

VISN: 10

Facility Name: Louis Stokes Cleveland VAMC

Affected Facilities: Brecksville Division of The Louis Stokes Cleveland VAMC

A. Summary and Conclusions

a. **Executive Summary:** Write a narrative summary that communicates the rationale for the proposed change clearly. **Executive Summary of Market Plan**

Eastern Market – Louis Stokes Cleveland VAMC

CARES is a planning process to ensure that veterans' future needs for accessible, quality healthcare are met and to align capital assets to meet those needs. CARES is an objective, consistent process to develop strategies to direct resources where they are most needed.

The Louis Stokes Cleveland VAMC has recently undergone significant planning for its future based upon the CARES data. The planning model highlighted four clinical areas that need to be addressed in terms of meeting veterans' needs in the future. They are access to hospital care, primary, care, specialty care, and inpatient medicine. Additionally, VISN 10 Healthcare System of Ohio has identified the consolidation of the two division Cleveland VAMC as a priority. This project will consolidate and collocate all clinical and administrative functions of a two divisional medical center at the Wade Park Division.

The project will require new construction of 500,730 square feet and renovation of existing space at the Wade Park Division of 140,400 square feet. This project requires the Enhanced Use Lease of 102 acres at the Brecksville Division in exchange for property adjacent to the Wade Park Division. The cost savings of this project are anticipated to exceed \$23 million annually and the quality of clinical care will be significantly enhanced to the more than 80,000 veterans that receive care at these medical centers annually. The consolidation will also cost avoid over \$27 million between FY 2004- FY 2007 in Non Recurring Maintenance and Infrastructure costs planned for the Brecksville Campus. Additionally, there is the potential consolidation of VHA and VBA that will promote a One VA through efficient processing of VBA claims requiring medical support from VHA for the more than 500,000 veterans residing in Northern Ohio.

The strengths associated with the market plan for the Eastern Market include, but are not limited to the following:

- Reallocation of resources to provide care that is accessible, high quality, and in line with the needs of the veterans of Northeast Ohio.
- The consolidation project will be in line with the CARES objective to reduce operational costs in order that these resources can be reallocated to serve more veterans.
- The consolidation project will be able to possibly collocate and collaborate with Veterans Benefits Administration.

- Gaps identified by CARES in primary care, specialty care, and inpatient medicine is addressed and solutions are provided that maximizes care to our veterans.
- Access to tertiary hospital care is addressed. To meet the access guidelines, the Eastern market proposes either contracting in the community for local non-VA inpatient beds or community sharing agreements.

The weaknesses associated with the market plan for the Eastern Market include, but are not limited to the following:

- Given the significant increase in demand for services in primary care, specialty care, and inpatient medicine, the proposed plans outlined above are dependent on sufficient funding.
- Although there is no opposition from local stakeholders at this time, there is always the possibility that all parties involved will not see eye to eye on the market plan. The leadership at the Louis Stokes VAMC have kept the Veterans Service Organizations, local representatives, union officials, and congressional offices informed of the market plans in order to minimize the aforementioned issue.

The opportunities associated with the market plan for the Eastern Market include, but are not limited to the following:

- Collocation and collaboration with Veterans Benefits Administration.
- Significant cost savings and space reduction via the consolidation of the two division Louis Stokes Cleveland VAMC.
- Increased access to care for those veterans not currently within the access guidelines as defined by CARES.
- Increased supply for the demand in primary care, specialty, and inpatient medicine that the actuarial CARES data shows.
- Ability to maintain and improve on the high level of quality care provided at the medical center. Currently there are seven “Centers of Excellence” provided at The Louis Stokes Cleveland VAMC

Current environment: Describe the facility location and neighborhood and condition of the existing buildings.

The Brecksville Division of The Louis Stokes Cleveland VAMC is located in Brecksville, Ohio. The Brecksville Campus specializes in acute substance-abuse treatment and acute and long-term psychiatric care. The campus also includes space for administrative functions. Constructed in the early 1960’s in at then-rural area of greater Cleveland, Brecksville’s remote location was considered more appropriate for psychiatric care.

