



VA Recommendations to the

# ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022



# **VISN 04**

Market Recommendations



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## VISN 04 Eastern Market

The Veterans Integrated Service Network (VISN) 04 Eastern Market serves Veterans in eastern Pennsylvania, Delaware, and southern New Jersey. The recommendation includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.<sup>1</sup>

### VA's Commitment to Veterans in the Eastern Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 04's Eastern Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

Based on substantial data analysis, interviews with VISN and VA medical center (VAMC) leaders, consultation with senior VA leadership, and the input received from Veterans and stakeholders, VA has developed a recommendation designed to ensure that Veterans today and for generations to come have access to the high-quality care they have earned. The recommendation also makes sure that VA continues to execute on its additional missions: education and training, research, and emergency preparedness. As VA considers implementing any recommendation approved by the Asset and Infrastructure Review (AIR) Commission, implementation will be carefully sequenced so that facilities or partnerships to which care will be realigned are fully established before the proposed realignment occurs.

### Market Strategy

While this large market's enrollment and acute inpatient and residential rehabilitation treatment program (RRTP) demand is projected to decrease, community living center (CLC) and outpatient demand is projected to increase. In two submarkets (Wilkes-Barre and Wilmington) Veterans are traveling outside their local medical markets to access VA care. Some primary care points of care are not located to maximize access and most of the medical center infrastructure is from the 1950s or earlier. The strategy for the market is intended to provide Veterans today and in the future with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation invests in expanded outpatient sites offering primary care, mental health, and low-acuity specialty services to better distribute care to more sustainable locations as well as decompress and modernize existing VAMC campuses. The recommendation includes six new outpatient clinics in Coatesville, Scranton, Danville, East Stroudsburg, Hazleton, and Gettysburg, Pennsylvania. It also includes the consolidation of six points of care to existing or new points of care and relocates the multi-

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<sup>1</sup> Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

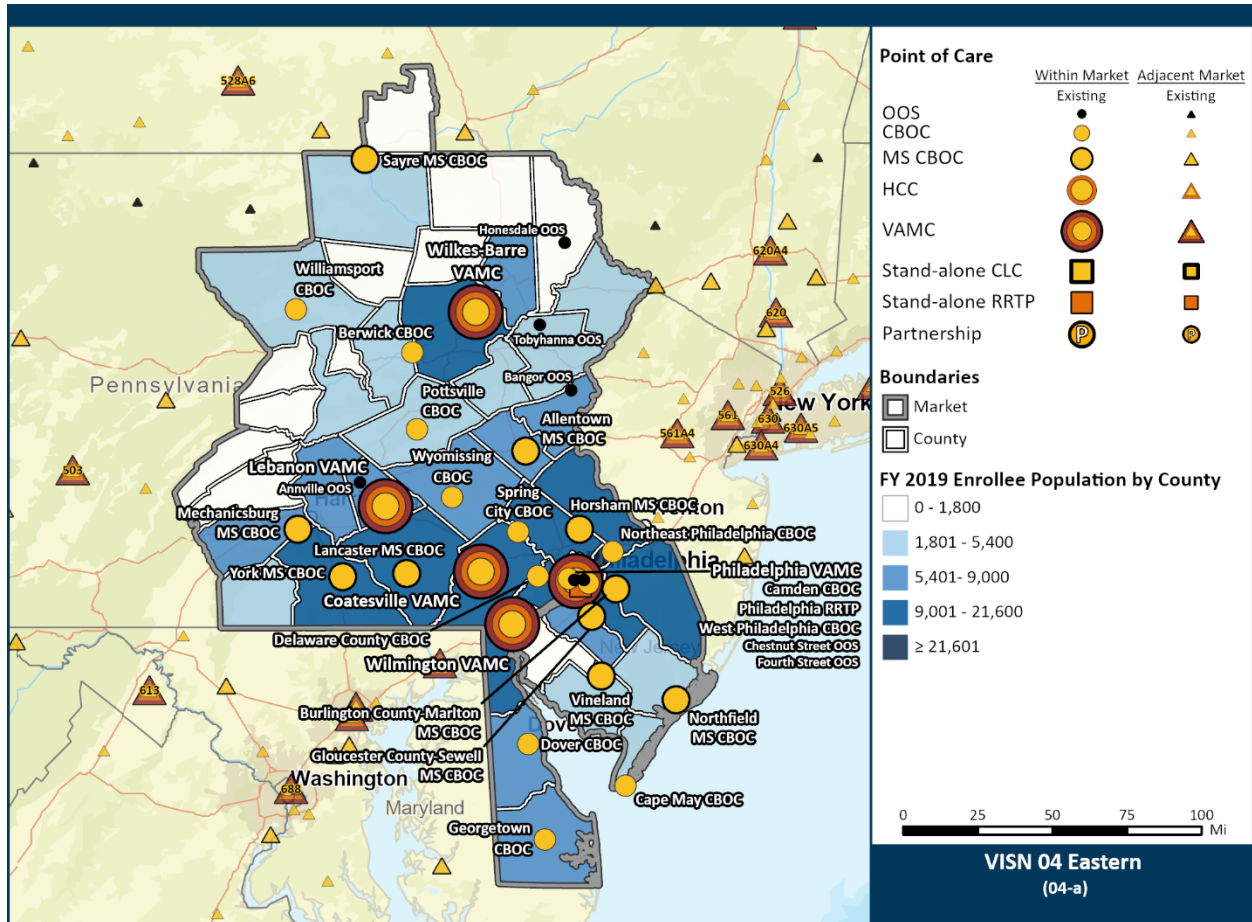
specialty community-based outpatient clinic (MS CBOC) in Mechanicsburg to improve access for Veterans.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation invests in a new inpatient mental health facility through a strategic collaboration in Philadelphia, Pennsylvania, and maintains the sustainable program at the Lebanon VAMC. The recommendation invests in new CLC facilities in King of Prussia, Pennsylvania; Camden, New Jersey; and Wilkes-Barre, Pennsylvania; and modernizes the facility at the Wilmington, Delaware VAMC to maintain care for Veterans with the most complex needs. VA recommends investing in five new RRTP facilities (in Philadelphia, Wilmington, King of Prussia, Wilkes-Barre, and Camden) to provide comprehensive care that may not be readily available in the community. New inpatient blind rehabilitation capabilities are also planned in the proposed King of Prussia VAMC to supplement the northeast’s capacity for this critical service. Demand for inpatient spinal cord injuries and disorders (SCI/D) care will be met through the regional hub at the Bronx, New York VAMC in VISN 02.
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation invests in a new facility in Philadelphia through a strategic collaboration and maintains the program at the Lebanon VAMC. The recommendation increases access and quality through the use of community providers in the Wilmington and Wilkes-Barre submarkets with ongoing care coordination by VA.

## Market Overview

The market overview includes a map of the Eastern Market, key metrics for the market, and select considerations used in forming the market recommendation.

### Market Map



Note: A partnership is a strategic collaboration between VA and a non-VA entity.

**Facilities:** The market has 5 VAMCs (Coatesville, Lebanon, Philadelphia, Wilkes-Barre, and Wilmington), 1 stand-alone RRTP, 10 MS CBOCs, 12 community-based outpatient clinics (CBOCs), and 6 other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 255,316 enrollees and is projected to experience a 10.9% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Philadelphia, Pennsylvania; Montgomery, Pennsylvania; and New Castle, Delaware.

**Demand:** Demand<sup>2</sup> in the market for acute inpatient medical and surgical services is projected to decrease by 1.1% and demand for inpatient mental health services is projected to decrease by 8.1% between FY 2019 and FY 2029. Demand for long-term care<sup>3</sup> is projected to increase by 25.6%. Demand

<sup>2</sup> Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

<sup>3</sup> Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.



for all outpatient services,<sup>4</sup> including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 23.2% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 84.7% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 82.5% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers<sup>5</sup> in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate<sup>6</sup> of 67.6% (3,394 available beds)<sup>7</sup> and an inpatient mental health occupancy rate of 73.0 (107 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 85.0% (1,164 available beds). Community residential rehabilitation programs<sup>8</sup> that match the breadth of services provided by VA are not widely available in the market.

**Mission:** VA has academic affiliations in the market that include Penn State University, Geisinger Commonwealth School of Medicine, Wright Center for Graduate Medical Education, Drexel University, Rowan University, Thomas Jefferson University, and University of Pennsylvania. The Coatesville VAMC is ranked 136 out of 154 VA training sites based on the number of trainees, the Lebanon VAMC is ranked 88 out of 154, the Philadelphia VAMC is ranked 15 out of 154, the Wilkes-Barre VAMC is ranked 91 out of 154, and the Wilmington VAMC is ranked 106 out of 154. The Philadelphia VAMC is ranked 28 out of 103 VAMCs with research funding, the Wilkes-Barre VAMC is ranked 101 out of 103, the Coatesville VAMC is ranked 86 out of 103, and the Wilmington VAMC is ranked 98 out of 103. The Lebanon VAMC conducts limited or no research. The Philadelphia VAMC is designated as a Primary Receiving Center.<sup>9</sup> The other VAMCs do not have an emergency designation.

## Facility Overviews

**Coatesville VAMC:** The Coatesville VAMC is located in Coatesville, Pennsylvania, approximately 45 miles west of Philadelphia, and offers inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Coatesville VAMC had an inpatient mental health average daily census (ADC) of 19.3, a CLC ADC of 88.9, and an RRTP ADC of 107.9.

<sup>4</sup> Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

<sup>5</sup> Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

<sup>6</sup> Occupancy rates are calculated by dividing the average daily census (ADC) by the total number operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

<sup>7</sup> Available beds in the community market are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

<sup>8</sup> Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

<sup>9</sup> VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

The Coatesville VAMC was built in 1930 on 129 acres and does not meet current design standards.<sup>10</sup> Facility condition assessment (FCA) deficiencies are approximately \$120.8M, and annual operations and maintenance costs are an estimated \$15.4M.

**Lebanon VAMC:** The Lebanon VAMC is located in Lebanon, Pennsylvania, approximately 90 miles northwest of Philadelphia, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP and outpatient services. In FY 2019, the Lebanon VAMC had an inpatient medical and surgical ADC of 15.0, an inpatient mental health ADC of 14.9, a CLC ADC of 64.8, and an RRTP ADC of 48.9.

