				

As seen in the table above, the inpatient psychiatric workload at Montrose is expected to increase in 2012 and decrease again in 2022 to current baseline levels. Data is unavailable at this time to clearly project domiciliary and nursing Home workload, thus the projections are straight lined.

- Proposed Realignment:

Alternative 1 (the realignment proposed in the Draft National CARES plan) advocates the transfer of all inpatient acute and chronic psychiatry, nursing home and residential services (domiciliary, PTSD and Substance Abuse) to the Castle Point campus of VA HVHCS. Primary and specialty care outpatient services would remain at the Montrose campus that would be converted to an 8-hour 5-day/week facility. All vacant space at the Montrose campus would be available for Enhanced Lease Use projects such as senior housing, assisted living, and related life care services for veterans and their families. (It should be noted that VA HVHCS would continue to contract out the minimal medicine and surgery workload attributed to Montrose.)

100% Contract Option entails contracting all Montrose inpatient workload in the community. This option may not be truly viable as the community lacks sufficient resources to provide long term psychiatric and the full range of domiciliary care (PTSD, Substance Abuse and Psycho-social rehabilitation). This option would also leave the majority of the campus (aside from the outpatient facility) available for Enhanced Use Lease.

The concept of transferring inpatient services from Montrose to other locations within the VISN 3 network in New York City and New Jersey, was investigated and determined not to be feasible because of access and cost considerations.

Of the above listed alternatives, Alternative 1, is the preferred option for the following reasons:

- The access and cost data that follows also justifies Alternative 1:
- Many psychiatric and residential services are not available in the community for contract care.
- Allows VA HVHCS the opportunity to provide enhanced services by replacing sub-optimal functional space with a state of the art facility at Castle Point.
- Capital cost would not be significantly greater than other alternatives when amortized over a 20-year period.
- Operating costs would also be comparable for all options.
- Alternative 1 would allow VA HVHCS to avoid reduction of the majority of its FTEE as most staff would be reassigned to Castle Point along with the workload.
- Access to most frequently used services would not be significantly impacted as services would remain within the Hudson Valley and travel times would not increase dramatically.
- As the psychiatric population ages, more of these patients are being admitted for medical care. In Alternative 1, the Castle Point location could provide a continuum of care – acute medical and psychiatric services, PTSD, and substance abuse and homeless DOM. Having these services co-located provides a high quality of care and support to residents. It allows the opportunity for residents to be assessed appropriately and to receive a variety of services as needed.

B. Analysis.

- Description of current programs and services environment:

The VA HVHCS serves the six Hudson Valley counties north of NYC and also functions as a psychiatric referral center for long-term mental health care, substance abuse, and PTSD services for New York City VAMCs. Approximately 180,000 veterans reside in the Hudson Valley area. VA HVHCS consists of two campuses, Montrose and Castle Point, which is, located about 30 miles apart. Currently the VA HVHCS served about 28,000 veterans with the following clinical programs:

- | <u>Montrose</u> | <u>Castle Point</u> |
|--|-------------------------------------|
| • Outpatient Primary Care | • Outpatient Primary Care |
| • Mental Health Outpatient Services | • Mental Health Outpatient Services |
| • Limited Specialty Services | • Limited Specialty Services |
| • Extended Care | • Extended Care and HBPC |
| • Community care programs | • Community care programs |
| • Acute and Chronic Inpatient Psychiatry | • Spinal Cord Injury |
| • Domiciliary and Residential Treatment Programs | • Acute Medicine |
| • Urgent Care Center | • Ambulatory Surgery |
| | • Urgent Care Center |

2003 Inpatient Bed Configuration:

	Castle Point	Montrose	Total
Medicine	27	0	27
NHCU	75	105	180
Psychiatry	0	70	70
SCI	20	0	20
Residential	0	116	116
Total	122	291	413

Workload Summary:

VA Hudson Valley HCS: Montrose Division								
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Inpatient Dom	126.00	132.16	132.16	132.16	100%	2008	Castle Point	0%
Inpatient NHCU	106.00	243.62	243.62	243.62	100%	2008	Castle Point	0%
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Research SPACE	N/A	N/A	N/A	N/A				
Admin SPACE	N/A	N/A	N/A	N/A				
Other SPACE	N/A	N/A	N/A	N/A				