The Brecksville Campus is spread out across approximately 102 acres. It has approximately 25 structures containing over 883,000 square feet of gross building area. The campus has not benefited from any major upgrades or renovations; maintaining

these aging buildings and extensive infrastructure is costly. With regard to the logistics of patient care, many important medical services for the Brecksville patients are provided at Wade Park. As a result, there is significant cost and effort involved in transporting patients between the two locations.

The City of Brecksville was founded in 1811. It was incorporated as a village under the laws of the State of Ohio in 1921 and attained City status in 1960 by virtue of its population exceeding 5,000. It is located in southern Cuyahoga County in northeastern Ohio, in the heart of rolling woodlands approximately fifteen miles south of the City of Cleveland. The Brecksville Campus is bounded to the east by Brecksville Road, a major north-south thoroughfare, and to the south by Miller Road, which has direct access and strong visibility for the site. To the west, a vacant 90-acre parcel designated for office, retail, and/or residential development separates the VA site from Interstate 77.

The City covers 19.54 square miles. According to the 2000 United States Census our population is 13,382. The median household income is \$76,159. The median house value is \$215,800. The predominant land use in Brecksville is low density, single-family detached homes. There are a small number of homes with values of \$500,000 and higher that have just recently been developed. The city has some commercial space downtown and in areas adjacent to the Brecksville Campus where there is a campus for Noveon and various other office and office/industrial flex space.

The condition of the existing buildings does not meet today's healthcare standards. The following highlights some of the deficiencies of the current infrastructure:

- Patient rooms do not meet privacy, space, or environment of care standards. The rooms are not supplied with central air-conditioning. Currently, water-cooled units sit in the main corridor near the nursing station and take up critical corridor space. These units do provide some relief, but are not effective in cooling the patient rooms and are extremely noisy.
- The 1961 windows located throughout the campus are inefficient and offer no relief from the harsh winter temperatures (Average temperature in January and February respectively is 24.8 and 27.3 degrees Fahrenheit).
- Due to inefficient heating and cooling systems, the patients are subject to unacceptable conditions year round.
- Congregate bathrooms and 4 bedroom patient rooms are the norm. The limited two bed and single patient rooms are small and cramped and do not meet the industry or VA standards for bedroom space.
- Patient privacy is a major concern with the 4 bedroom patient rooms.
- Outpatient space and administrative space has been provided via the conversion of old inpatient space and is not suitable for the provision of efficient outpatient care and administrative functions.

Workload Summary: (Copy and Paste Tab 1 from Template)

Workload or Space Category	2001 ADC	Baseline Wkld (BDOC stops)	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)
Inpatient Medicine	2	799	4	3
Inpatient Surgery	1	226	0	0
Inpatient Psych	46	16,775	64	52
Inpatient Dom	0	0	0	0
Inpatient NHCU	0	27	0	0
Inpatient PR RTP	0	0	0	0
Inpatient SCI	0	0	0	0
Inpatient BRC	0	0	0	0
Outpatient Primary Care		73,420	116,043	95,833
Outpatient Specialty Care		14,455	95,403	82,718
Outpatient Mental Health		170,838	172,049	170,641
Ancillary & Diagnostics		82,731	135,416	119,612

Proposed Realignment: Provide a narrative on the realignment plan

Consolidate the Brecksville Division of The Louis Stokes Cleveland VAMC at Wade Park

Cleveland VAMC is dual-division medical center with two, large, antiquated physical plants. Major renovation projects have been submitted for both divisions over the past two Capital Investment Cycles (Brecksville in FY02 and Wade Park for the FY03 cycle), neither of which was funded. The Brecksville project included renovation of all patient care areas and included many special emphasis programs (PTSD, blind rehab, SCI, seriously mentally ill). For the FY04 Capital Investment Cycle, a proposal to combine the two medical centers has been proposed. This project is a \$99 million project that will relocate all Brecksville Division patient care and administrative activities to the Wade Park Division. This project is expected to comply with the findings of the Capital Asset Realignment for Enhanced Services (CARES) and has a less than four year payback as determined by a comprehensive cost-benefit analysis. If this project is funded in for FY 04, construction will occur through FY 07.

This project will consolidate and collocate all clinical and administrative functions of a two divisional medical center at the Wade Park Division. This project will require new construction of 500,730 square feet and renovation of existing space at the Wade Park Division of 140,400 square feet. This project requires the sale of 102 acres at the Brecksville Division and enhanced lease of property adjacent to the Wade Park Division. The cost savings of this project are anticipated to exceed \$23 million annually (with first three year savings of \$99 million) and the quality of clinical care will be significantly enhanced to the more than 70,000 veterans that receive care at these medical centers annually.