The Lebanon VAMC was built in 1947 on 216 acres and does not meet current design standards. FCA deficiencies are approximately \$38.0M, and annual operations and maintenance costs are an estimated \$14.0M.

**Philadelphia VAMC:** The Philadelphia VAMC is located in Philadelphia, Pennsylvania, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, rehabilitative medicine, and outpatient services. In FY 2019, the Philadelphia VAMC had a medical and surgical ADC of 51.1, a mental health ADC of 26.3, a CLC ADC of 96.9, an RRTP ADC of 29.0, and a rehabilitative medicine ADC of 3.4.

The Philadelphia VAMC was built in 1950 on 22.0 acres and does not meet current design standards. FCA deficiencies are approximately \$122.4M, and annual operations and maintenance costs are an estimated \$20.3M.

**Wilkes-Barre VAMC:** The Wilkes-Barre VAMC is located in Wilkes-Barre, Pennsylvania, approximately 110 miles north of Philadelphia, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Wilkes-Barre VAMC had an inpatient medical and surgical ADC of 17.9, an inpatient mental health ADC of 6.8, a CLC ADC of 77.6, and an RRTP ADC of 8.4.

The Wilkes-Barre VAMC was built in 1950 on 49.9 acres and does not meet current design standards. FCA deficiencies are approximately \$84.2M, and annual operations and maintenance costs are an estimated \$9.7M.

**Wilmington VAMC:** The Wilmington VAMC is located in Wilmington, Delaware, approximately 40 miles southwest of Philadelphia, and offers inpatient medical and surgical, CLC, and outpatient services. In FY 2019, the Wilmington VAMC had an inpatient medical and surgical ADC of 12.0 and a CLC ADC of 37.8.

The Wilmington VAMC was built in 1948 on 32.0 acres and does not meet current design standards. FCA deficiencies are approximately \$25.9M, and annual operations and maintenance costs are an estimated \$10.2M.

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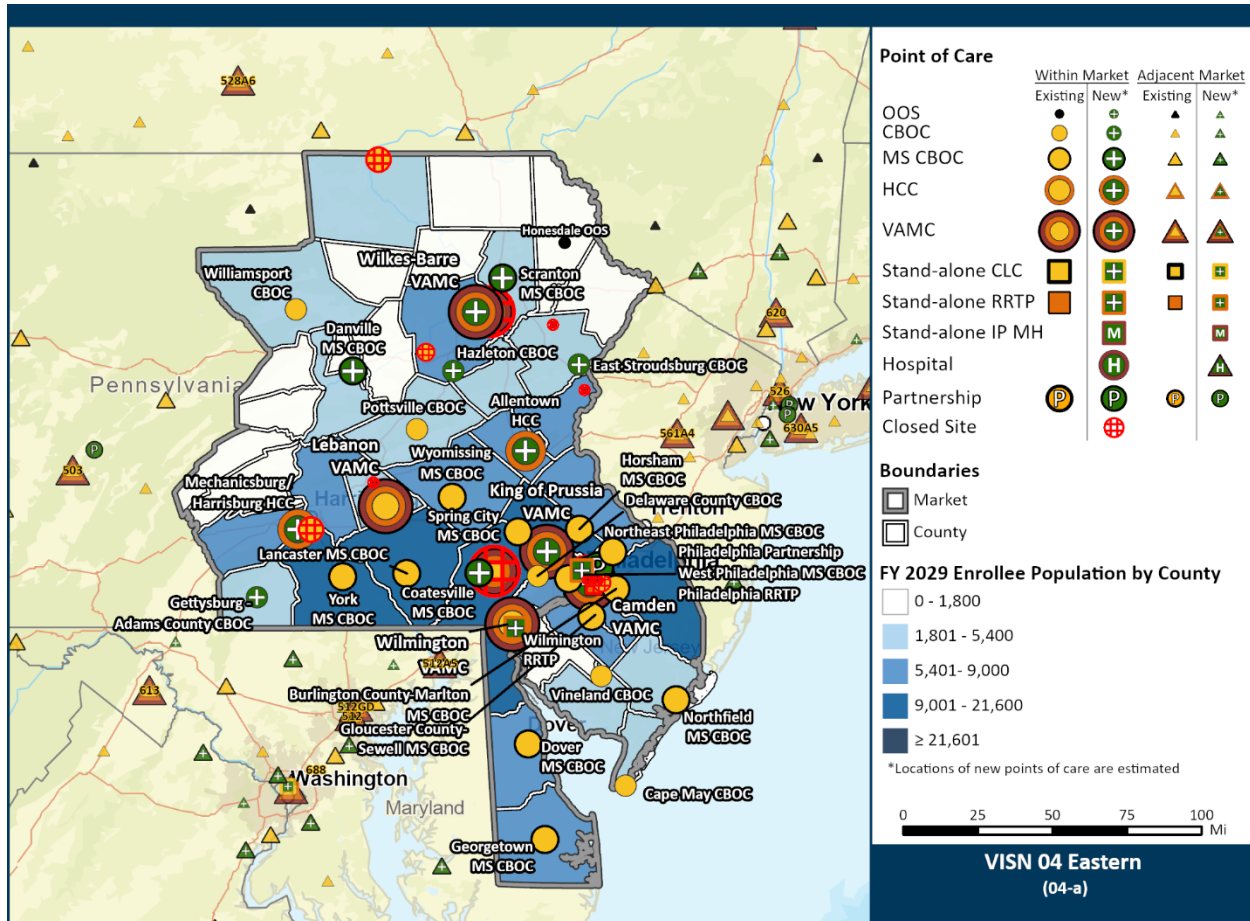
<sup>10</sup> Beginning in the late 1970s, modern health care design principles began to emerge and become more standard (e.g., floor-to-floor heights, corridor widths, column spacing, and utility infrastructure requirements). While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.



## Recommendation and Justification

This section details the VISN 04 Eastern Market recommendation and justification for each element of the recommendation.

### Future Market Map



#### 1. Modernize and realign the Wilmington VAMC by:

- 1.1. Relocating inpatient medical and surgical services to community providers and discontinuing those services at the Wilmington VAMC: The Wilmington VAMC had an inpatient medical and surgical ADC of 12.0 in FY 2019, and demand is projected to decrease to 9.8 ADC in FY 2029. This includes patients who travel more than 60 minutes from neighboring community medical markets. Relocating inpatient medical and surgical services to local community providers maintains Veteran access and improves system sustainability. Community providers have adequate capacity to absorb Veteran demand. As of 2019, community providers within a 60-minute drive time of the Wilmington VAMC had an inpatient acute occupancy rate of 69.8% (1,497 available beds).

- 1.2. Rescoping the emergency department at the Wilmington VAMC to an urgent care center:**  
Given the recommendation to relocate inpatient medical and surgical services to community providers, emergency department services are no longer needed at the Wilmington VAMC. Utilizing convenient community access points to provide emergency departments services and rescoping to an urgent care center will allow the Wilmington VAMC to align with the appropriate level of care needed to treat Veterans. Annual emergency department visits for the past several years have averaged 8,177. These low volumes can effectively be absorbed by the community.
- 1.3. Modernizing the existing Wilmington VAMC CLC:** The CLC includes some shared patient rooms. Private rooms improve patient satisfaction, reduce infection rates, increase operational flexibility, and adhere to national planning standards. The Wilmington VAMC's projected FY 2029 CLC ADC is 43.2.
- 2. Modernize by establishing a new stand-alone RRTP in the vicinity of Wilmington, Delaware:**  
Currently, there is no RRTP in the Wilmington, Delaware, area and local Veterans are traveling more than one hour away to the Coatesville VAMC for RRTP care. Given the proposed closure of the Coatesville VAMC campus, there will be adequate demand from the Coatesville, Pennsylvania, area and existing demand from the Wilmington, Delaware, area to support a stand-alone RRTP in the vicinity of Wilmington, Delaware. The Eastern Market is projected to have a total RRTP bed need of 187 ADC by FY 2028. Providing RRTP outside of the Wilmington VAMC improves care and recovery for Veterans by allowing them to receive care in the community setting versus an institutional setting.
- 3. Modernize and realign the Coatesville VAMC by:**
- 3.1. Relocating inpatient and outpatient mental health, CLC, RRTP, and outpatient services from the Coatesville VAMC to existing or future VA facilities and discontinuing those services at the Coatesville VAMC:** The Coatesville VAMC was built in 1930 and has significant facilities maintenance issues. The infrastructure does not meet current design standards for modern health care, provides limited flexibility, and has significant architectural and engineering challenges. The physical layout of the buildings creates inefficiencies that are impacting clinical, administrative, and facility support services. This recommendation relocates primary care, outpatient mental health, and outpatient specialty care services to a new MS CBOC in Coatesville, Pennsylvania, to maintain access for local Veterans. In FY 2019, there were 8,501 enrollees within 30 minutes of the proposed site and 73,481 enrollees within 60 minutes. The recommendation relocates inpatient mental health services to the more sustainable Lebanon and Philadelphia VAMCs, relocates CLC services to proposed new facilities in Camden, New Jersey, and King of Prussia, Pennsylvania, and relocates RRTP services to the proposed new stand-alone RRTP facilities in Wilmington, Delaware, and proposed new facilities in Camden, New Jersey, and King of Prussia, Pennsylvania.
- 3.2. Closing the Coatesville VAMC:** Relocating services to more modern and conveniently located facilities for Veterans will allow for closure of the existing VAMC.

**4. Modernize and realign the Philadelphia VAMC by:**

**4.1. Establishing a strategic collaboration to provide inpatient medicine and surgery, inpatient mental health, inpatient rehabilitation medicine, CLC, emergency department, and outpatient services and discontinuing those services at the Philadelphia VAMC. If unable to enter into a strategic collaboration, construct a new VAMC with those same services in the vicinity of Philadelphia, Pennsylvania:** The Philadelphia VAMC is centrally located in Philadelphia, landlocked, and on desirable real estate. It is adjacent to the University of Pennsylvania hospital and college campus, as well as other hospitals. The academic affiliation between the University of Pennsylvania and the Philadelphia VAMC is critical to the large specialty care, inpatient, CLC, RRTP, and research and education programs operated by VA. Establishing a strategic collaboration between the University of Pennsylvania and the Philadelphia VAMC, while maintaining capacity to provide all Philadelphia VAMC's current services, will strengthen care quality and the academic and research missions. Developing two new VAMCs in the Camden, New Jersey, and King of Prussia, Pennsylvania, areas with CLC, RRTP, primary care, outpatient mental health, and outpatient specialty care services will allow the Philadelphia VAMC to free up specialty care space in the currently compressed downtown facility for more complex cases. In FY 2019, there were 103,278 enrollees within 60 minutes of the Philadelphia VAMC. The VAMC has a projected inpatient medical and surgical ADC of 42.5, inpatient mental health ADC of 22.3, and CLC ADC of 104.2 in FY 2029. Demand for outpatient specialty services in the market is projected to increase 59.9% from FY 2019 to FY 2029.