Although the data shows that two buildings are vacant at the Castle Point campus, actually these have been leased since the data was collected. Therefore the relocation of Montrose workload to Castle Point would result in a need to construct approximately 90 psychiatric beds, 130 Dom beds and approximately 130 additional nursing home beds based on the model. This equates to 40,000 SF additional each for psychiatry and domiciliary beds and 70,000 SF for NHCU beds. Consolidation of staff and services at one campus will provide for improved efficiency.

Access:

- Travel times:

Alternate #	VA Hudson Valley HCS: Montrose Division									
CARES Category (Dom, Specialty Care or NHCU)	County Name (With 50% or more of the workload)	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied	Workload to be transferred to Facility A	Travel Time from County to Facility A	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)
Domiciliary	WESTCHESTER (36119)	6,149	29 minutes	6,149	54 minutes	N/A	N/A	N/A	N/A	54 minutes
	KINGS (36047)	5,392	77 minutes	5,392	102 minutes	N/A	N/A	N/A	N/A	102 minutes
	QUEENS (36081)	5,341	75 minutes	5,341	96 minutes	N/A	N/A	N/A	N/A	96 minutes
	NEW YORK (36061)	4,995	63 minutes	4,995	89 minutes	N/A	N/A	N/A	N/A	89 minutes
	BRONX (36005)	4,477	56 minutes	4,477	78 minutes	N/A	N/A	N/A	N/A	78 minutes
NHCU	WESTCHESTER (36119)	21,249	29 minutes	21,249	54 minutes	N/A	N/A	N/A	N/A	54 minutes
	BRONX (36005)	13,532	56 minutes	13,532	78 minutes	N/A	N/A	N/A	N/A	78 minutes
	DUTCHESS (36027)	7,734	66 minutes	7,734	42 minutes	N/A	N/A	N/A	N/A	42 minutes
	ORANGE (36071)	7,350	46 minutes	7,350	39 minutes	N/A	N/A	N/A	N/A	39 minutes

Type	Current Access %	New Access %
Primary Care	99.2%	99.2%
Acute Care	99.9%	99.6%

Another significant issue is the impact on travel times and access to care. The Castle Point campus of VA Hudson Valley HCS is located midway and greater than 60 miles in distance from two large VA facilities – Bronx VAMC and Albany VAMC. It currently provides the only VA acute medical inpatient services for veterans in the service area. Services transferred to the Castle Point campus would remain accessible to Hudson Valley veterans. As seen in the table above, Primary Care access would remain at 99.2% and access to acute care would decrease only slightly from 99.9% to 99.6%.

Access Issues - 100% Contracting Option:

Dom - Contracting DOM care is not feasible. There are no equivalent services available in the Westchester and/or surrounding communities that could serve veterans effectively. The VA Dom provides specialized programs of treatment and rehabilitation, including compensated work therapy, access to training at the VA facilities and continuing group and individual counseling for rehabilitation. It is difficult to even find agencies to contract for grant and per diem funds and these do not provide the quality of service that the VA Dom program provides. If available, they are only a next step for veterans after receiving VA Dom treatment and services.

Nursing home: Most of the veterans currently in the Montrose facility have underlying psychiatric diagnoses. Data obtained regarding the 83 current patients in the Montrose VA nursing home in October 2003, show 88% having a primary psychiatric DXLS (diagnosis) and several others have secondary psychiatric DXLS. Historically community nursing homes have not admitted such veterans. It is well known, nationwide, that community nursing homes are traditionally ill equipped to provide for the psychiatrically impaired "nursing home" patient.

There is little difference in access based on travel distance if nursing home care is contracted. However, many veterans would not be able to afford contract care in Westchester County because of the high costs. We have very few veterans placed on contract in Westchester and the adjacent counties even now. Even if there were homes available, they would probably be in outlying rural counties.