Additionally, the potential consolidation of VHA and VBA will promote a One VA through efficient processing of VBA claims requiring medical support from the VHA for the more than 500,000 veterans residing in Northern Ohio. This improves the patient care environment, reduces overhead costs, and is in line with the space savings performance standards of CARES.

Impact on Cares Criteria

The consolidation of the Louis Stokes Cleveland VAMC will impact all of the CARES criteria positively.

Quality

In regard to healthcare quality and need the consolidation will provide the additional capacity the medical center needs for its inpatient medicine and outpatient specialty services. As indicated by the CARES data there are currently 454,849 veterans in the Eastern Market. Of those veterans 125,949 reside in Cuyahoga county the same county the Louis Stokes Cleveland VAMC is located. Through increased capacity at the Wade Park Division we will positively affect healthcare quality and need by treating new veterans. The quality of health of those veterans in the Eastern market will improve due to increased capacity. This leads to more veterans being cared for and having preventative healthcare measures addresses. In turn the cost to provide healthcare to the seriously ill due to lack of preventative care can be avoided.

Safety and Environment

In regard to safety and environment the consolidation project will positively impact this criteria. Present environmental conditions at Brecksville significantly affect the care due to poor temperature controls. Additionally, the quality of care for both our nursing home and mental health patients will remain high, but come at an extreme cost due to the space and environmental deficiencies. The consolidation will add new construction and renovate patient care areas at Wade Park that will improve environment of care quality issues, significantly improve care efficiencies, fulfill VHA strategic initiatives, comply with the Millenium bill, enhance the One VA mission to meet the healthcare needs of veterans in northeast Ohio, and the Louis Stoked Cleveland VAMC will continue to be recognized as a quality leader through continued "Centers of Excellence" in Open Heart Surgery, Geriatric Evaluation and Management, Substance Abuse Care, Care of the Homeless, Medical Care of the Homeless, Care of the Seriously Mentally Ill, and Spinal Cord Injury Care. No other VA in the nation has as many Programs of Excellence recognized by the VA.

Research and Academic Affiliations

The Louis Stokes Cleveland VAMC has active affiliations with Care Western University (CWRU School of Medicine and Dentistry). Over 114 physician and dental residents, and interns are trained at the VA Medical Center each year. There are also nursing student affiliations with CWRU. The medical center's affiliation agreements with

institutions of higher learning for the training of a wide range of health care professionals including podiatry, optometry, psychology, physician assistants, pharmacy, social work, dietetics, and other. The consolidation will have minimal effect on research and affiliations due to the close proximity of the Wade Park Division of the Louis Stokes Cleveland VAMC to CWRU and research space at Wade Park.

Staffing

The consolidation project will have minimal impact on the current staffing at the medical center. This is due to the clinical and administrative consolidation at Wade Park. New Construction through and Enhanced Lease agreement will provide adequate space based on CARES projected demand at the Wade Park Facility. The impact of relocating approximately 1,000 jobs to the city of Cleveland will be plus for the economy. Cleveland, like all large cities, has experienced economic decline over the past few years. The addition of new jobs in the City of Cleveland will help revitalize and provide needed tax dollars for community projects.

Cost Effectiveness

The consolidation project will both save the VA money in operating inefficiencies and be in line with VA's space vacant reduction initiative. This project will consolidate and collocate all clinical and administrative functions of a two divisional medical center at the Wade Park Division. This project will require new construction of 500,730 square feet and renovation of existing space at the Wade Park Division of 140,400 square feet. This project requires the sale of 102 acres at the Brecksville Division and enhanced lease of property adjacent to the Wade Park Division. The cost savings of this project are anticipated to exceed \$23 million annually (with first three year savings of \$99 million) and the quality of clinical care will be significantly enhanced to the more than 70,000 veterans that receive care at these medical centers annually. Additionally, the potential consolidation of VHA and VBA will promote a One VA through efficient processing of VBA claims requiring medical support from the VHA for the more than 500,000 veterans residing in Northern Ohio. This improves the patient care environment, reduces overhead costs, and is in line with the space savings performance standards of CARES.