**4.2. Relocating the RRTP at the Philadelphia VAMC to a new VA facility in the vicinity of Philadelphia, Pennsylvania:** The current RRTP at the Philadelphia VAMC is three miles away from the site and has lease and facility maintenance concerns. A relocation of the RRTP to another offsite location improves the environment of care while maintaining it in a community setting versus an institutional setting. The Eastern Market has a projected RRTP ADC of 158.8 in FY 2028.

**4.3. Closing the existing Philadelphia VAMC:** Relocating services to more modern facilities for Veterans will allow for closure of the existing VAMC.

**5. Modernize and realign services by constructing a new VAMC with CLC, RRTP, and outpatient services in the vicinity of Camden, New Jersey:** The Camden, New Jersey, area is the referral center for higher levels of care in Southern New Jersey. The new facility replaces the existing Camden CBOC and will offer primary care, outpatient mental health, outpatient specialty care, CLC, and RRTP services. Relocating CLC and RRTP patients from the Coatesville VAMC to the new Camden VAMC will improve access for Veterans and their families from Southern New Jersey, while allowing the closure of the 1930s Coatesville VAMC. In FY 2019, there were 105,783 enrollees within 60 minutes of the proposed site.

**6. Modernize and realign services by constructing a new VAMC with CLC, RRTP, and outpatient services in the vicinity of King of Prussia, Pennsylvania:** The King of Prussia, Pennsylvania, area is accessible for Veterans and is at the crossroads of Philadelphia suburban commuter routes. The new facility will offer primary care, outpatient mental health, outpatient specialty care, CLC, RRTP, and blind rehabilitation services. Relocating CLC and RRTP patients from the Coatesville VAMC to the new King of Prussia VAMC campus will improve access for Veterans and their families, while

allowing the closure of the 1930s Coatesville VAMC. In FY 2019, there were 116,554 enrollees within 60 minutes of the proposed site.

## **7. Modernize and realign the Wilkes-Barre VAMC by:**

- 7.1. Constructing a replacement VAMC with CLC, RRTP, and outpatient services in the vicinity of Wilkes-Barre, Pennsylvania:** There are significant facilities maintenance issues, investment requirements, and architectural and engineering challenges at the current 1950s Wilkes-Barre VAMC. The facility is excessively large for VA's future envisioned mission in Wilkes-Barre, Pennsylvania. The VAMC's hill side site has limited adaptability for future facility evolutions. The replacement VAMC has a projected FY 2029 CLC ADC of 84.4. The existing Wilkes-Barre VAMC has 10 RRTP beds, and the replacement VAMC will include 16 RRTP beds. This supports the Eastern Market's FY 2028 RRTP bed need of 187, with proposed RRTP facilities in Wilmington, Delaware; Philadelphia, Pennsylvania; Camden, New Jersey; King of Prussia, Pennsylvania; and the Wilkes-Barre VAMC. In FY 2019, there 27,537 enrollees within 60 minutes of the Wilkes-Barre VAMC. The VAMC will also include primary care, outpatient mental health, and outpatient specialty care.
- 7.2. Relocating inpatient medical and surgical care, inpatient mental health services, outpatient surgical services, and emergency department services from the Wilkes-Barre VAMC to community providers and discontinuing those services at the Wilkes-Barre VAMC:** Community providers have adequate capacity to absorb Veteran demand. The Wilkes-Barre VAMC had an inpatient medical and surgical ADC of 17.9 in FY 2019, and demand is projected to decrease to 16.6 in FY 2029. The inpatient mental health ADC was 6.8 in FY 2019 and is projected to increase to 8.6 in FY 2029. As of 2019, community providers within a 60-minute drive time of the Wilkes-Barre VAMC had an acute inpatient occupancy rate of 56.7% (754 available beds) and an inpatient mental health occupancy rate of 75.8% (13 available beds). With the proposed discontinuation of inpatient medical and surgical care and inpatient mental health services at the Wilkes-Barre VAMC, there is no longer a need for an emergency department services.
- 7.3. Relocating CLC, RRTP, primary care, outpatient mental health services, and outpatient specialty care provided at the existing Wilkes-Barre VAMC to the replacement VAMC in the vicinity of Wilkes-Barre, Pennsylvania:** Demand for CLC care and outpatient services is projected to increase in the next 10 years and RRTP beds are currently heavily utilized. Given the proposed closure of the Wilkes-Barre VAMC, the relocation of primary care, outpatient specialty care, urgent care, CLC, and expanded RRTP to a new campus in the vicinity of Wilkes-Barre, Pennsylvania, will improve access, sustainability, and patient satisfaction. Primary care demand is projected to increase by 71.8%, outpatient mental health by 41.3%, and outpatient specialty care by 59.9% in the Eastern Market between FY 2019 and FY 2029.
- 7.4. Closing the existing Wilkes-Barre VAMC:** With the replacement VAMC in the vicinity of Wilkes-Barre, the existing Wilkes-Barre VAMC will close.

- 8. Modernize and realign outpatient facilities in the market by:**
- 8.1. Establishing a new MS CBOC in the vicinity of Coatesville, Pennsylvania:** There is sufficient demand for primary care, outpatient mental health, and outpatient specialty care services in the vicinity of Coatesville, Pennsylvania, to necessitate a new MS CBOC following the closure of the Coatesville VAMC. In FY 2019, there were 73,481 enrollees within 60 minutes of the proposed site.
  - 8.2. Relocating the Mechanicsburg MS CBOC to a new site in the vicinity of Mechanicsburg, Pennsylvania and closing the existing Mechanicsburg MS CBOC:** The new location of the Mechanicsburg MS CBOC will be on the border of Harrisburg, Pennsylvania, and Mechanicsburg, Pennsylvania, where there is a larger enrollee population density. In FY 2019, there were 48,657 enrollees within 60 minutes of the proposed site. The relocation will allow for an increase in primary care, outpatient mental health, and outpatient specialty care capacity. With the addition of outpatient surgical services, the facility will be re-classified as a HCC.
  - 8.3. Establishing a new MS CBOC in the vicinity of Scranton, Pennsylvania:** A new MS CBOC in the vicinity of Scranton, Pennsylvania, will expand access to primary care, outpatient mental health, and outpatient specialty care services in the most sustainable location in Lackawanna County. In FY 2019, there were 26,440 enrollees within 60 minutes of the proposed site.
  - 8.4. Establishing a new MS CBOC in the vicinity of Danville, Pennsylvania:** A new MS CBOC in the vicinity of Danville, Pennsylvania, will expand access to primary care, outpatient mental health, and outpatient specialty care services in the most sustainable location in Montour County. In FY 2019, there were 20,346 enrollees within 60 minutes of the proposed site.
  - 8.5. Establishing a new CBOC in the vicinity of East Stroudsburg, Pennsylvania:** A new CBOC in the vicinity of East Stroudsburg, Pennsylvania, will expand access to primary care and outpatient mental health services while consolidating services from the Tobyhanna OOS and Bangor OOS at a larger, more sustainable site. In FY 2019, there were 4,596 enrollees within 30 minutes of the proposed site.
  - 8.6. Establishing a new CBOC in the vicinity of Hazleton, Pennsylvania:** A new CBOC in the vicinity of Hazleton, Pennsylvania, will expand access to primary care and outpatient mental health services in southern Luzerne County. In FY 2019, there were 4,424 enrollees within 30 minutes of the proposed site.
  - 8.7. Establishing a new CBOC in the vicinity of Gettysburg, Pennsylvania:** A new CBOC in the vicinity of Gettysburg, Pennsylvania, will expand access to primary care and outpatient mental health services in Adams County. In FY 2019, there were 5,048 enrollees within 30 minutes of the proposed site.
  - 8.8. Relocating all services to the proposed Camden VAMC and closing the Camden CBOC:** With the new VAMC in the vicinity of Camden, New Jersey, the existing CBOC will close.
  - 8.9. Relocating all services to the Elmira MS CBOC and closing the Sayre MS CBOC:** Relocating services from the Sayre MS CBOC to the Elmira MS CBOC will improve Veteran access while increasing system sustainability. The Elmira MS CBOC is 28 minutes away from the Sayre MS



CBOC. In FY 2019, there were 2,516 core uniques<sup>11</sup> at the Sayre MS CBOC and 15,271 enrollees within 60 minutes of the Elmira MS CBOC in VISN 02.

- 8.10. Relocating all services to the proposed Danville MS CBOC and closing the Berwick CBOC:** Relocating services from the Berwick CBOC to the new Danville MS CBOC will improve access to care for Veterans and long-term service sustainability. The new Danville MS CBOC is approximately 30 minutes from the Berwick CBOC. In FY 2019, there were 20,346 enrollees within 60 minutes of the new Danville MS CBOC.
- 8.11. Relocating all services to the Lebanon VAMC and closing the Annville OOS:** Relocating services from the Annville OOS to the Lebanon VAMC is driven by the low volume at Annville OOS and the close proximity to the Lebanon VAMC. Historically, the Annville OOS has faced challenges attracting patients and reaching sustainable levels of demand. In FY 2019, the Annville OOS served 314 core unique patients.
- 8.12. Relocating all services to the proposed Philadelphia strategic collaboration VAMC and closing the Chestnut Street OOS:** Relocating services from the Chestnut Street OOS to the proposed Philadelphia strategic collaboration VAMC maintains Veteran access while increasing system sustainability. In FY 2019, there were 198 core uniques at the Chestnut Street OOS.
- 8.13. Relocating all services to the proposed Philadelphia strategic collaboration VAMC and closing the Fourth Street OOS:** Relocating services from the Fourth Street OOS to the proposed Philadelphia strategic collaboration VAMC maintains Veteran access while increasing system sustainability. The Fourth Street OOS is approximately 4 miles and 17 minutes from the proposed Philadelphia strategic collaboration VAMC.