Psychiatry: Limited bed services are available in the community. There are few beds available in the Hudson Valley to provide inpatient care for veterans with long-term chronic psychiatric conditions. NY State is currently unable to provide such inpatient services now or in the future, in their two facilities located in the Hudson Valley. This was communicated by the NY State Hudson River Psychiatric Center in Dutchess County. The same is true of the Rockland Psychiatric Center in Rockland County. Although there are acute psychiatric

beds available by community facilities in the Hudson Valley, they have limited access due to minimal bed availability. Therefore contracting these services would not be feasible.

Access Issues - Relocating Services Within the VISN:

Moving services elsewhere in VISN 3 (in New York City and New Jersey) would create a situation where many veterans may have to travel two or more hours to obtain services, and traffic could potentially extend travel times even further.

Domiciliary: The Montrose Dom is the receiving facility for many veterans from upstate penitentiaries. Most referrals from the VISN forensic coordinator come to Montrose. Many of these veterans have made successful transitions to the community. The VA HVHCS PTSD, Substance Abuse, and DOM programs are the only residential services available in the VA between New York City and upstate New York. Of a total of 574 patients discharged from residential care in FY 2002, approximately 50% are from the NY metro area while the other 50% come from Westchester, Putnam and Dutchess counties and areas further north. If services were relocated to St. Albans and/or New Jersey, access for Hudson Valley veterans would be diminished based on potential NY City metropolitan traffic delays. According to data from homeless organizations, there are more than 25,000 estimated homeless veterans in Westchester, Dutchess and Putman and this is a growing population. There is no other Dom between Montrose and Bath or Canadaigua (both of which house more elderly patients). The suburban setting of VA HVHCS is seen by NYC vets as a positive because it serves as a sheltered environment, avoiding distraction from treatment and therapy.

Nursing home: Most families live in the Hudson Valley area and it will be extremely difficult to visit their loved ones in the New York city area or to travel to New Jersey.

- Current physical condition of the realignment site and patient safety

2001 Baseline Data	VA Hudson Valley HCS: Montrose Division							
Facility Name	Campus Acreage	Original Bed Capacity (Beds)	Number of Vacant Bldgs	Number of Occupied Bldgs	Vacant Space (SF)	Average Condition Score	Annual Capital Costs *	Valuation of Campus (AEW)
Montrose	193	1,984	4	46	308,927	3.69		\$7,900,000
Castle Point	105	600	2	48	55,338	4.21		\$300,000

= VSSC completed
 = VISN completed

The original bed capacity at the Montrose campus was approximately 2000 beds. With the change in healthcare delivery from inpatient to outpatient services the number of operating beds at Montrose has declined to 291 beds. Similarly the 80-year-old Castle Point campus opened with approximately 600 beds (originally providing services for tuberculosis) and now has an operating capacity of 122 beds. Although the Castle Point campus is 30 years older than Montrose, the average condition score of the buildings scored higher at Castle Point (4.21) than at Montrose (3.69). This supports the decision to transfer services to Castle Point (Alternative 1).

- Impact considerations:

- **Capital:**

SUMMARY

Capital Cost Summary

VA Hudson Valley HCS: Montrose

New Construction

Renovation

TOTAL

VA Hudson Valley HCS: Castle Point

New Construction

Renovation

TOTAL

TOTAL

	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
VA Hudson Valley HCS: Montrose					
New Construction	\$0	\$0	\$0	\$0	N/A
Renovation	\$0	\$13,947,413	\$5,815,562	\$13,947,413	
TOTAL	\$0	\$13,947,413	\$5,815,562	\$13,947,413	
VA Hudson Valley HCS: Castle Point					
New Construction	\$0	\$67,342,955	\$67,342,955	\$76,353,639	N/A
Renovation	\$0	\$338,114	\$396,076	\$388,831	
TOTAL	\$0	\$67,681,069	\$67,739,031	\$76,742,470	
TOTAL	\$0	\$81,628,482	\$73,554,593	\$90,689,883	N/A

Data Source: CARES Realignment Reports Website

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As may be seen in the table above, the capital costs for the preferred Alternative 1 are approximately 20% greater than for the 100% contract alternative. However, based on other factors mentioned elsewhere in this narrative, it is not feasible to contract for Domiciliary, Psychiatry and some Nursing Home services. It is important to note that new construction at Castle Point will provide the opportunity to have a state of the art facility. In addition the current space allocation and footprint at Castle Point does not provide an optimal configuration for enhanced service delivery. Therefore the additional cost entailed in selecting Alternative 1 rather than the 100% contract option is justified because it will result in improved patient care.

