

VISN: 16

Facility Name: Gulf Coast Veterans Health Care System (GCVHCS), Biloxi and Gulfport Divisions

Affected Facilities: Biloxi, Gulfport, New Orleans, and Eastern Southern Hospital

A. Summary and Conclusions

a. Executive Summary:

The Gulf Coast Veterans Health Care System (GCVHCS) is a five-division health care system with hospitals at Gulfport and Biloxi, MS. The two hospital divisions are eight miles apart and have been consolidated for over 30 years. The health care system also has three Community-Based Outpatient Clinics (CBOCs) located in Mobile, AL, Pensacola and Panama City, FL. The VISN 16 CARES Market Plan created a separate market, Eastern Southern, to address access and capacity planning initiatives for the Alabama and Florida counties assigned to GCVHCS. Mississippi counties were included with Jackson, MS and New Orleans, LA catchment areas as part of the Central Southern market.

The Biloxi Division serves as the general medical facility for GCVHCS, providing outpatient primary and specialty care services and inpatient medical and surgical services. It also houses a domiciliary and a nursing home care unit, support services and administrative functions. This division has minimal vacant space – approximately 9000 NSF.

The Gulfport Division consists of approximately 90 acres, of which 50 are located on beachfront property on the Gulf of Mexico. The remaining 40 acres is largely vacant except for a VA laundry facility and central boiler plant. The Gulfport Division provides Inpatient and outpatient mental health services and houses an Alzheimer's dementia unit. Other clinical services located at the Gulfport Division include Psychology Service, Rehabilitation Medicine including a therapeutic pool, Day Treatment, Volunteer Service, Primary Care and Audiology. Administrative services including Fiscal, A&MM, MCCR, Fee Basis and VSO offices are also located on the campus. Referrals are accepted from Jackson, New Orleans and other medical centers in VISN 16. Active duty personnel from DoD Health Care Services Region IV are also treated through a VA/DoD sharing agreement. Many of the buildings are on the national register of historic buildings and some of the buildings are vacant and uninhabitable due to environmental issues. There is approximately 65,000 NSF of vacant space at the Gulfport campus.

As stated the two main divisions, Biloxi and Gulfport, are approximately eight miles apart. In addition, the Gulfport property is prime gulf-front real estate that would be optimal for enhanced use purposes. The enhanced use option was explored with the Office of Economic and Enterprise Development in FY 00 and FY 01 and was unsuccessful due to political resistance. The campus has several

buildings that require significant renovations to render them useful to accept future workload. This, coupled with the historic preservation issue raises the cost of maintaining and upgrading the campus.

The proximity of the main campuses, the enhanced use lease potential of Gulfport, and the cost to maintain the two campuses clearly support a realignment which includes the closure of Gulfport and transfer of all workload and services to Biloxi. Two alternatives were evaluated; one alternative would require major construction to accommodate the transfer of workload and services and the other alternative would utilize space at Keesler Air Force Base in addition to minor construction on the Biloxi campus. Recent changes in space availability at Keesler Air Force Base make the preferred option major construction on the Biloxi campus. We will continue dialogue with Keesler Air Force Base to explore potential sharing opportunities and space realignment.

b. Current environment

The Gulfport Division consists of approximately 90 acres of which approximately 50 are beachfront property on the Gulf of Mexico. The remaining approximately 40 acres is largely vacant except for a VA laundry facility and the power plant for steam and for standby electrical generation. The inpatient services provided by the Gulfport Division are a dementia unit and two Psychiatric units. Also housed at the Gulfport Division is the Mental Health Outpatient programs, a Primary Care team, extensive Preventive Medicine and Rehabilitative Medicine Clinics, Audiology and Speech Pathology clinics, and assorted Administrative functions. Most of the buildings are of the 1923 vintage and were extensively remodeled and improved in the mid 1980s. Patient Care buildings are in excellent structural condition and have been well maintained. Many of the older non-patient care buildings are run down and in need of major repair.

The Gulfport division is sandwiched in between an upper middle-income residential area to the west, commercial property to the east, school property to the north, and the Gulf of Mexico to the south. The facility is serviced primarily by U.S. Highway 90 and secondarily by a two-lane street, which splits the property into two parcels of approximately 50 acres to the south and approximately 40 acres to the north. Many of the buildings are on the National Historical Register and some still have lead paint and asbestos problems. A central chiller plant with 1,700 tons of chiller capacity services patient care buildings, a central boiler plant services the entire campus, and a standby electrical generator supports the entire facility. All patient care buildings are arranged so that two buildings share an emergency generator, which provides emergency power to critical systems. These generators are generally 15 to 20 years old and are in good condition. The standby generator is a 2100 KW generator that was installed in 1976 and has been well maintained. It, however, will soon need to be replaced. The campus also contains a water tower and well system that provides water for laundry and boiler operation. The Facility Condition Assessment, performed in September 1999 exhibited poor ratings for

all buildings in the area of lightning protection, an F rating, nurse call, a D rating, and in elevators, primarily D ratings.

c. Workload Summary:

Workload or Space Category	2001 ADC for IP	Baseline workload from Millman for BDOC & stops	2012 Projected Wkld (BDOC, stops)	2022 Projected Wkld (BDOC, stops)
Inpatient Medicine	1	1	2	2
Inpatient Surgery	0	-	-	-
Inpatient Psych	56	66	91	79
Inpatient Psych	56	66	91	79
Inpatient Dom	0	-	-	-
Inpatient NHCU	0	-	-	-
Inpatient PR RTP	0	-	-	-
Inpatient SCI	0	-	-	-
Inpatient BRC	0	-	-	-
Outpatient Primary Care		2,045	9,849	8,798
Outpatient Primary Care		2,045	9,849	8,798
Outpatient Specialty Care		5,399	11,722	11,071
Outpatient Specialty Care		5,399	11,722	11,071
Outpatient Mental Health		43,968	49,984	47,821
Outpatient Mental Health		43,968	49,984	47,821
Ancillary & Diagnostics		14,700	31,997	28,788
Ancillary & Diagnostics		14,700	31,997	28,788
Research SPACE	N/A		N/A	N/A
Admin SPACE	N/A		N/A	N/A
Other SPACE	N/A		N/A	N/A

d. Proposed Realignment:

To accomplish the transfer of all services, staff, supplies, etc., from the Gulfport Division to the Biloxi Division will require detailed multi-level planning and coordination. A workgroup will be appointed to facilitate the planning of this multi-year transfer project, and will develop CPM type and other flow chart documentation to track and monitor all events in the various cycles of this realignment plan from beginning to end.

The Realignment Plan workgroup (RPW), will address the following categories during the planning stage process: Space relocation, furnishings/fixture needs, temporary space/swing space, temporary FTE needs, domino issues, cost/budget requirements, patient/staff informational notifications, and other issues as appropriate. Prior to commencing the implementation of this transfer plan, trial activations will be modeled to obtain best performance monitoring for real-time implementation.

Once the plan has been approved and reduced to functional flow charts, the RPW will coordinate the actual implementation of the transfer plan. The initial steps of this implementation plan could include, but not limited to, the following criteria:

- Develop master timeline for action plan
- Coordination of the overall A/E design program
- Plan the existing space renovations (123,000 nusr)
- Detail temporary space utilizations
- Domino/mobilization issues
- Plan for the new constructed space (154,855 sqsf)
- Demobilization/activation issues
- Final space relocations/impacts
- Mothball plan for Gulfport
- Update recurring and operating costs

According to the CARES timeline, by 2009 the entire VA services at Gulfport should be relocated to Biloxi, however, until the enhanced use incentive becomes a reality, Facility Management and possibly others will be tasked with the recurring operation and management of the existing space. It is also noted that the existing boiler plant and regional laundry will continue to function without interruption at their current locations (which have access to public streets).

The RPW will continue to monitor the implementation plan until all phases of the transfer and improvement plan have been completed and activated, and will eventually transform into one of the support groups to assist in the enhanced use redevelopment of the Gulfport site.

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

a. Description of current programs and services environment:

Alternate # 1					Short description: Transfer all workload from Gulfport to Biloxi, Eastern Southern Hospital and New Orleans. Build new construction for this new workload at Biloxi.			
Workload or Space Category	2001 ADC for IP	Baseline workload from Millman for BDOC & stops	2012 Projected Wkld (BDOC, stops)	2022 Projected Wkld (BDOC, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	1	1	2	2	100%	2009	Biloxi	0
Inpatient Surgery	0	-	-	-				
Inpatient Psych	56	66	91	79	60%	2009	Biloxi	0
Inpatient Psych	56	66	91	79	40%	2004	Eastern Southern H	0
Inpatient Dom	0	-	-	-				
Inpatient NHCU	0	-	-	-				
Inpatient PR RTP	0	-	-	-				
Inpatient SCI	0	-	-	-				
Inpatient BRC	0	-	-	-				
Outpatient Primary Care		2,045	9,849	8,798	75%	2009	Biloxi	0
Outpatient Primary Care		2,045	9,849	8,798	25%	2004	Eastern Southern H	0
Outpatient Specialty Care		5,399	11,722	11,071	67%	2009	New Orleans	0
Outpatient Specialty Care		5,399	11,722	11,071	33%	2004	Eastern Southern H	0
Outpatient Mental Health		43,968	49,984	47,821	75%	2009	Biloxi	0
Outpatient Mental Health		43,968	49,984	47,821	25%	2004	Eastern Southern H	0
Ancillary & Diagnostics		14,700	31,997	28,788	67%	2009	Biloxi	0
Ancillary & Diagnostics		14,700	31,997	28,788	33%	2004	Eastern Southern H	0
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				
Alternate # 2					Short description: Transfer all workload from Gulfport to Biloxi, Eastern Southern Hospital and New Orleans. Will joint venture all the new workload at Biloxi with Keesler AFB.			
Workload or Space Category	Baseline Wkld	Baseline workload from Millman for beds & stops	2012 projected Wkld	2022 Projected Wkld	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	1	1	2	2	100%	2009	Biloxi	0
Inpatient Surgery	0	-	-	-				
Inpatient Psych	56	66	91	79	60%	2009	Biloxi	0
Inpatient Psych	56	66	91	79	40%	2004	Eastern Southern H	0
Inpatient Dom	0	-	-	-				
Inpatient NHCU	0	-	-	-				
Inpatient PR RTP	0	-	-	-				
Inpatient SCI	0	-	-	-				
Inpatient BRC	0	-	-	-				
Outpatient Primary Care		2,045	9,849	8,798	75%	2009	Biloxi	0
Outpatient Primary Care		2,045	9,849	8,798	25%	2004	Eastern Southern H	0
Outpatient Specialty Care		5,399	11,722	11,071	67%	2009	New Orleans	0
Outpatient Specialty Care		5,399	11,722	11,071	33%	2004	Eastern Southern H	0
Outpatient Mental Health		43,968	49,984	47,821	75%	2009	Biloxi	0
Outpatient Mental Health		43,968	49,984	47,821	25%	2004	Eastern Southern H	0
Ancillary & Diagnostics		14,700	31,997	28,788	67%	2009	Biloxi	0
Ancillary & Diagnostics		14,700	31,997	28,788	33%	2004	Eastern Southern H	0
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				

Gulfport is a campus style facility that consists of three inpatient care buildings, two outpatient care buildings, three ancillary care buildings, four administrative

buildings, nine service/maintenance buildings and assorted storage, activity, and recreational buildings. Buildings used for patient care, either inpatient or outpatient care, are connected by covered walkways and are accessed from Biloxi via shuttle service provided by Facilities Management Service. The inpatient services vary from Psychiatric and Geropsychiatric units to a geriatric dementia unit.