## Complementary Strategy

In addition to the recommendation submitted for AIR Commission approval, VA also anticipates implementing a complementary strategy that supports a high-performing integrated delivery network:

### Eastern Market

- **In support of the Eastern Market Initiative, strengthen the hub-and-spoke model to expand access to medical and surgical outpatient specialty care across VA facilities:** The current hub-and-spoke model centered on the Philadelphia VAMC has improved access to care for Veterans in more rural areas. The reputation of the Philadelphia VAMC and the University of Pennsylvania eases the hiring of specialists to serve the Lebanon, Coatesville, and Wilkes-Barre VAMCs when the hiring is done centrally by the market.
- **Develop Whole Health Program capabilities in all CBOCs:** In continued support of Veterans' health and wellbeing, VA plans to implement Whole Health Program capabilities throughout the market's CBOCs to supplement projected primary care demand and offer new methods for pain management.

<sup>11</sup> VA core unique patients exclude Veterans who have only used VA telephone triage, pharmacy, and laboratory services.



- **Strengthen and diversify outpatient mental health offerings at all VA facilities, particularly at MS CBOCs:** Increasing capabilities at outpatient clinics reduces the need for Veterans to travel long distances to inconvenient locations for services. Demand for outpatient mental health is projected to increase by 41.3% in the Eastern Market between FY 2019 and FY 2029.
- **Continue to develop a telehealth program for pre- and post-surgery visits:** Utilizing Philadelphia providers via telehealth for surgical pre-operative and post-operative care will reduce the need for Veterans to travel. This will improve access and allow Veterans to receive care closer to home. The Philadelphia VAMC's telehealth utilization is lower than the national average, indicating opportunities for improvement.
- **Coordinate distribution of occupational and physical therapy providers to proposed new MS CBOCs, HCCs, and VAMCs:** The distribution of occupational and physical therapy will reduce the need for Veterans to travel to the VAMC for high-volume services. Demand for rehabilitation therapies is projected to increase by 60.0% in the Eastern Market between FY 2019 and FY 2029.
- **Train and credential at least one CBOC provider for geriatrics in all CBOCs. These services should complement the local home-based primary care team:** There is substantial demand for geriatric services, with 138,097 enrollees in the Eastern Market age 65 and older in FY 2019. Credentialing of geriatric providers at VA outpatient facilities supports improved access to specialized care for this patient population.

## Wilmington VAMC

- **Build VISN 04 Virtual Patient-Aligned Care Team (PACT) Support Center in Wilmington, Delaware:** This is a VISN-wide initiative. A significant amount of the VISN 04 enrollee population that the Support Center will serve is rural. Utilizing telehealth services will help expand access to these communities.
- **Convert the Vineland MS CBOC to a CBOC:** The Vineland MS CBOC is within 45 minutes of three sites that will include specialty care: the proposed new Camden VAMC, the Northfield MS CBOC, and the Gloucester MS CBOC. These three sites can effectively absorb the Vineland MS CBOC's specialty care workload.
- **Hire specialty providers (particularly cardiologists) at the Wilmington VAMC to expand access to the greater Delaware River Valley area:** There are cardiology providers in the Wilmington area, indicating the Wilmington VAMC may be best equipped to recruit providers and support the Philadelphia Metro area. Specialty care demand is projected to increase by 59.9% between FY 2019 and FY 2029.
- **Expand specialty care services at the Northfield MS CBOC:** With a projected 59.9% increase in outpatient specialty care demand, expansion of services will ensure Cumberland County enrollees have access to specialists and reduced travel distances when seeking care. In FY 2019, there were 32,639 enrollees within 60 minutes of the Northfield MS CBOC.
- **Expand specialty care services at the Georgetown CBOC, which may result in the classification of the facility as an MS CBOC:** Most enrollees in the southern Maryland counties of VISN 05 (Wicomico, Somerset, and Worcester counties) reside beyond a 60-minute drive time from a VA site with specialty care. Their local VA point of care is limited to a CBOC in Pocomoke City. The

proposed expansion of services at the Georgetown CBOC improves access for VISN 05 enrollees. In FY 2019, there were 19,990 enrollees within 60 minutes of the Georgetown CBOC.

- **Expand specialty care services at the Dover CBOC, which may result in the classification of the facility as an MS CBOC:** Southern Maryland counties in VISN 05 (Caroline, Kent, and Queen Anne’s counties) do not have a local VA point of care. Expanding services to include specialty care at the Dover CBOC will improve access for Veterans, allowing them to avoid lengthy travel for locally desired services. In FY 2019, there were 27,724 enrollees within 60 minutes of the Dover CBOC.
- **Plan, design, and implement an appropriate primary care clinic in alignment with PACT guidelines in the Wilmington submarket. PACT teams at the Wilmington VAMC should include a Women’s PACT team:** Primary care demand is projected to increase by 71.8% and the Women Veteran population is projected to increase by 26% in the Eastern Market between FY 2019 and FY 2029. The current space is not properly configured to support the PACT model.
- **Improve telecommunication connectivity in CBOCs:** The Wilmington VAMC is one of the VISN 04 telehealth hubs. The CBOCs have reported telecommunication connectivity issues, which is critical to the successful delivery of telehealth.
- **Realign market boundaries of the Wilmington submarket to reflect the referral patterns:** Create a new Wilmington submarket by assigning three sectors to the Wilmington VAMC. The three sectors are 04-a-9-C, 04-a-9-E, and 04-a-9-H. The proposed submarket delineation will improve VA’s ability to plan health care for the Veteran population.
- **Strengthen the research mission through collaboration with the Philadelphia VAMC, Jefferson University, Temple University, Rowan University, University of Delaware, University of Pennsylvania, Jefferson, Drexel University, Rutgers University, Villanova University in Pennsylvania, and Cooper University in Southern New Jersey:** Research and residency programs with academic affiliates can help recruit clinical providers and strengthen the VAMC’s reputation. Given Wilmington’s proximity to Philadelphia, the Wilmington VAMC will work to strengthen its academic and research mission by working collaboratively with the Philadelphia VAMC, taking advantage of its strong programs.
- **Relocate the research programs currently at the Wilmington VAMC to alternative facilities within the VISN, such as the proposed new Philadelphia VAMC strategic collaboration:** With the relocation of inpatient medical and surgical services at the Wilmington VAMC to community providers, other facilities in the market will provide space for its relocated research programs. The Office of Research and Development (ORD) will be consulted to identify the most optimal location.

## Coatesville VAMC

- **Continue to expand and strengthen relationships with community providers in the Chester County area:** There are 58 hospitals within a 60-minute drive time of the Coatesville VAMC. Strengthening and building relationships is critical to developing a strong provider network and choice for Veterans.

- **Realign Chester County, Pennsylvania, to the new Wilmington submarket and realign Delaware and Gloucester counties to the Philadelphia submarket:** With the closure of the Coatesville VAMC, Chester County will be realigned to the Wilmington VAMC, and Delaware and Gloucester Counties to the Philadelphia VAMC. The proposed submarket delineation will improve VA's ability to plan health care for the Veteran population.
- **Relocate the research program currently at the Coatesville VAMC to alternative facilities within the VISN, such as the proposed new King of Prussia VAMC or proposed new Philadelphia strategic collaboration VAMC:** With the closure of the Coatesville VAMC, other facilities in the market will provide space for its relocated research programs. The ORD will be consulted to identify the most optimal location.
- **Expand specialty services at the Spring City CBOC, which may result in the classification of the facility as an MS CBOC:** Demand for specialty care is projected to increase by 59.9% in the Eastern Market between FY 2019 and FY 2029. The transition of the Coatesville VAMC to an MS CBOC will likely draw a portion of eastern Chester County's enrollee population to the Spring City CBOC. In FY 2019, there were 75,272 enrollees within 60 minutes of the Spring City CBOC.

## Lebanon VAMC

- **Seek quality community providers to provide specialty care services and long-term nursing home care in Schuylkill County:** Schuylkill County is more than 30 minutes from the Lebanon VAMC, and the only VA point of care is a small CBOC in Pottsville. Local community sources of care will improve access and allow Veterans to avoid lengthy travel for locally desired services.
- **Provide new urgent care/same day access at the proposed Mechanicsburg HCC with open access scheduling slots and extended hours in primary care:** Developing urgent care capabilities improves access for Veterans who would normally travel to the Lebanon VAMC emergency department for non-emergency care 40 minutes away.
- **Expand specialty care services at the Lancaster MS CBOC:** With a projected 59.9% increase in specialty care demand between FY 2019 and FY 2029, expanding services will improve access to specialty care in Lancaster County. In FY 2019, there were 56,766 enrollees within 60 minutes of the Lancaster CBOC.
- **Expand specialty care services at the York MS CBOC:** With a projected increase in specialty care demand, expansion of services will ensure York County enrollees have improved access closer to home. In FY 2019, there were 64,469 enrollees within 60 minutes of the York CBOC.
- **Expand specialty care services at the Wyomissing CBOC, which may result in the classification of the facility as an MS CBOC:** With a projected increase in specialty care demand, expanding services at the Wyomissing CBOC will improve access for Veterans and reduce travel distance. In FY 2019, there were 53,749 enrollees within 60 minutes of the Wyomissing CBOC.
- **Ensure a portion of inpatient mental health demand from the Coatesville VAMC can be absorbed by the Lebanon VAMC. The remaining demand will be absorbed by the Philadelphia VAMC:** With the proposed closure of the Coatesville VAMC, the workload will shift to surrounding VAMCs, including Lebanon, with 22 beds. The Coatesville VAMC's demand is projected to decrease from an ADC of 19.3 in FY 2019 to an ADC of 15.5 in FY 2029.