Other Capital Cost Considerations - Relocation of Services Within the VISN

Relocation of services within the VISN would entail the following construction:

Lyons:

- Renovation of buildings for:
20 PTSD and
30 Dom beds
- Construct for 30 nursing home beds and
- Construct for 60 psychiatry beds

Bronx:

- Renovate for 18 acute Psychiatry beds
- Construct 70 nursing home beds

St Albans:

- Construct 90 Dom beds

The capital costs for new construction and/or renovations at other VISN facilities are considerably greater outside of the Hudson Valley. It should also be noted that NY City area costs traditionally run higher than the original construction contract costs. Costs are extremely high in NY City – approximately 25% greater than in Dutchess County, NY where the preferred option is to relocate all Montrose campus beds to the Castle Point campus. In addition, construction costs at the Lyons, NJ (Somerset County) are also higher than in Dutchess County, NY Figures below are based on actual bid prices extrapolated to FY2004. Location cost factors are taken from “RS Means” data:

New Construction \$/SF

	Bronx	St Albans	Lyons	Dutchess
NHCU	288	293	252	225
Domiciliary	230	234	202	180
Psychiatry	352	358	308	275

Renovation \$/SF

	Bronx	St Albans	Lyons	Dutchess
NHCU	192	195	168	150
Domiciliary	154	156	134	120
Psychiatry	230	234	202	180

▪ **Operating costs:**

SUMMARY

Operating Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
VA Hudson Valley HCS: Montrose					
Operating Costs		\$1,028,737,215	\$940,275,101	\$772,412,104	N/A
VA Hudson Valley HCS: Castle Point					
Operating Costs		\$1,453,237,334	\$1,456,379,529	\$1,683,437,928	N/A
TOTAL		\$2,481,974,549	\$2,396,654,630	\$2,455,850,032	

Data Source: CARES Realignment Reports Website

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The operating costs for Alternative 1 are only 2.5% more than for the 100% contract option. This difference may not be statistically significant. Therefore there is little cost/benefit of selecting one option versus another.

- **Human resources:**

Transfer of services from Montrose to Castle Point (Alternative 1) would most likely result in the reassignment of the majority of the staff. However, no additional efficiency would be realized by this relocation since there will be no reduction in workload. In addition, savings through consolidation of services has already been realized as a result of the VISN 3 initiated integration of the Montrose and Castle Point facilities in 1997. Since integration efforts began in 1996, FTEE levels decreased by more than 34% (from 2044 FTEE in FY 1996 to 1348 today).

Relocation would not place undue hardship on the staff that would be affected since nearly all VA HVHCS employees live in the counties surrounding Castle Point and Montrose. Nearly 2/3 of the approximately 1300 employees live nearer to CP and 1/3 live nearer to Montrose.

Counties nearer to Castle Point:

Dutchess	36%
Orange	18%
Putnam	4%
Others north	4%

Counties nearer to Montrose include:

Westchester	31%
Rockland	3%

Less than 3% live in NY City or Long Island

Less than 2% live in New Jersey

The changes proposed in Alternative 1 would have little effect on FTEE levels at VA HVHCS. A slight reduction in FTEE (approximately 50-60 FTEE) may result from decrease in Grounds/Maintenance, Boiler/Sewer Plant, Fire and Police department FTEE levels.

100% Contract Option:

Contracting all inpatient services and thus reducing the VA HVHCS workload would have a devastating affect upon the 800-900 employees who work primarily or entirely at the Montrose campus. There would be little choice for employment since there are few and sometimes no similar health care services for the mental health patients the VA treats in the community near Montrose (i.e., no Dom treatment programs, no chronic psychiatric facilities in Westchester or Putnam counties). Nursing home employees however, would be likely to find jobs in the community.