Outpatient services include Mental Health clinics, Mental Health Day Treatment program, Substance Abuse Outpatient program, MHICM (Mental Health Intensive Case Management) program, Women's Mental Health Clinic (provides some TRICARE services), PTSD clinics, Physical Therapy, Occupational Therapy, Kinesiotherapy, and Manual Arts Therapy clinics (includes Incentive Therapy, Compensated Work Therapy, and Transitional Work Therapy programs), Audiology and Speech Therapy clinics, Podiatry clinic, and Primary Care clinics. Mental Health and Psychology services have their primary offices in Gulfport while Nursing service, Chief of Staff and the Director's office maintains a presence there as well.

Ancillary services include, Nutrition and Food service, Volunteer and Recreation service, Social Work service, Chaplain service, Pharmacy service, and limited Radiology and Laboratory services. Administrative services include the primary offices of Facilities Management service (EMS and Engineering), and Finance Service (Acquisition & Materials Management, Fiscal, DSS, Fee, and MCCR.) Other services with substantial presence include Canteen service, Police service, Information Management service, and Quality Management service.

Gulfport provides specialized storage, including a staging area for furniture and equipment that is used to support the constantly changing environment in the GCVHCS's five divisions. It also houses the Therapeutic Print Clinic, a PM&RS clinic that performs print services for all five divisions and occasionally for VISN 16. Other services or functions performed only in Gulfport are the seamstress (uniform repair), file storage (both retired files awaiting destruction and the central file room), centralized medical record file storage, the Pharmacy cache, Therapeutic Pool and Gymnasium, and computer training facilities.

b. Travel times:

The CARES planning initiatives, in all alternative scenarios, indicate marginal changes in travel time as a result of the closing of the Gulfport Division. According to the Step 4 template, Specialty Care timelines increased only 9 and 10 minutes (49 to 58, and 18 to 28 minutes), when considering the most remote travel from Hancock county to the Biloxi Division in lieu of Gulfport campus. In addition, the current access to care for primary care increases from 57% to 72% under the CARES plan, and acute care meets the modeled rate of 72%, which is slightly lower than the current rate of 74% access.

Healthcare quality as measured by access will be improved due to the relocation of all services to the Biloxi Division. Relocation to a medical center campus with acute care, specialty care, emergency care, and nursing home care will provide the veterans access to the full range of medical services.

Alternate # 1 Name of Facility Being Studied: Gulfport								
CARES Category (Dom, Specialty Care or NHCU)	County Name	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied (min)	Workload to be transferred to Eastern Southern	Travel Time from County to Eastern Southern (min)	Workload to be transferred to New Orleans	Travel Time from County to New Orleans (min)	New Ave weighted Travel Time (calculated)
Dom								
NHCU								
Specialty	HARRISON	3,499	18	1,155	263	2,344	82	142

Type	Current Access %	New Access %
Primary Care	57%	72%
Acute Care	74%	72%

Alternate # 2 Name of Facility Being Studied: Gulfport								
CARES Category (Dom, Specialty Care or NHCU)	County Name	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied (min)	Workload to be transferred to Eastern Southern	Travel Time from County to Eastern Southern (min)	Workload to be transferred to New Orleans	Travel Time from County to New Orleans (min)	New Ave weighted Travel Time (calculated)
Dom								
NHCU								
Specialty	HARRISON	3,499	18	1,155	263	2,344	82	142

Type	Current Access %	New Access %
Acute Care	74%	72%

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

2001 Baseline Data Name of Facility Being Studied: Gulfport								
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)
Gulfport	94		1	34	64,943	3.39	3,308,650	770,000,000
Biloxi	125		0	34	9548	3.65	5,433,213	

The Biloxi Division has 37 buildings on approximately 125 acres of land. It is co-located with a National Cemetery and is surrounded on the east and west by Keesler AFB housing, to the north by the Back Bay of Biloxi, a confluence of three rivers that flow into the Gulf of Mexico approximately 5 miles east of the campus, and to the south by Pass Road, a four-lane street, with a center turn lane, and light commercial occupancy.

The facility is on the National Historic Register and most of the buildings date back to 1930. There was a clinical addition built in the early 1980s and the patient care buildings were remodeled and improved by a major construction project in the mid 1980s. The facility has approximately 9,000 net square feet of vacant space, which has been designated as “swing space” during projects where patient treatment areas are being modernized. Patient care buildings are fully sprinkled and well maintained with patient safety being stressed, as evidenced by the last JCAHO inspection where a 98 was scored in the HAP.