- **Strengthen the educational mission with Penn State University with special emphasis on specialty care and nursing to attract and retain young physicians and nurses:** Recruiting specialty providers and nurses is challenging for the Lebanon VAMC. Educational and residency programs with academic affiliates help recruit clinicians and strengthen the VAMC's capabilities.
- **Renew research mission through collaboration with Penn State College of Medicine and support from the Philadelphia VAMC:** Research and residency programs with academic affiliates help recruit clinical providers and strengthen the VAMC's reputation. Given Lebanon's proximity to Philadelphia, the Lebanon VAMC will work to strengthen its academic and research mission by working collaboratively with the Philadelphia VAMC.
- **Relocate some outpatient surgical services currently offered at the Lebanon VAMC to the proposed Mechanicsburg HCC, while maintaining capacity to provide outpatient surgical services at the Lebanon VAMC:** The number of outpatient surgical cases increased by 18.7% between FY 2015 and FY 2019 at the Lebanon VAMC. There is a larger enrollee population density in Harrisburg than Mechanicsburg. A site that borders these two cities will maximize access for Veterans.
- **Reallocate the existing General Domiciliary RRTP beds at the Lebanon VAMC appropriately between General Domiciliary beds and posttraumatic stress disorder (PTSD) beds:** This strategy aligns the number of beds with demand for specific RRTP services. The Eastern Market's total FY 2028 RRTP bed need is 187.

## Wilkes-Barre VAMC

- **Seek quality community providers to improve access to specialty services and long-term nursing home care services in Monroe, Pike, Wyoming, Sullivan, Susquehanna, and Wayne counties in northeast Pennsylvania:** These counties are more than 30 minutes from the Wilkes-Barre VAMC's CLC. Monroe County, Sullivan County, and portions of Pike County are more than 60 minutes from the Wilkes-Barre VAMC's specialty services. Local community sources of care will improve access for Veterans.
- **Add outpatient surgery, select outpatient specialty care, and urgent care services to the Allentown MS CBOC, which may result in the classification of the facility as an HCC:** With a projected 59.9% increase in outpatient specialty care demand in the market between FY 2019 and FY 2029, expanding services in the Allentown area will improve access for Veterans and reduce travel distance for those seeking specialty care. Allentown is the center of the hospital referral region for Lehigh, Northampton, Bucks, and Berks counties, and these counties combine to make up a large population. In FY 2019, there were 54,460 enrollees within 60 minutes of the Allentown MS CBOC.
- **Reassign Snyder County to align with the Wilkes-Barre VAMC:** With the proposed replacement of the Berwick CBOC with the Danville MS CBOC, enrollees from Snyder County (Sector 04-a-1-B) are likely to seek care at the new Danville MS CBOC, which will be aligned to the Wilkes-Barre VAMC (Sector 04-a-1-D).
- **Create a Wilkes-Barre submarket by assigning four sectors to the Wilkes-Barre VAMC:** Wilkes-Barre's current submarket, VISN 04 Eastern Sub Central, is geographically large and includes the

Lebanon VAMC, which is two hours away. The proposed Wilkes-Barre submarket delineation will improve the Wilkes-Barre VAMC's ability to serve the Veteran population. The four sectors are 04-a-1-A, 04-a-1-D, 04-a-1-C, and 04-a-1-F.

- **Continue to strengthen and expand the relationship with community providers in the Wilkes-Barre VAMC area:** With the proposed discontinuation of inpatient medical and surgical care, inpatient mental health, emergency department, and outpatient surgery, the Wilkes-Barre VAMC will rely on the community for these services. Community providers have adequate capacity to absorb Veteran demand. Strengthening community partnerships improves access to care so Veterans do not have to travel long distances to other VA sites for care.
- **Strengthen and diversify academic and research mission through expanded collaboration with the Philadelphia VAMC, University of Pennsylvania, and the national multi-site Institutional Review Board program:** The Philadelphia area has significant opportunities for research and academic partnerships, which VA uses to recruit providers, expand research and academic programs, and strengthen partnerships in the Wilkes-Barre area. The Geisinger Commonwealth School of Medicine's residency program will provide opportunities to recruit providers and strengthen the academic and research missions at the Wilkes-Barre VAMC.
- **Ensure there is adequate space to support the research initiative at the proposed new Wilkes-Barre VAMC to maintain and potentially expand all existing programs:** The ORD will be consulted in the planning for the proposed new Wilkes-Barre VAMC to ensure there is adequate space to maintain existing research programs and education capabilities in the Wilkes-Barre, Pennsylvania, area.

## Philadelphia VAMC

- **Expand outpatient specialty services at the West Philadelphia CBOC, which may result in the classification of the facility as an MS CBOC:** Relocating some outpatient services to the West Philadelphia CBOC will allow the VAMC to dedicate space to more complex care. This will improve access for Veterans and reduce travel distance for those seeking high-volume low-acuity specialty care. In FY 2019, there were 98,903 enrollees within 60 minutes of the West Philadelphia CBOC.
- **Expand open access schedule slots for primary care and extend hours to provide urgent care services at the Philadelphia VAMC:** Designing a scheduling template for after-hours and establishing a walk-in clinic within the primary care space avoids the need to dedicate additional space for the urgent care mission. Transforming existing urgent care space to primary care space will maximize space efficiency and improve access. Primary care demand is projected to increase by 71.8% between FY 2019 and FY 2029 in the Eastern Market. This strategy applies to both the existing facility and the proposed new strategic collaboration VAMC.
- **Add outpatient specialty care services to the Northeast Philadelphia CBOC, which may result in the classification of the facility as an MS CBOC:** With a projected increase in specialty care demand, expanding services to include high-volume low-acuity specialty care at the Northeast Philadelphia CBOC will improve access for Veterans and reduce travel distance for Veterans. In FY 2019, there were 105,921 enrollees within 60 minutes of the Northeast Philadelphia CBOC.

- **Ensure a portion of inpatient mental health demand from the Coatesville VAMC can be absorbed by the Philadelphia VAMC. The remaining demand will be absorbed by the Lebanon VAMC:** With the proposed closure of the Coatesville VAMC, the workload will shift to surrounding VAMCs, including the Philadelphia VAMC. In FY 2019, the Coatesville VAMC had an inpatient mental health ADC of 19.3, and demand is projected to decrease to 15.5 ADC by FY 2029. This strategy applies to both the existing facility and the proposed new strategic collaboration VAMC.
- **Ensure there is adequate space to support the research initiative at the proposed new Philadelphia strategic collaboration VAMC to maintain all existing programs:** The ORD will be consulted in the planning for the proposed Philadelphia strategic collaboration VAMC to ensure there is adequate space to maintain existing research programs and education capabilities in the Wilkes-Barre, Pennsylvania, area.

## Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three Courses of Action (COAs) for the VISN 04 Eastern Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost<sup>12</sup> over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

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<sup>12</sup> The present value cost is the current value of future costs discounted at the defined discount rate.



The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 04 Eastern Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 04 Eastern Market	Status Quo	Modernization	VA Recommendation
<b>Total Cost</b>	\$43,394,618,312	\$47,394,790,532	\$46,409,899,117
Capital Cost	\$2,358,985,688	\$6,359,157,909	\$6,587,207,054
Operational Cost	\$41,035,632,623	\$41,035,632,623	\$39,822,692,063
<b>Total Benefit Score</b>	7	10	13
<b>CBI (normalized in \$B)</b>	<b>6.20</b>	<b>4.74</b>	<b>3.57</b>

**Note:** Operational costs are shifted from VA to non-VA care only when a service line is relocated in totality to non-VA care at the parent facility level. Total cost is a sum of operational and capital costs rounded to the nearest dollar.

## Section 203 Criteria Analysis

This section provides an overview of how this market recommendation is consistent with the Section 203 decision criteria as required by MISSION Act. For more detailed information, please see Appendix I.

### Demand

*This recommendation is consistent with the Demand criterion, aligning VA's high-performing integrated delivery network resources to effectively meet the future health care demand of the Veteran enrollee population with the capacity in the market.*

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 32 VA points of care offering outpatient services, including the proposed new Philadelphia, Pennsylvania partnership VAMC; Camden, New Jersey VAMC; King of Prussia, Pennsylvania VAMC; Coatesville, Pennsylvania MS CBOC; Danville, Pennsylvania MS CBOC; Scranton, Pennsylvania MS CBOC; East Stroudsburg, Pennsylvania CBOC; Gettysburg-Adams County, Pennsylvania CBOC; and Hazleton, Pennsylvania CBOC; the proposed replacement Wilkes-Barre, Pennsylvania VAMC; Mechanicsburg, Pennsylvania HCC; and the proposed expanded Allentown, Pennsylvania HCC; West Philadelphia, Pennsylvania MS CBOC; Georgetown, Delaware MS CBOC, Dover, Delaware MS CBOC; Spring City, Pennsylvania MS CBOC; Wyomissing, Pennsylvania MS CBOC; and Northeast Philadelphia, Pennsylvania MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Wilmington, Delaware VAMC and Lebanon, Pennsylvania VAMC; and the proposed new Camden, New Jersey VAMC; proposed new King of Prussia, Pennsylvania VAMC; proposed replacement Wilkes-Barre, Pennsylvania VAMC; and proposed Philadelphia, Pennsylvania partnership VAMC; as well as community nursing homes.

*The recommendation ensures that projected demand for SCI/D, RRTP, and blind rehabilitation is sufficiently met through VA-only capacity in the respective VISN or blind rehabilitation region.*

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Bronx, New York VAMC (VISN 02).
- **RRTP:** RRTP demand will be met through the Lebanon, Pennsylvania VAMC; proposed new King of Prussia, Pennsylvania VAMC; proposed new Camden, New Jersey VAMC; stand-alone RRTP in Wilmington, Delaware; proposed replacement Wilkes-Barre, Pennsylvania VAMC; stand-alone RRTP in Philadelphia, Pennsylvania; and other facilities within VISN 04 offering RRTP, including the Butler, Pennsylvania VAMC and Pittsburgh-Heinz, Pennsylvania VAMC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the proposed new King of Prussia, Pennsylvania VAMC and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Lebanon, Pennsylvania VAMC and the proposed Philadelphia, Pennsylvania partnership VAMC, as well as through community providers.

## Access

*This recommendation is consistent with the Access criterion, maintaining or improving Veteran access to care in the market and providing Veterans the opportunity to choose the care they trust throughout their lifetime. The Access criterion evaluates enrollee access to care in the current and proposed future state across multiple service lines. It is evaluated for both the overall enrollee population as well as for specific subpopulations of enrollees that traditionally face barriers to receiving appropriate care, including minority enrollees, enrollees over 65, women enrollees, rural enrollees, and enrollees living in disadvantaged neighborhoods. Below are the access results for both primary care and specialty care among the overall enrollee population.*

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 222,178 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 222,253 enrollees within 60 minutes of specialty care in the future state.