Relocation of services within the VISN:

Many of the existing competent and qualified staff employed in residential services at VA HVHCS would be unlikely to relocate to St. Albans because of its location. Most of these staff reside in Westchester or counties further north that are closer to Castle Point than St. Albans. Therefore St. Albans would need to hire and train a substantial number of new employees to staff the relocated residential programs.

In addition, FTEE costs for RNs, LPNs and Recreation Therapists are higher at St. Albans than at Castle Point. Approximately 15 FTEE or 18% of staff currently employed in VA HVHCS residential services would have a lower FTEE cost at Castle Point than at St. Albans. This again supports Alternative 1.

- **Patient care issues and specialized programs:**

Psychiatric services:

VA HVHCS provides tertiary psychiatric and mental health services in the Hudson Valley and is a referral center for other VA facilities both within and outside VISN 3. This includes outstanding PTSD, Substance Abuse, and Domiciliary programs. FY 2002 PTSD Outcomes indicate that Montrose ranks 2 in the nation. Montrose is also one of the 5 domiciliaries in the VA nationwide with no Critical Monitor Outliers for FY 2002 (per NEPEC). Montrose has maintained this standard for the past several years. Percent improvement for alcohol, drug, mental health, and medical problems are generally higher compared to NEPEC.

- **Impact on Research and Academic Affairs:**

No impact. VA HVHCS has only a minor affiliation with medical schools. While VA HVHCS does have significant intern and residency programs in Dental, Optometry and Podiatry, these programs would remain within the VA HVHCS and would therefore not be affected by implementation of Alternative 1. There is also a small psychiatric research program that can be transferred to Castle Point.

- **Reuse of the Realigned Campus:**

Vacant Space:

Alternate # 1	VA Hudson Valley HCS: Montrose Division					
	Vacant SF	SF to be Demolished	SF to be for Enhanced Use	SF to be divested	SF to be outleased	Remaining Vacant
Existing MP 2022	707,468	0	707,468	0	0	0
New Vacant Space Projection	760,858	0	760,858	0	0	0

= VSSC completed

= VISN completed

A major initiative, to use the enhanced use concept, to develop vacant buildings and land for non-VA-use, has already been undertaken. In autumn 2000, the VA HVHCS submitted a proposal for public/private development of VA buildings and/or land for uses including, but not limited to, affordable senior housing, assisted living, enriched housing or other similar life care services. In October of 2001, the Secretary of Veterans Affairs gave approval to make available four buildings and 20 acres of land at Montrose for the project. A later phase of the enhanced use project would develop an additional 40 acres and buildings, and the final phase would develop approximately 60 additional acres and buildings. In the summer of 2002, based upon a recommendation by the Office of the Secretary, the project was placed on hold pending the CARES planning process as well as the completion of a national pilot assisted living project in April 2004.

Enhanced use leasing would result in cost savings by eliminating high overhead fixed costs of maintaining the Montrose facility.

Both Alternative 1 and the 100% Contract Option would make the majority of the Montrose campus available for Enhanced Use Lease projects, leaving only outpatient facilities on the campus.

- Summarize alternative analysis:

VA Hudson Valley HCS: Montrose

Preferred alternative description and rationale:	Transfer all inpatient acute and chronic psychiatry, nursing home and residential services (domiciliary, PTSD and Substance Abuse) from Montrose to Castle Point. Primary and specialty care outpatient services remain at Montrose. All vacant space at the Montrose campus would be available for Enhanced Lease Use projects. (It should be noted that VA HVHCS would continue to contract out the minimal medicine and surgery workload attributed to Montrose.)
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	Status Quo	Original Market Plan	100% Contract	Alternate # 1
Total Construction Costs	\$0	\$81,628,482	\$73,554,593	\$90,689,883
Life Cycle Costs (Old)	\$2,793,289,206	\$2,383,975,117	\$2,260,885,695	\$2,350,223,585
Life Cycle Costs 10-29-03	\$2,793,289,206	\$2,543,850,608	\$2,448,533,514	\$2,527,379,598

	100% Contract	Alternate # 1
Short Description:	Contract all Montrose inpatient workload in the community. This option may not be truly viable as the community lacks sufficient resources to provide long term psychiatric and the full range of domiciliary care. This option would also leave the majority of the campus (aside from the outpatient facility) available for Enhanced Use Lease.	Draft National Plan: Transfer all inpatient acute and chronic psychiatry, nursing home and residential services (domiciliary, PTSD and Substance Abuse) from Montrose to Castle Point. Primary and specialty care outpatient services remain at Montrose. All vacant space at the Montrose campus would be available for Enhanced Lease Use projects.