The Biloxi Division serves as a general medical facility providing outpatient primary and specialty care services and inpatient medical and surgical services. It also houses a domiciliary and nursing home care unit, support services and administrative functions. Sufficient grounds are maintained to provide additional building space near the present clinical spaces required for Alternative 1. Typical scores from the Facility Condition Assessment performed during 1999 are As and Bs. There were some scores with a D rating pertaining to the Fire Alarm System and lighting, but the Fire Alarm system was replaced during FY 00 and 01 and all lights were replaced in FY 01 via an Energy Savings Performance Contract (ESPC).

d. Impact considerations:

- **Capital:**
- New (10-30-03)

Capital Costs Summary Rerun 10/29/03					
	Status Quo	Original Market Plan	100% Contract	Alternate 1	Alternate 2
Facility Being Reviewed: Gulfport					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 1,603,627	\$ 0	\$ 1,603,627	\$ 1,603,627
Total	-	1,603,627	0	1,603,627	1,603,627
Receiving Facility 1: Biloxi					
New Construction	-	\$ 12,980,272	\$ 10,610,832	\$ 23,846,046	\$ 12,560,577
Renovation	-	\$ 6,317,806	\$ 3,970,528	\$ 6,111,556	\$ 5,851,208
Total	-	19,298,078	14,581,360	29,957,602	18,411,785
Receiving Facility 3: New Orleans					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 7,659,974	\$ 7,393,347	\$ 7,659,974	\$ 7,659,974
Total	-	7,659,974	7,393,347	7,659,974	7,659,974
Receiving Facility 2: Eastern Southern Hospital					
New Construction	-	\$ 21,326,553	\$ 22,664,075	\$ 21,326,553	\$ 21,326,553
Renovation	-	-	\$ 0	\$ 0	\$ 0
Total	-	21,326,553	22,664,075	21,326,553	21,326,553
		49,888,232	44,638,782	60,547,756	49,001,939

Old Capital Costs

Capital Costs Summary					
	Status Quo	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Gulfport					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 1,603,627	\$ 0	\$ 1,603,627	\$ 1,603,627
Total	-	\$ 1,603,627	\$ 0	\$ 1,603,627	\$ 1,603,627
Receiving Facility 1: Biloxi					
New Construction	-	\$ 12,980,272	\$ 18,842,996	\$ 23,846,046	\$ 12,560,577
Renovation	-	\$ 6,317,806	\$ 6,111,556	\$ 6,111,556	\$ 5,851,208
Total	-	\$ 19,298,078	\$ 24,954,552	\$ 29,957,602	\$ 18,411,785
Receiving Facility 2: New Orleans					
New Construction	-	-	\$ 0	\$ 0	\$ 0
Renovation	-	\$ 7,659,974	\$ 7,659,974	\$ 7,659,974	\$ 7,659,974
Total	-	\$ 7,659,974	\$ 7,659,974	\$ 7,659,974	\$ 7,659,974
Receiving Facility 3: Eastern Southern Hospital					
New Construction	-	\$ 21,326,553	\$ 21,333,602	\$ 21,326,553	\$ 21,326,553
Renovation	-	-	\$ 0	\$ 0	\$ 0
Total	-	\$ 21,326,553	\$ 21,333,602	\$ 21,326,553	\$ 21,326,553

Alternative one, the preferred alternative calls for the expansion and renovation of space at the Biloxi Division to support the total workload from Gulfport, new and expanded clinical programs, along with additional referral workload from other medical centers in the Central Southern Market, additional referral workload from the Eastern Southern market, and continued support for current and future DoD partners. The CARES space report for this alternative calls for the construction of 154,885 departmental gross square foot (dgsf) new space, along with renovating 123,000 net usable square foot (nusr) space. According to the capital cost summary, this alternative represents a difference in capital cost outlay of approximately \$10,500,000 more than alternative two.

Alternative two depends upon a detailed transfer of clinical services to Keesler AFB, with construction of new facilities at both Keesler and at the Biloxi division. Even though the initial infrastructure cost is less in alternative two, there are many drawbacks to this plan, such as: VA construction on Keesler AFB, which at this time does not appear to be physically or philosophically possible. The management and future planning direction at Keesler AFB currently do not lend itself to increased sharing agreements, nor the capability to furnish dedicated VA clinical services exclusively at their medical center. The unresolved issue of access for VA patients and dependents, specifically during heightened security threat levels, has not been addressed.

Therefore, it is essential for the VA to incorporate the CARES workload into a plan for improvement at the Biloxi Division singularly, which will not compromise the mission of the VA. To accomplish the planning initiatives as stated, the Biloxi Division would begin a planned sequence of new construction, along with phased renovations to enable the maximum efficient utilization of all patient care and support space at the Biloxi Division. Renovations would initially take place to maximize existing space that can be utilized for direct patient care, with the focus on transferring patient care services from Gulfport to Biloxi.

It is noted that the capital costs as stated in the template may need revisiting during the implementation phase of CARES, due to the apparent differences in square foot cost for new and renovated construction. According to local square foot actual construction numbers, the cost of new patient care construction will range from \$200 to \$250 per gross square foot (gsf), and the cost of renovated space will cost from \$150 to \$175 per net usable square foot (nurf). In addition, costs for temporary space, swing space, activation costs, site improvements, equipment, furnishings, and contingencies, will also need to be addressed later in the implementation phase.

The time frame for instituting this construction program would begin in 2004 and end in late 2009, with final activation and demobilization to be complete by mid 2010. The Gulfport site would then be developed as an enhance-use lease site (see reuse plan narrative), and potential revenue streams could begin as early as 2008 and continue through the planning period. It is estimated that the total estimated lease revenue could approach \$44,000,000 through the planning period of 2022. In addition, cost savings (or cost avoidance) at the Gulfport campus, from reduction in VA staff, recurring and operating costs, and similar would result in a total savings estimate of approximately \$48,000,000 through the planning period of 2022.