## Mission

*This recommendation is consistent with the Mission criterion, providing for VA's second, third, and fourth health related statutory missions of education, research, and emergency preparedness.*

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 04. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Penn State, University of Pennsylvania, Drexel University, the Wright Center, Rowan University, Thomas Jefferson University, and Geisinger Commonwealth School of Medicine.
- **Research:** This recommendation does not impact the research mission in the market and allows the Philadelphia, Pennsylvania VAMC to maintain the research mission by ensuring there is adequate space to support research at the proposed Philadelphia, Pennsylvania, partnership VAMC to maintain all existing programs. The recommendation allows the Wilkes-Barre, Pennsylvania VAMC to maintain the research mission by ensuring there is adequate space to maintain existing programs to support research at the proposed replacement Wilkes-Barre, Pennsylvania VAMC. The research mission at the Coatesville, Pennsylvania VAMC will be maintained by relocating the research program from the Coatesville, Pennsylvania VAMC to alternative facilities in the VISN, such as the proposed new King of Prussia, Pennsylvania VAMC, proposed Philadelphia, Pennsylvania, partnership VAMC, or other facilities in the market as applicable. The research mission at the Wilmington, Delaware VAMC is maintained by relocating the research programs relying on inpatient acute services at the Wilmington, Delaware VAMC to the closest appropriate VA site, such as the proposed Philadelphia, Pennsylvania, partnership VAMC, or other facilities within VISN 04 as applicable.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the proposed Philadelphia, Pennsylvania strategic collaboration VAMC will maintain its status as a Primary Receiving Center.

## Quality

*This recommendation is consistent with the Quality criterion, considering the quality and delivery of health care services available to Veterans in the market, including the experience, safety, and appropriateness of care.*

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in the Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Philadelphia, Pennsylvania partnership VAMC; Camden, New Jersey VAMC; King of Prussia, Pennsylvania VAMC; Coatesville, Pennsylvania MS CBOC; Danville, Pennsylvania MS CBOC; Scranton, Pennsylvania MS CBOC; East Stroudsburg, Pennsylvania CBOC; Gettysburg-Adams County, Pennsylvania CBOC; Hazleton, Pennsylvania CBOC; and stand-alone RRTP in Wilmington, Delaware; proposed replacement Wilkes-Barre, Pennsylvania VAMC; Mechanicsburg, Pennsylvania HCC; and stand-alone RRTP in Philadelphia, Pennsylvania; as well as the modernization of the CLC at the Wilmington, Delaware VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

## Cost Effectiveness

*This recommendation is consistent with the Cost Effectiveness criterion, providing a cost-effective means by which to provide Veterans with modern health care. The Cost Effectiveness criterion was assessed through a CBA summarized in the CBA section and detailed in Appendix H.*

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (3.57 for VA Recommendation versus 6.20 for Status Quo), indicating that the VA Recommendation is more cost effective than the Status Quo.

## Sustainability

*This recommendation is consistent with the Sustainability criterion, creating a sustainable health care delivery system for Veterans. It ensures that the health care delivery system proposed for the market is aligned with future demand, allowing it to sustainably operate and provide a safe and welcoming health care environment that meets modern health care standards.*

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Philadelphia, Pennsylvania partnership VAMC; Camden, New Jersey VAMC; King of Prussia, Pennsylvania VAMC; Coatesville, Pennsylvania MS CBOC; Danville, Pennsylvania MS CBOC; Scranton, Pennsylvania MS CBOC; East Stroudsburg, Pennsylvania CBOC; Gettysburg-Adams County, Pennsylvania CBOC; Hazleton, Pennsylvania CBOC; and stand-alone RRTP in Wilmington, Delaware; proposed replacement Wilkes-Barre, Pennsylvania VAMC; Mechanicsburg, Pennsylvania HCC; stand-alone RRTP in Philadelphia, Pennsylvania; as well as the modernization of the CLC at the Wilmington, Delaware VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today (\$46.4B for VA Recommendation versus \$47.4B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (3.57 for VA Recommendation versus 4.74 for Modernization), reflecting effective stewardship of taxpayer dollars.



## VISN 04 Western Market

The Veterans Integrated Service Network (VISN) 04 Western Market serves Veterans in western Pennsylvania and portions of eastern Ohio, southern New York, and northern West Virginia. The recommendation includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.<sup>13</sup>

### VA's Commitment to Veterans in the Western Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 04's Western Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

Based on substantial data analysis, interviews with VISN and VA medical center (VAMC) leaders, consultation with senior VA leadership, and the input received from Veterans and stakeholders, VA has developed a recommendation designed to ensure that Veterans today and for generations to come have access to the high-quality care they have earned. The recommendation also makes sure that VA continues to execute on its additional missions: education and training, research, and emergency preparedness. As VA considers implementing any recommendation approved by the Asset and Infrastructure Review (AIR) Commission, implementation will be carefully sequenced so that facilities or partnerships to which care will be realigned are fully established before the proposed realignment occurs.

### Market Strategy

While the Western Market's enrollee population and acute inpatient and residential rehabilitation treatment program (RRTP) demand is projected to decrease, community living center (CLC) and outpatient demand is projected to increase. Primary care is largely well distributed, but there are opportunities to decompress medical center campuses by shifting primary care to locations more convenient to Veterans. While infrastructure in Altoona and Erie is dated, modernization is possible at these facilities for their future missions that are better aligned to Veteran demand. The recommendation for the Western Market is intended to provide Veterans today and in the future with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation invests in adding outpatient sites in Pittsburgh, Pennsylvania, and Steubenville, Ohio. These sites will offer primary care, mental health, and low-acuity specialty services to better distribute care, improve access, and decompress existing campuses. The recommendation also includes a sharing

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<sup>13</sup> Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.



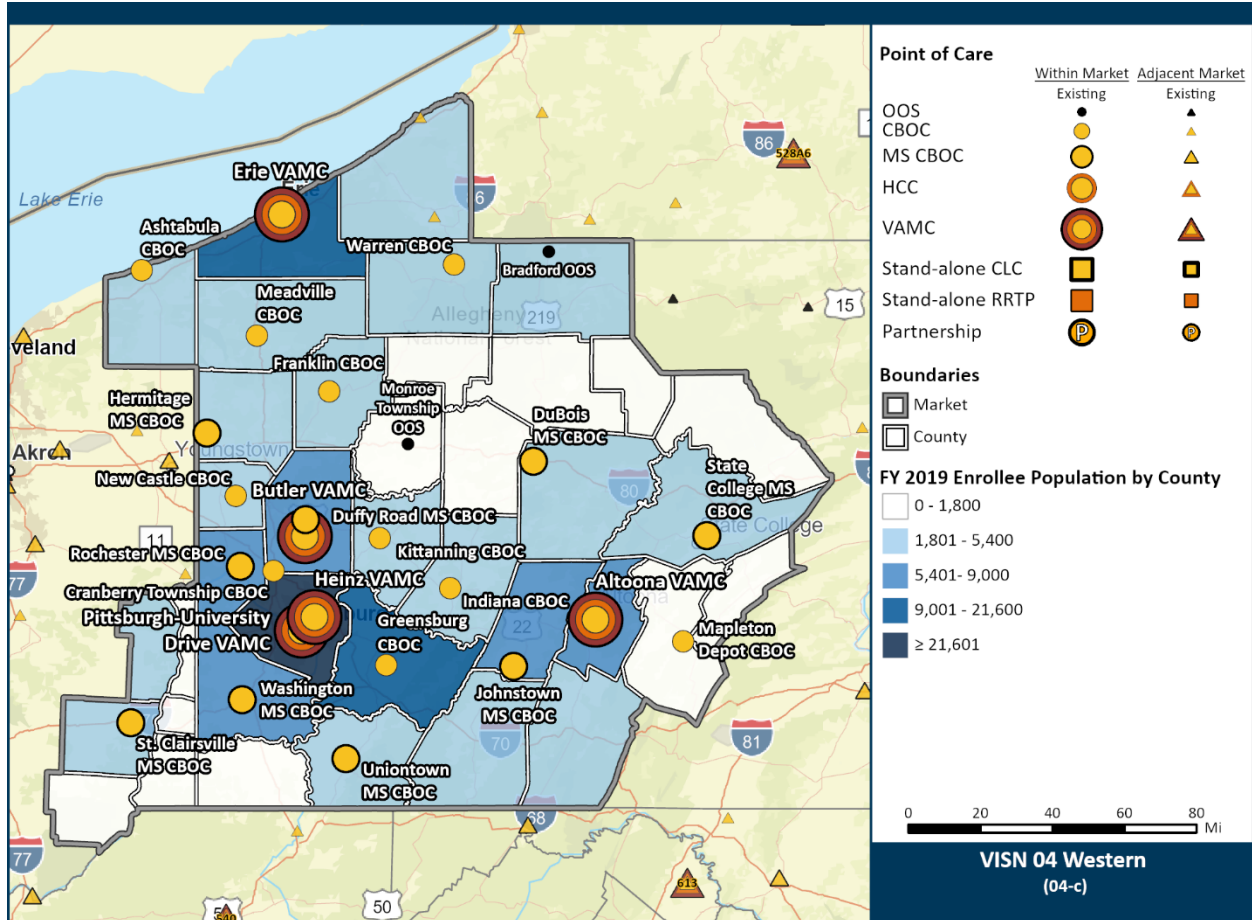
agreement for outpatient surgical services in the Butler, Pennsylvania, area to improve Veteran access to care.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation maintains the sustainable inpatient mental health service within the Pittsburgh-University Drive VAMC and modernizes the Altoona VAMC CLC to maintain care for Veterans with the most complex needs. The recommendation maintains sustainable RRTP facilities at the Butler and Pittsburgh-Heinz VAMCs to provide comprehensive care that may not be readily available in the community. Inpatient blind rehabilitation patients will be able to access the proposed new facility in King of Prussia, Pennsylvania, in the Eastern Market of VISN 04. Demand for inpatient spinal cord injuries and disorders (SCI/D) care will be met through the regional hub at the Cleveland, Ohio VAMC in VISN 10.
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation maintains the programs within the Pittsburgh-University Drive VAMC to optimize VA-delivered inpatient medical and surgical services. Access and quality are maintained in two submarkets, Altoona and Erie, where inpatient care is relocated to local community providers.