	100% Contract	Alternate # 1
<p>Impact on Access</p>	<ul style="list-style-type: none"> <p><u>Domiciliary</u> Contracting DOM care is not feasible. There are no equivalent services available in the Westchester and/or surrounding communities that could serve veterans effectively. The VA Dom provides specialized programs of treatment and rehabilitation, including compensated work therapy, access to training at the VA facilities and continuing group and individual counseling for rehabilitation. It is difficult to even find agencies to contract for grant and per diem funds and these do not provide the quality of service that the VA Dom program provides. If available, they are only a next step for veterans after receiving VA Dom treatment and services.</p> <p><u>Psychiatry</u> Limited bed services are available. There are few beds available in the Hudson Valley to provide our veterans with inpatient care for long term chronic psychiatric conditions. NY State is currently unable to provide such inpatient services now or in the future, in their two facilities located in the Hudson Valley. This was communicated by the NY State Hudson River Psychiatric Center in Dutchess County. The same is true of the Rockland Psychiatric Center in Rockland County. Although there are acute psychiatric beds available by community facilities in the Hudson Valley, they have limited access due to minimal bed availability. Low-income veterans will likely not seek treatment with the VA if there is no VA facility observable and in the community and put off seeking care. Thus, would become more severely ill resulting in long recovery or severe chronic conditions occurring.</p> 	<p>The Castle Point campus of VA Hudson Valley HCS is located midway and greater than 60 miles in distance from two large VA facilities – Bronx VAMC and Albany VAMC. It currently provides the only VA acute medical inpatient services for veterans in the service area. Services transferred to the Castle Point campus would remain accessible to Hudson Valley veterans. As seen in the table above, Primary Care access would remain at 99.2% and access to acute care would decrease only slightly from 99.9% to 99.6%.</p>

	100% Contract	Alternate # 1
	<ul style="list-style-type: none"> Nursing home Most of the veterans currently in the Montrose nursing home have primary psychiatric diagnoses. Data obtained regarding the 83 existing nursing home in the Montrose VA nursing home, October 2003, show 88% having a primary psychiatric DXLS (diagnosis) and several others have secondary psychiatric DXLS. It is well known, nationwide, that community nursing homes are traditionally ill equipped to provide for the psychiatrically impaired “nursing home” patient. There is little difference in access based on travel distance if nursing home care is contracted. However, many veterans would not be able to afford care for contract in Westchester county because of the high costs. We have very few veterans placed on contract in Westchester and the adjacent counties even now. Even if there were homes available, they would probably be in outlying rural counties. 	
Impact on Quality	<p>Difficult to measure quality of contract services other than by periodic visits and reviews of records and performance measures. There is less control on providers for contract services. Thus impact on quality cannot be predicted.</p>	<p>In Alternative 1, the Castle Point location could provide a continuum of care – acute medical and psychiatric services, PTSD, and substance abuse and homeless DOM. Having these services co-located provides a high quality of care and support to residents. It allows the opportunity for residents to be assessed appropriately and to receive a variety of services as needed.</p> <p>Reports also indicate that VA Hudson Valley Healthcare System employees currently provide some of the best health care in the VA and these programs should not be disrupted. FY 2002 PTSD Outcomes Report Card by Station: Montrose ranks 2 in the nation. Montrose is one of the 5 domiciliaries in the VA nationwide with no Critical Monitor Outliers for FY 2002 (per NEPEC). Montrose has maintained this standard for the past several years.</p>