If the above described savings and revenue streams are possible, the total of \$92,000,000 over time would more than offset the cost of new infrastructure improvements necessary to completely implement Alternative one at the Biloxi Division.

DoD collaborations already existing with Keesler AFB, will be continually reviewed for capability of increased sharing service to the Air Force and other DoD partners in the community. Ongoing discussions are being held with Keesler administration to explore other avenues of working together with the goal of providing the best possible medical service to all veterans in the community.

The new Blind Rehabilitation program (BRC), will require all new space (20,000 dgsf), to be constructed in conjunction with the new Specialty Care space, adjoining the existing clinical building. This new center would result in a 20 bed BRC ward, and would be designed for future expansion as workload demands increase. The actual calculated demand for 37 beds would be offset in the interim with referral programs to BRC locations in other VISN's.

▪ **Operating costs: (10-30-03)**

Operational Costs Summary Rerun 10/29/03					
	Status Quo	Original Market Plan	100% Contract	Alternate 1	Alternate 2
Facility Being Reviewed: Gulfport					
Operating Costs	\$ 487,667,402	\$ 118,591,375	\$ 422,956,502	\$ 116,995,242	\$ 116,995,242
Receiving Facility 1: Biloxi					
Operating Costs	\$ 3,357,911,372	\$ 2,005,714,614	\$ 1,827,116,125	\$ 1,986,810,945	\$ 1,899,594,565
Receiving Facility 3: New Orleans					
Operating Costs	\$ 3,866,432,490	\$ 3,732,331,642	\$ 3,724,642,791	\$ 3,732,331,637	\$ 3,732,331,637
Receiving Facility 2: Eastern Southern Hospital					
Operating Costs	-	\$ 1,615,567,362	\$ 1,455,060,772	\$ 1,615,567,363	\$ 1,615,567,363

SUMMARY					
Operating Cost Summary	Status Quo	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Gulfport					
Operating Costs	487,667,400	118,591,375	353,081,069	117,856,007	117,856,007
Receiving Facility 1: Biloxi					
Operating Costs	3,357,911,365	\$ 2,005,714,614	\$ 1,851,607,074	\$ 1,986,810,945	\$ 1,899,594,565
Receiving Facility 2: New Orleans					
Operating Costs	3,866,372,816	\$ 3,732,331,642	\$ 3,732,331,637	\$ 3,732,331,637	\$ 3,732,331,637
Receiving Facility 3: Eastern Southern Hospital					
Operating Costs	-	\$ 1,615,567,362	\$ 1,490,595,231	\$ 1,615,567,363	\$ 1,615,567,363

Gulfport has a total annual operating cost (including salaries, operating supplies, equipment, contracts, extra vehicles, and utilities) of over \$7,000,000, based upon FY 2001 data. In addition to this recurring cost, there are non-recurring needs to keep the facility at an acceptable occupation level that exceed \$5,600,000 (based upon the updated Facility Condition Assessment.) Finally, the standby generator that provides back-up power in case of a power loss is almost 30 years old and is in need of a total rebuild or replacement.

Biloxi, the receiving facility, has insufficient space to absorb the Gulfport functions without new construction and renovations to improve current space and functional efficiency but there is more than sufficient land to accommodate any new construction needed. The original Cares Market plan is the most expensive of the three plans studied for the closure of Gulfport and the preferred plan is alternate 1. While it is not as cost effective as alternate 2, it is more cost effective than the original market plan and, in contrast to alternate 2, it provides a single standard of care for all inpatient care provided by the GCVHCS. It also

provides much better access to the veteran than alternate 2 and limits the confusion experienced when patronizing a large health care facility. There are also concerns about the capacity of Alternative 2 to provide care during times of increased military activity and heightened security. Ultimately, alternate 1 provides higher quality and more seamless patient care than either the original market plan or alternate 2.

- **Human resources:**

The impact on staffing will result in a reduction of staff in programs that are duplicated at the Gulfport Division. The reduction will be minimal and will be effected through attrition. Some positions may be restructured to better meet the needs of the organization. No Reduction in Force is planned or anticipated. Impact on the community will result in a shift of staffing resources from the Gulfport area to Biloxi. However, due to the close proximity of these two divisions, the impact will be minimal. Impact on the community will be improved as to Biloxi, and may be greatly improved for Gulfport if the proposed enhanced use plan is successful.

Actual employment levels are projected to decrease in some departments without negatively affecting services provided. The following estimates are made based on PP25, FY01 staffing and salary levels.

Department	Potential FTE Reduction	Potential Salary Savings
Engineering (Adm & Chief)	0.54	\$ 50,698
Ground Maintenance staff	3.30	142,845
Biomed Engineering staff	0.62	46,323
Plant Operations staff	7.14	408,022
Operating Equipment M&R	3.25	158,695
Transportation Staff	2.30	102,303
Recurring M&R staff	20.00	1,004,425
Waste Management staff	1.36	44,338
Sanitation Department staff	25.23	450,000
Police & Security staff		400,603
Food & Nutrition staff	37.73	775,000
Bed Svs/Patient Assist. Staff	3.11	97,966
Total estimated FTE/Salary	104.58	3,681,218

Data source: DSS, Engineering Department, Fiscal Department

With the addition of a Blind Rehabilitation Center, the overall health system employment levels may not decrease as much as the above projections.