The consolidation project will assist in achieving the goal of "One VA" through our close interaction with the Veterans Benefits Administration in the timely completion of compensation and processing (C&P) exams. The Cleveland VAMC and Cleveland VBA Regional office is the second national collaboration in the VA to implement CAPRI. CAPRI is a computer software system that works with the VBA and VHA computer systems to move important clinical information between the two organizations to improve the timeliness, accuracy and efficiency of veteran claims benefits. CAPRI improves the ability for VBA and VHA to share information to service veterans.

Savings

CATEGORY	CURRENT COSTS	NEW COSTS	ESTIMATED SAVINGS
Land Sale – sale of land minus demolition costs	Current land estimated = \$8,000,000 - \$4,600,000 (demolition)= \$3,400,000	\$0	\$3,400,000 (one time cost benefit)
Overall decrease in administrative FTEE due to duplicate services in two division medical center	177 FTEE X \$60,000 (current average salary + benes) = \$10,620,000	FTEE will not be needed = \$0	\$10,620,000 (annual cost savings)
Infrastructure and NRM Cost Avoidance over 3 years FY 2004-2007	\$26,770,000 over 3 years	\$0	\$26,770,000 (3 year cost savings)
VA Regional Office Move – current GSA lease costs X 12	\$141,000/mo X 12 mos = \$1,692,000	\$0	\$1,692,000 (annual cost savings)
Laundry Services – contract out all laundry currently housed at BV	Current Costs \$1,587,324	\$1,157,246 (estimate provided by Economy Linen 1/15/02)	\$421,246 (annual cost savings)
Patient Transport to Wade Park from Brecksville via Ambulance Service and Life Flight for Acute Medical Care	Approximately 49 patients per week at a cost of \$500 per tripx52 weeks = \$1,274,000	\$0	\$1,274,000
GSA Fleet – reduce overall fleet needs by 25%	\$553,500	\$442,800	\$110,700 (annual cost savings)
Facility Management Costs – GSF costs at BV location (380,000	Closing of BV = \$6,273,800	\$2,311,400 (decrease in WP operating costs due to improved	\$8,585,200 (annual cost savings)

GSF) - \$16.51;decrease of all BV space; improved efficiency at WP		efficiency after renovation of current space)	
Shuttle Service – currently provide patient shuttle between BV & WP	\$325,000	\$0	\$325,000 (annual cost savings)
Total 3Year Costs Savings	One time savings & recurring savings estimate		\$99,254,437
Annual Costs Savings	Utilized all costs savings except land sale	Can be spread across years 4-30 in project	\$23,028,146. x 26 years=\$598,731,796

Payback Period

Approximately 3 years

Alternatives Considered

Status Quo: Maintain operation of the Brecksville Division of The Louis Stokes Cleveland VAMC.

This option is not preferred due to the following reasons:

- No cost savings associated with this alternative
- VAMC will continue to provide care to existing patients with no efficiencies in waiting times or cost
- Present environmental conditions significantly affect care due to poor temperature controls
- Poor condition of facilities
- No economies of scale due to duplication of services
- No major renovations since 1960's
- Extremely inefficient use of space

Contract: Contract out 100% of the operations of the Brecksville Division of The Louis Stokes Cleveland VAMC.

This option was not selected due to the following reasons:

- No cost savings associated with this alternative
- The community does not provide many of the special emphasis services such as PTSD and Substance Abuse Programs at the volume required for our veterans
- No new veterans would receive the services included in the scope of the realignment
- Continuity of care for Nursing Home Patients seeking rehabilitative services would be poorly affected
- VAMC would not fulfill VHA strategic initiatives for several special emphasis patients
- VAMC would not comply with Millennium Bill

Original Market Plan: Consolidation of the Brecksville Division of The Louis Stokes Cleveland VAMC at Wade Park

This is the **PREFERRED OPTION**

- Cost savings in first 3 years over \$99 Million
- Annual cost savings over \$23 Million
- New state of the art addition at Wade Park
- All services currently at Brecksville will be provided at Wade Park via a Major Addition. Additional services to be provided that are not currently provided include a Comprehensive Rehabilitation Center and a Blind Rehabilitation Center
- Decrease in cost for patient transport
- 24/7 acute service available for all patients
- Increased efficient use of space
- 3 year pay back for major construction project
- No employee to loose job, decrease in 177 positions through attrition over 4 year construction period
- Continuity of care via all services being consolidated in one location
- Possible collocation with VBA to support ONE VA initiative

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

Description of current programs and services environment: Copy and paste completed Tab 1, and provide the narrative.