## Market Overview

The market overview includes a map of the Western Market, key metrics for the market, and select considerations used in forming the market recommendation.

### Market Map



Note: A partnership is a strategic collaboration between VA and a non-VA entity.

**Facilities:** The market has 5 VAMCs (Altoona, Butler, Erie, Pittsburgh-University Drive, and Pittsburgh-Heinz), 9 multi-specialty community-based outpatient clinics (MS CBOCs), 10 community-based outpatient clinics (CBOCs), and 2 other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 146,418 enrollees and is projected to experience a 14.8% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Allegheny, Pennsylvania; Westmoreland, Pennsylvania; and Erie, Pennsylvania.

**Demand:** Demand<sup>14</sup> in the market for acute inpatient medical and surgical services is projected to decrease by 7.8% and demand for inpatient mental health services is projected to decrease by 3.2%

<sup>14</sup> Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

between FY 2019 and FY 2029. Demand for long-term care<sup>15</sup> is projected to increase by 12.5%. Demand for all outpatient services,<sup>16</sup> including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 48.2% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 82.9% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 71.2% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers<sup>17</sup> in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate<sup>18</sup> of 55.5% (2,393 available beds)<sup>19</sup> and an inpatient mental health occupancy rate of 66.5% (102 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 85.0% (647 available beds). Community residential rehabilitation programs<sup>20</sup> that match the breadth of services provided by VA are not widely available in the market.

**Mission:** VA has academic affiliations in the market that include the University of Pittsburgh, Lake Erie College, and Conemaugh Memorial Medical Center. The Altoona VAMC is ranked 122 out of 154 VA training sites based on the number of trainees; the Butler VAMC is ranked 137 out of 154; the Erie VAMC is ranked 139 out of 154; and the Pittsburgh-University Drive VAMC is ranked 35 out of 154. The Pittsburgh-University Drive and Pittsburgh-Heinz VAMCs are ranked 29 out of 103 VAMCs with research funding. The other VAMCs conduct limited or no research. None of the VAMCs hold an emergency designation.<sup>21</sup>

<sup>15</sup> Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

<sup>16</sup> Projected demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

<sup>17</sup> Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

<sup>18</sup> Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

<sup>19</sup> Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

<sup>20</sup> Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

<sup>21</sup> VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

## Facility Overviews

**Altoona VAMC:** The Altoona VAMC is located in Altoona, Pennsylvania, approximately 100 miles east of Pittsburgh, and offers inpatient medicine, CLC, and outpatient services. In FY 2019, the Altoona VAMC had an inpatient medicine average daily census (ADC) of 1.2 and a CLC ADC of 38.7.

The Altoona VAMC was built in 1950 on 23.0 acres and does not meet current design standards.<sup>22</sup> Facility condition assessment (FCA) deficiencies are approximately \$29.1M, and annual operations and maintenance costs are an estimated \$5.5M.

**Butler VAMC:** The Butler VAMC is located in Butler, Pennsylvania, approximately 40 miles north of Pittsburgh, and offers CLC, RRTP, and outpatient services. In FY 2019, the Butler VAMC had a CLC ADC of 56.5 and an RRTP ADC of 59.7.

The original Butler VAMC was built in 1938 on 88.5 acres and does not meet current design standards. The original hospital is empty and awaiting disposal. FCA deficiencies are approximately \$20.2M, and annual operations and maintenance costs are an estimated \$4.4M.

**Erie VAMC:** The Erie VAMC is located in Erie, Pennsylvania, approximately 130 miles north of Pittsburgh, and offers inpatient medicine, CLC, RRTP, and outpatient services. In FY 2019, the Erie VAMC had an inpatient medicine ADC of 1.5, a CLC ADC of 43.1, and an RRTP ADC of 6.3.

The Erie VAMC was built in 1950 on 20.4 acres and does not meet current design standards. FCA deficiencies are approximately \$51.2M, and annual operations and maintenance costs are an estimated \$5.8M.

**Pittsburgh-University Drive VAMC:** The Pittsburgh-University Drive VAMC is located in downtown Pittsburgh, Pennsylvania, and offers inpatient medical and surgical care, inpatient mental health, and outpatient services. In FY 2019, the Pittsburgh-University Drive VAMC had an inpatient medical and surgical ADC of 104.3 and an inpatient mental health ADC of 60.1.

The Pittsburgh-University Drive VAMC was built in 1954 on 13.9 acres and does not meet current design standards. FCA deficiencies are approximately \$97.7M, and annual operations and maintenance costs are an estimated \$13.6M.

**Pittsburgh-Heinz VAMC:** The Pittsburgh-Heinz VAMC is located in northeast Pittsburgh, Pennsylvania, and offers CLC, RRTP, and outpatient services. In FY 2019, the Pittsburgh-Heinz VAMC had a CLC ADC of 167.0 and an RRTP ADC of 77.6.

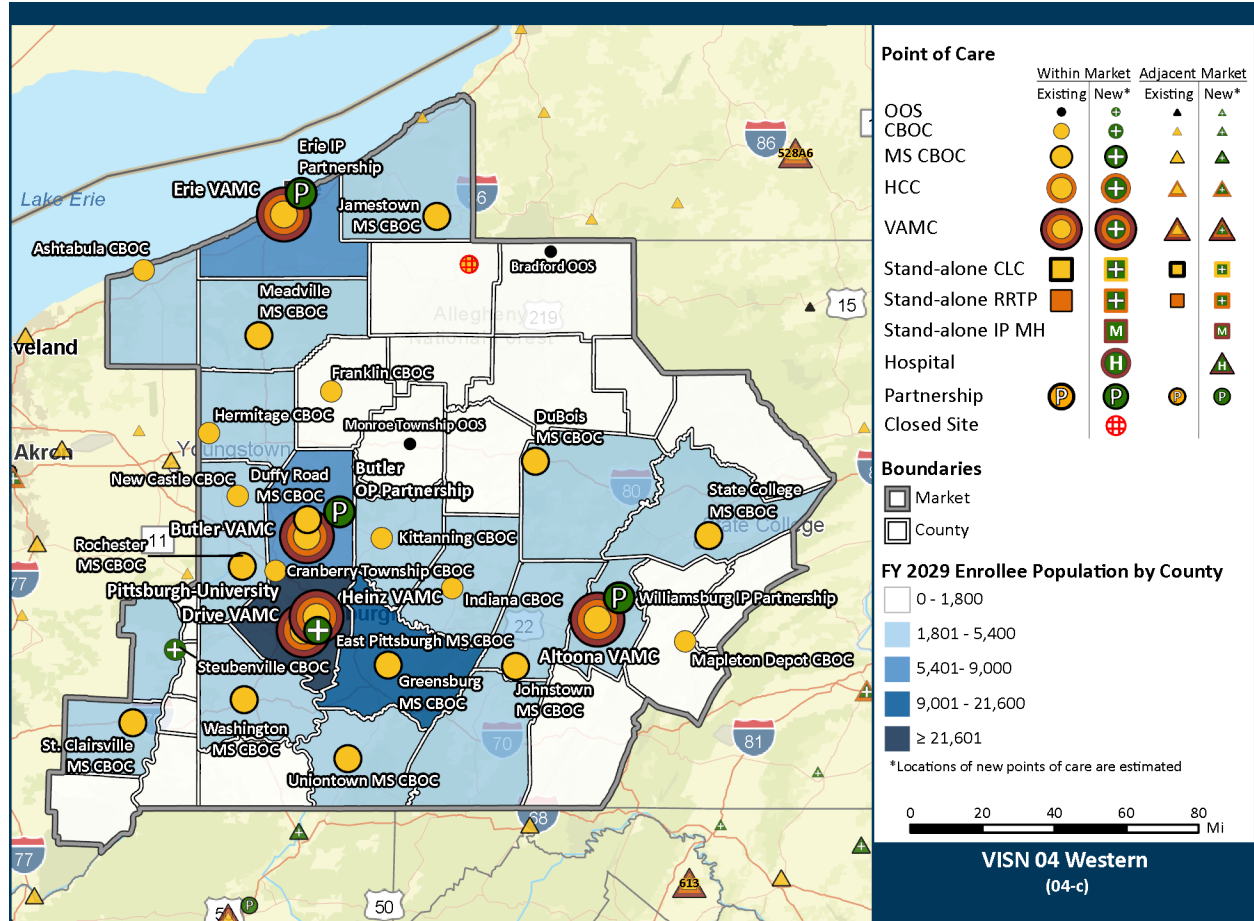
The Pittsburgh-Heinz VAMC was built in 1994 on 51.5 acres. FCA deficiencies are approximately \$23.0M and annual operations and maintenance costs are an estimated \$8.5M.

<sup>22</sup> Beginning in the late 1970s, modern health care design principles began to emerge and become more standard (e.g., floor-to-floor heights, corridor widths, column spacing, and utility infrastructure requirements). While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

## Recommendation and Justification

This section details the VISN 04 Western Market recommendation and justification for each element of the recommendation.

### Future Market Map



#### 1. Modernize and realign the Altoona VAMC by:

- 1.1. **Establishing a strategic collaboration to provide inpatient medical services and discontinuing those services at the Altoona VAMC. If unable to enter into a strategic collaboration, utilize community providers:** The Altoona VAMC had an inpatient medical and surgical ADC of 1.2 in FY 2019, and demand is projected to increase to 1.4 in FY 2029. The Altoona VAMC does not offer emergency department services and inpatient surgery, which are primary channels for inpatient admissions. Community providers have adequate capacity to absorb Veteran demand. As of 2019, community providers within a 60-minute drive time of the Altoona VAMC had an acute inpatient occupancy rate of 53.4% (365 available beds).
- 1.2. **Modernizing the existing Altoona VAMC CLC:** Demand for long-term care is projected to increase by 12.5% between FY 2019 and FY 2029 in the Western Market, and the Altoona VAMC's CLC is operating at capacity. The community has limited availability to absorb the

demand. As of 2019, community nursing homes within a 30-minute drive time of the Altoona VAMC had an occupancy rate of 92.4%, indicating limited bed availability.