	100% Contract	Alternate # 1
		Percent improvement for alcohol, drug, mental health, and medical problems generally higher compared to NEPEC.
Impact on Staffing & Community	Contracting all inpatient services and thus reducing the VA HVHCS workload would have a devastating affect upon the 800-900 employees who work primarily or entirely at the Montrose campus. There would be little choice for employment since there are few and sometimes no similar health care services for the mental health patients the VA treats in the community near Montrose (i.e., no Dom treatment programs, no chronic psychiatric facilities in Westchester or Putnam counties). Nursing home employees however, would be likely to find jobs in the community.	Transfer of services from Montrose to Castle Point (Alternative 1) would most likely result in the reassignment of the majority of the staff. However, no additional efficiency would be realized by this relocation since current VA HVHCS staff would continue to support the workload, which would not be reduced. Relocation would not place undue hardship on the staff working at Montrose since nearly all VA HVHCS employees live in the counties surrounding Castle Point and Montrose.
Impact on Research and Education	Little impact on medical school affiliation. Intern and residency programs in Dental, Optometry, Podiatry, Psychology and Social Work would be reduced in size. The psychiatric research program could not be supported.	No impact. Minor affiliation with medical school. The intern and residency programs in Dental, Optometry, Podiatry, Psychology and Social Work would be transferred to Castle Point along with the workload. There is only a small psychiatric research program and it can also be accomplished at Castle Point.
Optimizing Use of Resources	In studies done at the Nebraska VA HCS Medicare rates and the cost to contract care compared unfavorably with the cost to provide services within the VA.	The capital costs for the preferred Alternative 1 are approximately 20% greater than for the 100% contract alternative. It is important to note that new construction at Castle Point will provide the opportunity to have a state of the art facility. In addition the current space allocation and footprint at Castle Point does not provide an optimal configuration for enhanced service delivery. Therefore the

	100% Contract	Alternate # 1
		<p>additional cost entailed in selecting Alternative 1 rather than the 100% contract option is justified because it will result in improved patient care. The operating costs for Alternative 1 are only 2.5% more than for the 100% contract option. This difference may not be statistically significant. Therefore there is little cost/benefit of selecting one option versus another.</p>
<p>Support other Missions of VA</p>	<p>Contracting services would diminish the ability of VA HVHCS to provide DoD backup and to participate in homeland security efforts.</p>	<p>VA Hudson Valley Healthcare System works closely with the community in relationships with DOD facility, West Point Keller Army Hospital. VA HVHCS is also active in emergency preparedness planning with local agencies. The Montrose facility is 2 miles from the Indian Point Nuclear Power Plant and provides emergency drug cache for the VAHV facility as well as support to the community in case of disaster situations.</p>

	100% Contract	Alternate # 1
Other significant considerations	<p>Veteran stakeholder interest and concern about the national CARES plan has been actively expressed. Local Town and community officials have spoken out even more strongly against the plan to contract services than to relocate them.</p>	<p>Veteran stakeholder interest and concern about the national CARES plan has been actively expressed. Local Town and community officials have spoken out against the plan to relocate services. Congressional interest is extremely avid in the desire to keep the Montrose campus open for inpatient health care services. Senators Schumer and Clinton have been outspoken against the relocation of all bed services away from the Montrose campus out of the Hudson Valley. The Hudson Valley congressional House members have also voiced strong opposition to relocation of all bed services and have proposed to stop all future funding for implementation of the CARES process until there is further evaluation. An additional commission hearing was held at the Montrose campus on October 21 to allow further expression of views about the proposed national draft plan and its impact upon veteran care.</p>