The primary mission of the Brecksville Division of The Louis Stokes Cleveland VAMC is to provide both inpatient and outpatient Mental Health Care Services and Long Term Care and Rehabilitation. Upon the approval of the consolidation of the Brecksville Division at Wade Park, a 500,730 square foot addition would be constructed at the Wade Park facility to house all current clinical and administrative functions of the Brecksville Division. In addition to all clinical programs currently provided at the Brecksville Division of The Louis Stokes Cleveland VAMC there will be a Comprehensive Rehabilitation Center and Blind Rehabilitation Center located in at Wade Park.

Cleveland - Brecksville								
Alternate # 1					Short description: The Market Plan for the Eastern Market of VISN 10 involves the consolidation of the Brecksville VAMC at the Wade Park VAMC. All current administrative and clinical services provided at the Brecksville VAMC will be provided at the Wade Park VAMC. If funding for design is received in FY2004, the construction of an addition at Wade Park to will be complete by FY 2008.			
Workload or Space Category	2001 ADC	Baseline Wkld (BDOC, 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	799	4	3	100%	2008	Wade Park	0%
Inpatient Surgery	1	226	0	0	100%	2008	Wade Park	0%
Inpatient Psych	46	16,775	64	52	100%	2008	Wade Park	0%
Inpatient Dom	0	0	0	0				
Inpatient NHCU	0	27	0	0	100%	2008	Wade Park	0%
Inpatient PR RTP	0	0	0	0				
Inpatient SCI	0	0	0	0				
Inpatient BRC	0	0	0	0				
Outpatient Primary Care	-	73,420	116,043	95,833	100%	2008	Wade Park	0%
Outpatient Specialty Care	-	14,455	95,403	82,718	100%	2008	Wade Park	0%
Outpatient Mental Health	-	170,838	172,049	170,641	100%	2008	Wade Park	0%
Ancillary & Diagnostics	-	82,731	135,416	119,612	100%	2008	Wade Park	0%
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				

a. Travel times:

- Copy and Paste the Access Tab from the Template, and provide narrative

Alternate # 1					
Cleveland - Brecksville					
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 Brecksville (Minutes)	Workload to be transferred to Wade Park	Travel Time from County to Wade Park (Minutes)
Specialty Care	CUYAHOGA (39035)	20,542	18	20,542	19
Specialty Care	SUMMIT (39153)	8,062	33	8,062	55
Specialty Care	MEDINA (39103)	2,990	29	2,990	51
Specialty Care	LORAIN (39093)	2,283	40	2,283	44
Specialty Care	PORTAGE (39133)	2,118	39	2,118	55
Specialty Care	LAKE (39085)	1,847	48	1,847	39
Specialty Care	ERIE (39043)	1,103	63	1,103	71
	Weighted AVERAGE		27		35
NHCU	CUYAHOGA (39035)	27	18	27	19
	Weighted AVERAGE		18		19

Type	Current Access %	New Access %
Primary Care	91%	91%
Acute Care	61%	82%

The impact on travel times associated with the consolidation of the Brecksville Division of the Louis Stokes Cleveland VAMC will be minimal. The Louis Stokes Cleveland VAMC has a 91% primary care access rate and a 61% acute hospital rate. Current travel time for access to for hospital care is longer than desired, however upon approval of the consolidation project, arrangements in the southern most areas of the Eastern Market will be made with local hospitals to provide acute hospital care. Our access rates increase to 91% and 62% for Primary Care and Acute Care respectively under our original market plan. Currently, patients who are admitted to local hospitals are transferred to Wade Park upon stabilization. The Brecksville Division of The Louis Stokes Cleveland VAMC does not provide acute medical / surgical care. Patients, upon stabilization, are transported to Wade Park.

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

Copy and Paste the Infrastructure Tab here and provide a narrative.