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

The Gulfport Division of the VA Gulf Coast Veterans Health Care System (VAGCVHCS) was constructed in the 1920s. The facility currently provides significant portions of inpatient psychiatric care, outpatient mental health, dementia care, and primary care. The facility consists of 37 buildings and other structures located on 93 acres.

All inpatient psychiatry and all dementia care (56-bed Alzheimer's Dementia Unit) are located at the Gulfport Division. The overlapping services are administrative and clinical support services such as engineering, environmental management, psychology, and volunteer and rehabilitation services. In addition, administrative services for the VAGCVHCS such as Fiscal, MCCR, A&MM, and Fee Basis are located at the Gulfport Division along with Veteran Service Organization offices.

Integration of services and identification of additional clinical and administrative space will be required. New clinical space will have to be built on the Biloxi campus to consolidate all clinical services in addition to construction for the Blind Rehabilitation Center.

The consolidation of Gulfport and Biloxi would not result in loss of services and, in fact, would enhance existing services through greater accessibility to a full range of services. Closer proximity to a full range of services would result in other benefits to veterans. These benefits include enhancing the provision of one standard of care by all patient care services being geographically co-located. These benefits include, (1) mental health and dementia patients would have better access to the emergency room through eliminating the need to be transported eight miles to the Biloxi emergency room; (2) mental health and dementia patients would have better access to other ancillary services such as laboratory, radiology, and nuclear medicine; (3) all long term care patients would be on one campus providing nursing greater flexibility in meeting staffing needs; (4) mental health patients with chronic diseases would have better access to acute care while nursing staff would have access to mental health staff for consultation during acute care admissions; (5) veterans in the domiciliary would not have to travel to Gulfport to attend the Day Treatment Program; (6) outpatients would have to come to only one campus to obtain primary care, prosthetics, billing information, and compensation and pension exams; and (7) there would be better geographic facilitation to providing a continuum of health care.

Expansion of the Visually Impaired Program to a comprehensive Blind Rehabilitation Program will require additional space. In other programs, the veterans are housed at the location for the full extent of the initial rehabilitation. During this rehabilitation, they are trained on use of assistive devices and life

style modifications. Therefore, there would need to be housing available and space for rehabilitation equipment. These options have not been fully explored at this time.

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

Closing of the Gulfport Division, and co-location of the Gulf Coast Veterans Health Care System's research activities will require Research and Development Program administrative and clinical infrastructure at the Biloxi Division. Co-location of these resources at the Biloxi Division would have an overall positive impact on the research program. This move would improve efficiency of research administration staff, promote growth of the research program, and allow enhanced oversight of research protocols.

Efficiency of the research program would be improved in various ways. Deposits and expenditures of research-assigned general post accounts would be centralized and no longer require station-to-station travel. Currently, research equipment must be delivered to the Gulfport Division for appropriate logging in and reconciling of account balances then delivered to investigators at the Biloxi Division. Also, research staff must travel from the Gulfport Division to the Biloxi Division where all research deposits are logged in by the Director's Office for appropriate tracking. Educational presentations and scheduled meetings would be much easier to facilitate and would not have to be duplicated between locations.

Co-locating would allow for potential research growth through increased mentoring opportunities between current research investigators and those clinicians who may have an interest in pursuing research endeavors. The Research Office would be readily available and on-site to answer all research-related questions of current and potential research investigators and study staff. Study staff would easily access research files held in the Research Office. This change would also allow research to have a greater presence within the GCVHCS.

The majority of research participants would be recruited from a single facility in which the Research Office would also be located. Study participants would then have a clearer understanding of the research structure at the facility. Co-location at the Biloxi Division would also have the advantage of placing these research resources next door to DoD facilities (Keesler AFB), thus further promoting VA-DOD sharing initiatives through joint research projects (e.g., clinical trials).

Oversight of current research initiatives would be more easily accomplished. Co-locating would allow for more day-to-day contact with participants and potential participants to answer any questions or address any concerns they may have. Personnel responsible for research oversight would have more opportunities to observe the informed consent process to ensure its appropriateness. Regularly scheduled and emergency IRB and R&D Committee meetings would be

facilitated more efficiently as members would not have to travel between divisions to attend meetings. A centralized location for storage of all identifiable research records for closed studies would improve current privacy and confidentiality measures.

Co-location of clinical and research activities at the Biloxi Division would have several advantages relative to the enhancement of academic affiliations. The provision of appropriate supervision of clinical trainees is accomplished much easier and more efficiently if these activities take place on a single campus. Medical school affiliations from Tulane and the University of South Alabama can be more easily administered and coordinated at a single campus given that these trainees would already be traveling 60 miles for educational experiences. Allied health affiliations could also be enhanced through single-campus seminars and clinical rotation availability that simply would not be as efficient or effective across two divisions.

Finally, the Gulfport Division would provide an opportunity for enhancing academic affiliations through the Enhanced Use leasing program. The campus provides an optimal location and infrastructure to be developed as co-located facilities for existing local universities. These institutions, including The University of Southern Mississippi, Mississippi Gulf Coast Community College, and William Carey College, could develop university resources such as classroom facilities, bookstores, and canteen facilities on a single, centrally located campus. This opportunity would be consistent with other strategies in this area to provide geographically dispersed, convenient campus access. This approach is especially important in a decentralized coastal community in order to provide maximal access to educational opportunities, and has the potential to significantly improve the lives of VISN 16 veterans.