Alternate # 2	
Short Description:	Relocate all Hospital, nursing home and residential bed services from the Montrose campus of VA Hudson Valley Healthcare System to other VISN 3 facilities.
Impact on Access	<ul style="list-style-type: none"> • <u>Domiciliary</u> The Montrose Dom is the receiving facility for many veterans from upstate penitentiaries. The VA HVHCS PTSD, Substance Abuse, and DOM programs are the only residential services available in the VA between upstate New York. Of a total of 574 patients discharged from residential care in FY 2002, approximately 50% are from the NY metro area while the other 50% come from Westchester, Putnam and Dutchess counties and areas further north. Access to services for Hudson Valley veterans would be 2-3 hours longer based on traffic problems if relocated to St. Albans and/or New Jersey. According to data from homeless organizations, there are more than 25,000 estimated homeless veterans in Westchester, Dutchess and Putnam and this is a growing population. No other Dom facility is located between Montrose and Bath or Canadaigua (both of which house more elderly patients). NYC vets often want to leave the metropolitan area to receive services so to avoid distraction in the treatment process. • <u>Psychiatry</u> The majority of VA HVHCS psychiatric patients live in the Hudson Valley. Although transfer of services away from the Hudson Valley would decrease access to care, a sizable number of veterans could obtain acute psychiatric services at the Bronx VA. • <u>Nursing home</u> Most families live in the Hudson Valley area and it will be extremely difficult to visit their loved ones in the New York city area or to travel to New Jersey. Most of the veterans currently in the Montrose facility have underlying psychiatric diagnoses. Data obtained regarding the 83 existing nursing home in the Montrose VA nursing home, October 2003, show 88% having a primary psychiatric DXLS (diagnosis) and several others have secondary psychiatric DXLS.

Alternate # 2	
Impact on Quality	<p>Quality of care for veterans, specifically for veterans with mental health related diagnoses and problems would be <u>markedly affected</u> due to lack of access to VA services near their communities. Low-income veterans will likely not seek treatment with the VA, may put off seeking care, thus, and become more severely ill resulting in long recovery or severe chronic conditions occurring. Reports also indicate that VA Hudson Valley Healthcare System employees provide some of the best health care in the VA and these programs should not be disrupted:</p> <p>FY 2002 PTSD Outcomes Report Card by Station: Montrose ranks 2 in the nation. Montrose is one of the 5 domiciliaries in the VA nationwide with no Critical Monitor Outliers for FY 2002 (per NEPEC). Montrose has maintained this standard for the past several years. Percent improvement for alcohol, drug, mental health, and medical problems generally higher compared to NEPEC.</p>
Impact on Staffing & Community	<p>Relocating all Montrose bed services would place jobs for approximately 800 employees who work primarily or entirely at the Montrose campus with little choice for VA employment. Nearly all employees live in the immediate counties of Castle Point and Montrose. Nearly 2/3 of the approximately 1300 employees live nearer to CP and 1/3 live nearer to Montrose. Less than 3% live in NY City or Long Island and less than 2% live in New Jersey</p>
Impact on Research and Education	<p>Small impact. Minor affiliation with medical school. VAHV does however have significant intern and residency programs in Dental, Optometry and Podiatry that would impact upon those institutions. There is only a small psychiatric research program and it can be accomplished at other VISN facilities</p>
Optimizing Use of Resources	<p>KLF data indicates that the average direct cost per bed day of residential care at VA HVHCS in FY 2002 and FY2003 was considerably lower than at NYHCS and at NJHCS. Costs per NH bed days of care is higher at Bronx \$662 vs. \$637 at HV, thus it would be somewhat more cost effective to keep the 70% of NH beds at HV.</p>

Alternate # 2	
Support other Missions of VA	VA Hudson Valley Healthcare System works closely with the community in relationships with DOD facility, West Point Keller Army Hospital. We are also active in emergency preparedness planning with local agencies. The Montrose facility is 2 miles from the Indian Point Nuclear Power Plant and provides emergency drug cache for the VAHV facility as well as support to the community in case of disaster situations.
Other significant considerations	Veteran stakeholder interest and concern about the national CARES plan has been actively expressed. Local Town and community officials have spoken out against the plan. Congressional interest is extremely avid in the desire to keep the Montrose campus open for inpatient health care services. Senators Schumer and Clinton have been outspoken against the relocation of all bed services away from the Montrose campus out of the Hudson Valley. The Hudson Valley congressional House members have also voiced strong opposition to relocation of all bed services and have proposed to stop all future funding for implementation of the CARES process until there is further evaluation. An additional commission hearing was held at the Montrose on October 21 and opposition was expressed to much of the national draft plan