2001 Baseline Data		Cleveland - Brecksville				Average Condition			
Facility Name	Campus Acreage	Original Bed Capacity (Beds)	Number of Vacant Bldgs	Number of Occupied Bldgs	Vacant Space (SF)	Clinical Categories	Non-Clinical Categories	Annual Capital Costs *	Valuation of Campus (AEW)
Cleveland - Brecksville	102.1		0	28	23,010	3.33			\$184,000,000

The condition of the existing buildings does not meet today's healthcare standards. The following highlights some of the deficiencies of the current infrastructure:

- Patient rooms do not meet privacy, space, or environment of care standards. The rooms are not supplied with central air-conditioning. Currently, water-cooled units sit in the main corridor near the nursing station and take up critical corridor space. These units do provide some relief, but are not effective in cooling the patient rooms and are extremely noisy.
- The 1961 windows located throughout the campus are inefficient and offer no relief from the harsh winter temperatures (Average temperature in January and February respectively is 24.8 and 27.3 degrees Fahrenheit).
- Due to inefficient heating and cooling systems, the patients are subject to unacceptable conditions year round.
- Congregate bathrooms and 4 bedroom patient rooms are the norm. The limited two bed and single patient rooms are small and cramped and do not meet the industry or VA standards for bedroom space.
- Patient privacy is a major concern with the 4 bedroom patient rooms.
- Outpatient space and administrative space has been provided via the conversion of old inpatient space and is not suitable for the provision of efficient outpatient care and administrative functions.

c. Impact considerations:

- **Capital:** Copy and Paste the Tab labeled Capital Cost Summary.

Provide a narrative justifying the preferred alternative.

SUMMARY

Capital Cost Summary

Status Quo (Plus capital)	Original Market Plan	100% Contract
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Cleveland - Brecksv.			
New Construction	-	-	\$ 0
Renovation	-	-	\$ 0
Total	-	-	\$ 0
Cleveland- Wade Park			
New Construction	-	\$ 184,718,405	\$ 129,696,103
Renovation	-	\$ 35,143,607	\$ 32,697,484
Total	-	\$ 219,862,012	\$ 162,393,587

- **Operating costs:** Copy and paste the tab labeled Operating Cost Summary.
Provide a narrative justifying the preferred alternative.

Upon review of the Life Cycle Costs, Step 6 in the realignment process, the Original Market Plan to consolidate the Brecksville Division of The Louis Stokes Cleveland VAMC at Wade Park is the superior alternative when compared to the alternatives of Status Quo and 100% Contract. The Original Market Plan has a life cycle cost of \$6,053,811,333. The 100% Contract Option has a Life Cycle Cost of \$6,090,202,121. The Status Quo Option has a Life Cycle Cost of \$6,897,097,254.

Additionally, the Original Market Plan to consolidate the Brecksville Division of The Louis Stokes Cleveland VAMC at Wade Park has a greater NPV when compared to the 100% Contract Option, \$1,101,991,130 and \$1,094,584,862, respectively.

SUMMARY

Operating Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract
Cleveland - Brecksv.			
Operating Costs	-	290,238,122	877,665,577
Cleveland- Wade Park			
Operating Costs	-	\$ 5,785,717,805	\$ 5,229,739,105

- **Human resources:**

From a HR perspective there will be approximately 177 jobs that will not be duplicated when the consolidation occurs. All clinical programs that are currently provided at the Brecksville Campus will be provided at the consolidated Wade Park Campus. In addition, there will be a Comprehensive Rehabilitation Center and a Blind Rehabilitation Center.

The jobs affected include Engineering (shops and grounds), Nutrition / Food Service, Environmental Management (Laundry and Housekeeping) and others to be determined. The majority of these positions can be phased through attrition. The Medical Center has made it a commitment that no one will loose their job through the consolidation.

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

All Clinical and Administrative functions currently performed at the Brecksville Division of The Louis Stoked Cleveland VAMC will be provided at the consolidated Wade Park Campus. Additionally, the establishment of a Comprehensive Rehabilitation Program and a Blind Rehabilitation Center will be improvements over the current services offered at the Brecksville Division of The Louis Stokes Cleveland VAMC.