- **Reuse of the Realigned Campus:**

The Gulfport Division of the VA Gulf Coast Veterans Health Care System (VAGCVHCS) was constructed in the 1920's. The facility is primarily utilized for providing inpatient psychiatric care, dementia care, outpatient mental health, and primary care. The facility consists of 37 buildings and other structures located on 93 acres. Fifty-three acres are located adjacent to US Highway 90, with beachfront access to the Gulf of Mexico. Currently, inpatient units, administrative services, support services and tenants occupy 315,116 square feet of space.

The GCVHCS has attempted to utilize the Enhanced Use Leasing Authority for a long-term lease of the Gulfport property. In FY 99, a plan was developed to move all services, with the exception of the laundry and boiler plant, to the Biloxi Division. A site visit was conducted by the Director of the Office of Enterprise and Economic Development in FY 2000 to assess the Gulfport property for an enhanced-use lease project. The property was recommended as a prime site for an enhanced-use lease project, but was halted due to political opposition.

Recently, however, several new reuse themes have been considered such as: expansion property for the Armed Forces Home, which is located just east of the Gulfport property. The Armed Forces Home (a retirement center) is currently undergoing a large expansion, and any future developments would only be considered after this major addition is completed and activated. Another potential use for part of the property could be a future Mississippi State Veterans Home. Currently, the closest State Veterans Home is in Collins, MS, which is approximately 100 miles North of Gulfport on U. S. Highway 49. However, based upon the most current information, there are no plans to open a State Veterans Home in the southern section of the State, or along the Gulf Coast.

The most recent concept for reuse of the Gulfport property is to develop the entire site, or most of the southern portion of the site, into a multiplexed University campus. Currently along the Gulf Coast, there are three major universities and colleges, and several branches of the Mississippi State Junior College system. The University of Southern Mississippi is located in an old Military Academy site in Long Beach, MS, and is purported to be full in terms of buildings/property needed for future expansion. Tulane University, which is currently residing in part of the Edgewater Mall in Biloxi, has utilized all of the available space that was vacant at the Mall, and William Cary College in Gulfport has a very limited campus, and even more limited infrastructure. It is important to note that ALL of these institutions of higher learning are experiencing dramatic growth.

The three Gulf Coast counties are approaching a total population of 400,000, with industrial and business growth prospering well ahead of the state and national averages. It is a well-known fact that several other institutions of higher learning are interested in locating, or co-locating branches in the Gulf Coast of Mississippi, however, due to the start-up cost for branches, as well as the lack of high-visibility property locations, this demand has not been met. In the Gulf Coast geographic area, students drive to universities in Alabama (University of South Alabama, Faulkner State, etc.), as well as Louisiana (Tulane, Loyola, etc.), an also north to University of Mississippi, Mississippi State, etc.

The potential for a centralized, shared university campus complex is not new. Several larger cities have utilized this shared campus plan with great success for many years. The shared campus concept allows for university and college branches to co-exist together, but to share common elements and services, thereby reducing the start-up cost and operational costs. There are also many other advantages to the shared campus, such as course offerings, variable class scheduling for working students, bookstore, cafeteria, recreational amenities, parking, and other ancillary functions.

In summary, the Gulfport VA site is an excellent location for a shared University campus for the Gulf Coast. Specifically, since the existing buildings readily lend themselves to easy renovation for classrooms, as well as the overall hospital setting being similar in function to a college campus. Since an enhanced-use

lease could offer long-term leasing potential, many colleges and universities may be interested in co-locating branches at this ideal coastal site. In addition to the base lease income, since the VA is planning to retain the boiler plant and other utility systems, the operating costs and revenue projections from tenants can be maximized for economic return to support the new infrastructure expansion at the Biloxi campus.

As a footnote, in addition to a great revenue stream, it is highly probable that the VA itself will gain from the additional education opportunities, such as increasing our role with affiliates, increasing the opportunities for specialized medical training in Nursing and other areas, and increasing the potential for research programs that could support the VA mission. This plan has very high potential for success.

- **Summarize alternative analysis: See next page**

Preferred alternative description and rationale:	ALT #1 - Close Gulfport Division, convert property to a revenue-producing Enhanced-Use Leasing site. Construct New Major construction at Biloxi to accommodate patient workload from Gulfport, Keesler AFB workload, new and expanded programs from the CARES planning initiatives, and additional services to DoD partners. The rationale for this alternative over others considered, is control and prediction of the outcomes for veteran patient services in a single consolidated location, to produce a single standard of care; Consolidation, along with the Enhanced-Use Leasing revenue stream will yield cost efficiencies unmatched in any other scenario. This alternative is the most balanced alternative in terms of workload, infrastructure, and VA mission and goals.
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	Status Quo	Market Plan	Alternate # 1	Alternate # 2
Short Description:	Gulf Coast Veterans Health Care System operates campuses at Biloxi and Gulport.	Close Gulfport Division and enter into an enhanced use leasing agreement for the majority of the property. Enter into a sharing agreement for provision of clinical services with Keesler Air Force Base. Additional space will be provided at Biloxi via minor and NRM construction.	Close Gulfport Division and enter into an enhanced use lease agreement for the majority of the property. Construct new facilities at Biloxi via major construction to accommodate federal healthcare in the area to include: services currently at Gulfport and services currently provided to Keesler Air Force Base, i.e., inpatient psychiatry.	Close Gulfport Division and enter into an enhanced use leasing agreement for the majority of the property. Enter into a sharing agreement for provision of clinical services with Keesler Air Force Base. Additional space will be provided at Biloxi via minor and NRM construction. This option was the original market plan alternative # 1. VISN 16's original alternatives have been switched due to recent changes in space availability at Keesler Air Force Base. An alternative which includes sharing with Keesler was retained as local command support for sharing may change again during the CARES process.
Total Construction Costs		\$ 49,888,232	\$44,638,782	\$ 49,001,939
Life Cycle Costs	\$8,000,328,305	\$7,573,345,613	\$7,510,690,673	\$7,563,505,331