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

The Louis Stokes Cleveland VAMC has active affiliations with Care Western University (CWRU School of Medicine and Dentistry). Over 114 physician and dental residents, and interns are trained at the VA Medical Center each year. There are also nursing student affiliations with CWRU. The medical center’s affiliation agreements with institutions of higher learning for the training of a wide range of health care professionals including podiatry, optometry, psychology, physician assistants, pharmacy, social work, dietetics, and other. The consolidation will have minimal effect

on research and affiliations due to the close proximity of the Wade Park Division of the Louis Stokes Cleveland VAMC to CWRU and research space at Wade Park.

Furthermore, the consolidation will locate both inpatient and outpatient Mental Health Care Services at the Wade Park Campus. This will help the medical center recruit critical Clinical Psychiatrists. Our Medical School Affiliate, Case Western Reserve University, is located within minutes of the Wade Park Campus and approximately 26 (40 minutes) miles from the Brecksville Campus. The close proximity to both the academic and medical center of Cleveland positions the Wade Park Campus at an advantage in recruiting and maintaining key clinical personnel.

The same holds true for research. The consolidation will have minimal negative impact on our research program. Currently, over 98% of the medical research performed at The Louis Stokes Cleveland VAMC is at the Wade Park Campus.

- **Reuse of the Realigned Campus:** The Louis Stokes Cleveland VAMC consists of two primary care centers – the Wade Park Division in Cleveland and the Brecksville Division in Brecksville along with a number of satellite facilities located throughout Northeast Ohio. Currently the Louis Stokes Cleveland VAMC is exploring new ways to consolidate at Wade Park the services provided at its two primary centers in order to improve patient service and reduce the total annual operating expenses of the Cleveland system.

The Louis Stokes Cleveland VAMC would like to leverage the real estate value of the Brecksville site to provide off-site parking available to Wade Park. Based upon an independent appraisal of the Brecksville site in the fall of 2002, the campus has a total value of \$21.5 million, inclusive of existing buildings, which are approaching functional obsolescence. The land, as unimproved is valued to be worth \$8.0 million. VA's net land value, after subtracting estimated demolition costs of \$4.6 million, is \$3.4 million.

The value of the Brecksville site is dependent on whether or the transaction partner can make use of the existing buildings and, if not, whether or not VA can use its own funds in order to demolish those buildings and make a clean, unimproved site available to a transaction partner. If VA can make available the unimproved site and receive its estimated \$8 million value, that value should be sufficient to meet all or most of its Wade Park 1,000 space parking requirement.

University Hospital Health System is the most likely transaction partner for the Brecksville property because of its desire to expand into the southern suburbs of Cleveland and the attractiveness of the Brecksville site for a medical campus. AEW Capital Management, L.P., in a June 2003 report, recommended that the Louis Stokes Cleveland VAMC pursue an Enhanced Use lease transaction for the Brecksville site using the “upfront” payment structure.

Summarize alternative analysis: Copy and Paste Tab “Step 7” in the Excel Template:

Preferred alternative description and rationale	<p>The Preferred Alternative is to consolidate all clinical and administrative functions of the two-division Louis Stokes Cleveland VAMC at the Wade Park Campus.</p> <ul style="list-style-type: none"> · Cost savings in first 3 years over \$99 Million · Annual cost savings over \$23 Million · New state of the art addition at Wade Park · All services currently at Brecksville will be provided at Wade Park via a Major Addition. Additional services to be provided that are not currently provided include a Comprehensive Rehabilitation Center and a Blind Rehabilitation Center · Decrease in cost for patient transport · 24/7 acute service available for all patients · Increased efficient use of space · 3 year pay back for major construction project · No employee to loose job, decrease in 177 positions through attrition over 4 year construction period · Continuity of care via all services being consolidated in one location · Possible collocation with VBA to support ONE VA initiative
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Short Description:	Maintain operation of the Brecksville Division of The Louis Stokes Cleveland. The primary mission of this medical center is Mental Health and Long Term Care.	Consolidate all clinical and administrative functions of a two division medical center at Wade Park. All current services and programs provided at Brecksville will be provided at Wade Park. In addition, there will be a Comprehensive Rehabilitation Center and Blind Rehabilitation Center at the Wade Park Campus. This plan will Enhance Use the Brecksville Campus and save over \$23 Million in annually operating expenses.	This option will contract the long term care, mental health, and special emphasis programs currently provided at Brecksville. This alternative is not the preferred alternative, nor is it a viable alternative because there are no available community providers that offer the continuum of care for our special populations, Mental Health Programs, and Long Term Care / Rehabilitation.	N/A	N/A
Total Construction Costs	\$27 Million for infrastructure and NRM over next 3 years	Estimated at approximately \$99 Million	\$162,393,587		
Updated Total Construction		\$ 219,862,012	\$ 162,393,587		
Life Cycle Costs	\$6,897,097,258	\$5,929,906,627	\$5,937,312,895		
Updated Life Cycle Costs	\$6,897,097,254	6,053,811,333	6,090,202,121		

Impact on Access	No Change	No Adverse Impact	Access will be limited due to lack of available mental health, homeless programs, domiciliary, substance abuse, and long term care / rehabilitation services available in the community.	N/A	N/A
Impact on Quality	No Change	No Adverse Impact	Quality will be affected due to lack of continuity of care	N/A	N/A
Impact on Staffing & Community	No Change	No Adverse Impact	Staffing will be severely affected due to the fact that approximately 1,000 employees currently work at the Brecksville Division. If services are discontinued 1,000 employees will be displaced.	N/A	N/A
Impact on Research and Education	No Change	No Adverse Impact	There would be an adverse impact of mental health clinical programs and training	N/A	N/A
Optimizing Use of Resources	No Change	This option will optimize the use of resources by saving over \$23 Million per annum and approximately \$99 Million in the first 3 years	This option offers little to no control over price variability and use of resources in the most efficient manner.	N/A	N/A
Support other Missions of VA	No Change	Supports VA mission to To offer the enrolled veteran population, a continuum of care that is accessible, value-added, cost-effective, and of the highest quality, within an environment of outstanding education and research. To promote a culture that supports and develops a caring, compassionate, competent and service-oriented workforce	This option is not viable. There are no community providers who can provide care to the special mental health patients and long term care patients. This option does not support VA's mission to offer Veterans a continuum of care.	N/A	N/A

<p>Other significant considerations</p>	<p>No Change</p>	<p>This plan will optimize the use of VA resources, provide a continuum of acute medical care for patients, offer a first class environment of care, and provide all services currently provided by two medical centers at the Wade Park location.</p>	<p>Community providers are not available to care for the special populations serviced at the Brecksville Campus.</p>	<p>N/A</p>	<p>N/A</p>
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The Preferred Alternative is to consolidate all clinical and administrative functions of the two-division Louis Stokes Cleveland VAMC at the Wade Park Campus.

- Cost savings in first 3 years over \$99 Million
- Annual cost savings over \$23 Million
- New state of the art addition at Wade Park
- All services currently at Brecksville will be provided at Wade Park via a Major Addition. Additional services to be provided that are not currently provided include a Comprehensive Rehabilitation Center and a Blind Rehabilitation Center
- Decrease in cost for patient transport
- 24/7 acute service available for all patients
- Increased efficient use of space
- 3 year pay back for major construction project
- No employee to loose job, decrease in 177 positions through attrition over 4 year construction period
- Continuity of care via all services being consolidated in one location
- Possible collocation with VBA to support ONE VA initiative

Status Quo:

Maintain operation of the Brecksville Division of The Louis Stokes Cleveland VAMC.

This option is not preferred due to the following reasons:

- No cost savings associated with this alternative
- VAMC will continue to provide care to existing patients with no efficiencies in waiting times or cost
- Present environmental conditions significantly affect care due to poor temperature controls
- Poor condition of facilities
- No economies of scale due to duplication of services
- No major renovations since 1960's
- Extremely inefficient use of space

Original Market Plan:

Consolidation of the Brecksville Division of the Louis Stokes Cleveland VAMC at Wade Park. No change since original IBM input.

No negative impact on the following criteria:

Access, Quality, Staffing and Community, Research and Education

Consolidation will **optimize the use of resources** by savings approximately \$99 million dollars in the first three years and over \$23 million dollars annually thereafter.

Supports VA mission to *offer the enrolled veteran population*, a continuum of care that is accessible, value-added, cost-effective, and of the highest quality, within an environment of outstanding education and research. To promote a culture that supports and develops a caring, compassionate, competent and service-oriented workforce