<p>Impact on Access</p>	<p>Limitations on access due to continuation of dual campus for veterans services.</p>	<p>Some improvement in access would be expected, however, coordination with Keesler AFB for services is in doubt.</p>	<p>Preferred alternative, which would improve access greatly. Total control of patient access could be achieved due to single campus.</p>	<p>Some improvement in access would be expected, but due to current status of long-range commitment from Keesler AFB, could jeopardize complete access for veterans.</p>
<p>Impact on Quality</p>	<p>Quality would remain as is in status quo, with little or no means for improvement.</p>	<p>Quality would be improve due to a single standard of care, however issues with the Keesler component would restrict quality measures.</p>	<p>Quality would greatly improve due to consolidated campus, which would result in a single standard of care. Total control of quality performance measures would be attainable without outside issues.</p>	<p>Quality would be improved, however, due to uncertain programmatic planning and continued sharing agreements with Keesler AFB, many questions would be unresolved as to the quality of patient care.</p>
<p>Impact on Staffing & Community</p>	<p>Staffing issues would remain constant in status quo, with little change from the existing.</p>	<p>Staffing issues will change in the consolidated alternative, but given the time of complete transfer, and through attrition, there will be little or no negative impacts on staffing. Community improvements will result in an expansion of the Biloxi campus, and could be even more positive for Gulfport as a result of the Enhanced-Use Leasing plan.</p>	<p>Staffing issues will change due to the consolidation from two to one division. However, due to timelines for complete transfer and activation of of clinical service programs at Biloxi, and attrition through this timeline, little or no negative staffing effects will be encountered, and no Reduction in Force is anticipated.</p>	<p>Staffing issues will change due to the consolidation to a single campus at Biloxi, but due to timelines for completion of the transfer of services, and through attrition, little or no negative impacts are expected. Community issues could be effected subject to sharing agreements with Keesler, and the availability of medical service workload predictability at Keesler AFB, which is an unknown quantity at this time.</p>

<p>Impact on Research and Education</p>	<p>In the status quo alternative, there will be little or no change in the levels of Research of Education.</p>	<p>Due to the consolidation into one campus, and the potential for new educational partners and other pro-active uses on the Enhanced-Use Leasing of the Gulfport campus, some additional research and educational support could be expected.</p>	<p>Consolidation into a single campus at Biloxi will offer conditions favorable for increased research and educational improvements. If the enhanced use plan at Gulfport becomes a reality, additional educational benefits directly connected to the VA mission could be expected. Research could be positively affected due to increase in clinical programs.</p>	<p>Some additional increase in research and education support would be expected due to consolidation and some new programs, however, due to the unknown quantity of future sharing agreements with Keesler, specific positive indicators are not currently available to assess the future.</p>
<p>Optimizing Use of Resources</p>	<p>The status quo would not optimize resources, and is one of the reasons for consolidation.</p>	<p>This alternative resolves the issue of dual campus close proximity, and would have a drastic positive effect on resource cost. But due to the unknown issues with the sharing agreement's future with Keesler AFB, future resource issues will still remain in doubt.</p>	<p>This alternative would have the greatest positive effect of resource accountability. By consolidating all services, and providing the potential for expanded workload, including additional referral workloads from other medical centers, and supporting the Eastern Southern Market, this resource plan will be the most cost-effective over the planning period.</p>	<p>This alternative resolves the issue of dual campus's in close proximity, and would have a drastic positive effect on resource cost. But due to the unknown issues with the sharing agreement's future with Keesler AFB, future resource issues will still remain in doubt.</p>
<p>Support Other Missions of VA</p>	<p>Continues the levels of DoD support as currently provided by sharing agreements.</p>	<p>Could enhance future DoD sharing agreements, specifically with Keesler AFB, but due to unknown future directions of Keesler medical management, the entire support mission to Keesler is undetermined.</p>	<p>For this preferred alternative, DoD sharing will be increased at every level possible, including the potential of new sharing partners, and including the support given to the Eastern Southern Market.</p>	<p>Could enhance future DoD sharing agreements, specifically with Keesler AFB, but due to unknown future directions of Keesler medical management, the entire support mission to Keesler is undetermined.</p>

<p>Other Significant Considerations</p>	<p>In the status quo, cost of operations and seamless patient care improvements cannot improve.</p>	<p>Consolidation into one campus will benefit operation and maintenance costs, however, the potential unknowns with extensive sharing agreements with Keesler AFB, are impossible to plan effectively over the planning period. Enhanced-Use Leasing of the Gulfport site will be a positive and revenue-producing vehicle for supporting the infrastructure needs of the Biloxi campus.</p>	<p>This alternative solution offers the best future plan for serving veterans in this market area, including the potential for incorporating additional and transferred workload. A single standard of care and improvement of all performance measures can be achieved under one physical location. The potential success of the Gulfport Enhanced-Use Leasing plan could well support the entire infrastructure needs of the Biloxi campus.</p>	<p>Consolidation into one campus will benefit operation and maintenance costs, however, the potential unknowns with extensive sharing agreements with Keesler AFB, are impossible to plan effectively over the planning period. Enhanced-Use Leasing of the Gulfport site will be a positive and revenue producing vehicle for supporting the infrastructure needs of the Biloxi campus.</p>
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