2. **Modernize and realign the Butler VAMC by establishing a strategic collaboration to add outpatient surgical services. If unable to enter into a strategic collaboration, utilize community providers:** The Butler VAMC does not currently provide outpatient surgery and lacks the space and staff to add the service. Veterans are traveling approximately 57 minutes to the Pittsburgh VAMC for surgical procedures. With facility capacity available in the community, developing a sharing arrangement with a community Butler health care system to allow VA specialists to perform services in community facilities will improve Veteran access to outpatient surgical procedures closer to home. There was a 32.8% increase in outpatient surgical cases between FY 2015 and FY 2019 in the Western Market.
3. **Modernize and realign the Erie VAMC by:**
  - 3.1. **Establishing a strategic collaboration to provide inpatient medical services and discontinuing those services at the Erie VAMC. If unable to enter into a strategic collaboration, utilize community providers:** The Erie VAMC had an inpatient medical and surgical ADC of 1.5 in FY 2019, and demand is projected to decrease to 1.0 ADC in FY 2029. The Erie VAMC does not offer emergency department services and inpatient surgery, which are primary channels for inpatient admissions. Developing a strategic collaboration with a community health care system in Erie, Pennsylvania, allows VA-hired specialists to perform services in existing community facilities, maintains Veteran access, and improves system sustainability. As of 2019, community providers within a 60-minute drive time of the Erie VAMC had an inpatient acute occupancy rate of 53.0% (423 available beds). The strategic collaboration allows the Erie VAMC to avoid quality concerns associated with maintaining a low-volume service.
  - 3.2. **Relocating RRTP services to existing or future VA facilities or a strategic collaboration and discontinuing those services at the Erie VAMC:** The Western Market currently has 155 RRTP beds and the projected market RRTP bed demand over the next 10 years is approximately 107 beds. The Erie VAMC has 8 general domiciliary beds with an ADC of 6.3 in 2019. Relocating RRTP services to the Heinz VAMC and the Butler VAMC and discontinuing them at the Erie VAMC will allow the market to continue to meet demand while improving sustainability of the programs.
4. **Modernize and realign outpatient facilities in the market by:**
  - 4.1. **Establishing a new MS CBOC in the vicinity of Pittsburgh, Pennsylvania:** The Pittsburgh-University Drive VAMC's high-volume low-acuity services contribute to congestion on the VAMC campus. The primary care space is not designed in the patient-aligned care team (PACT) model, and demand for primary care, outpatient mental health services, and outpatient specialty care is projected to increase substantially. The campus is landlocked with no expansion space. Relocating high-volume low-acuity outpatient care elsewhere improves access for Veterans and decompresses a high-complexity medical center. In FY 2019, there were 56,720 enrollees within 60 minutes of the proposed site.
  - 4.2. **Establishing a new CBOC in the vicinity of Steubenville, Ohio:** Jefferson, Brooke, and Hancock counties are all more than a 45-minute drive time from the Pittsburgh VAMCs. In FY 2019,



these counties had 4,107 enrollees and no VA point of care. In FY 2019, there were 3,973 enrollees within 30 minutes of the proposed site in the vicinity of Steubenville, Ohio. Demand for primary care is projected to increase 60.4% and outpatient mental health services demand is projected to increase by 50.9% in the Western Market between FY 2019 and FY 2029. The new point of care in the vicinity of Steubenville will improve Veteran access in the area's most sustainable location.

- 4.3. Relocating all services to the Jamestown CBOC and closing the Warren CBOC:** Relocating services from the Warren CBOC to the Jamestown CBOC maintains Veteran access while increasing system sustainability. The Jamestown CBOC is 22 minutes away from the Warren CBOC. This consolidation will allow VA to provide high-volume low-acuity outpatient specialty care at the Jamestown CBOC, likely leading to the facility's reclassification as an MS CBOC. In FY 2019, the Warren CBOC served 2,167 core uniques,<sup>23</sup> and there were 15,777 enrollees within 60 minutes of the Jamestown CBOC.

## Complementary Strategy

In addition to the recommendation submitted for AIR Commission approval, VA also anticipates implementing a complementary strategy that supports a high-performing integrated delivery network:

### Western Market

- **Centralize specialist hiring by the Pittsburgh VAMC and increase the use of traveling high-volume specialists at the Butler VAMC, Altoona VAMC, and Erie VAMC:** The current hub-and-spoke model centered on the Pittsburgh VAMC has improved access to care for Veterans by having Pittsburgh-based providers travel to the Butler, Altoona, and Erie VAMCs. The Pittsburgh VAMC is able to recruit specialty providers, but the Butler, Altoona, and Erie VAMCs have difficulty in recruiting specialists.
- **Strengthen partnership with the University of Pittsburgh Medical Center (UPMC) and other providers and systems throughout the Western Market to meet expanding medical and surgical specialty demand, especially in Butler, Erie, and Altoona:** The UPMC Health System continues to expand and has hospitals in both the Erie and Altoona areas. In these areas, VA has been challenged with recruiting providers to provide specialty care. Leveraging UPMC's network of hospitals across the Western Market will improve Veteran access to specialty care.
- **Strengthen and diversify outpatient mental health offerings at all VA facilities, particularly at MS CBOCs:** Demand for mental health services in the market is projected to increase by 50.9%. Enhancing mental health capabilities at CBOCs reduces the need for Veterans to travel long distances for care.
- **Develop Whole Health Program capabilities in all CBOCs:** Pilot projects in Erie and Lebanon have been successful and this strategy expands this initiative VISN-wide with continued pursuit of best practices.

<sup>23</sup> VA core unique patients exclude Veterans who have only used VA telephone triage, pharmacy, and laboratory services.

- **Train and credential at least one geriatric provider for all CBOCs:** There is growing demand for geriatric services in the Western Market because of the aging population. As of 2019, 57.6% of the market's enrollee population was at least 65 years old. Credentialing of geriatric providers at VA outpatient facilities supports improved access to specialized care for this patient population.
- **Coordinate distribution of occupational and physical therapy full-time equivalents (FTEs) to proposed new MS CBOCs. These services will be integrated with Home-Based Primary Care (HBPC):** Integration of occupational and physical therapy with HBPC will reduce the need for Veterans to travel for high-volume services. Demand for outpatient rehabilitation therapies is projected to increase by 62.1% between FY 2019 and FY 2029. HBPC provides comprehensive, interdisciplinary primary care in the homes of Veterans with complex medical, social, and behavioral conditions for whom routine clinic-based care is not effective.
- **Continue to work with local providers and expand the Veterans Community Care Program (VCCP) medical and surgical specialty network to solidify depth and redundancy to ensure access when VA providers turn over:** There is less than a 1.0 FTE provider in many specialties at VA facilities in the market. Service lines may be discontinued when providers turn over, leading to long wait times and requiring VA to rely on the community. Demand for outpatient medical specialty care is projected to increase by 54.9% and demand for outpatient surgical specialty care is projected to increase by 70.5% in the Western Market between FY 2019 and FY 2029.
- **Implement the Nurse Navigator Program that has been successfully implemented at the Wilmington VAMC to assure care coordination and collaboration with community providers:** The navigator will ensure a Veteran-centric service, increasing patient safety and patient satisfaction, while providing a reliable process and timely diagnosis and treatment. It will help overcome community care barriers and be tailored to the individual needs of each Veteran patient and their unique situation, providing education and support.

## Altoona VAMC

- **Establish strategic collaborations with Federally Qualified Health Centers (FQHCs) to improve primary care and outpatient mental health access in Elk, Cameron, and Bedford counties:** Veterans who live in Elk County (north of the Altoona VAMC), Cameron County (north of the Altoona VAMC), and Bedford County (south of the Altoona VAMC) are more than 30 minutes from a VA point of care. These areas lack sufficient enrollment to establish a VA point of care, but there are existing FQHCs in those areas to improve Veteran access to care.
- **Expand open access schedule slots for primary care and extend hours to provide urgent care services at the Altoona VAMC:** Urgent care is not open 24/7 and instead serves as an after-hours primary care clinic. Transforming existing urgent care space to primary care will maximize space efficiency for primary care PACT expansion and improve Veteran access.
- **Ensure that all primary care facility planning at the Altoona VAMC reflects PACT team requirements:** The existing primary care space is fragmented and is not functionally designed in accordance with PACT guidelines. Demand for primary care is projected to increase by 60.4% in the Western Market between FY 2019 and FY 2029. Panel fullness at the Altoona VAMC has historically been high, indicating the need for efficient use of space.

- **Realign Indiana County to the Altoona VAMC:** Indiana County is currently aligned to the Pittsburgh VAMC. However, the Indiana CBOC, located in that county, is affiliated with the Altoona VAMC. Indiana County is approximately 88 miles and 82 minutes from the Pittsburgh VAMC and 53 miles and 63 minutes from the Altoona VAMC.
- **Continue to expand relationships with the academic affiliate and other community partners for surgical services:** The Altoona VAMC no longer provides inpatient or outpatient surgery and relies largely on the community for these services. There are general surgery providers in the community. Strengthening community partnerships improves access to care so Veterans do not have to travel long distances to VA points of care.

## Butler VAMC

- **Expand community strategic collaborations, as well as the Western Market visiting specialist programs, to increase specialty care availability at the Duffy Road MS CBOC:** Demand for outpatient specialty care is projected to increase by 61.0% in the Western Market between FY 2019 and FY 2029. The Duffy Road MS CBOC has appropriate and newly built space to accommodate visiting specialists. In FY 2019 there were 46,023 enrollees within 60 minutes of the Duffy Road MS CBOC.
- **Seek quality community providers to improve access to low-acuity specialty care services in Mercer, Lawrence, Clarion, Forest, and Armstrong counties:** These counties are more than 30 minutes from the Butler VAMC and demand for specialty care is projected to increase by 61.0% in the Western Market between FY 2019 to FY 2029. Local community sources of care will improve access for Veterans, so they do not have to travel for locally desired services.
- **Consolidate administration between the Butler VAMC and the VA Pittsburgh Healthcare System (VAPHS):** The administration for the VAPHS is at the Pittsburgh-University Drive VAMC, which is approximately 52 minutes from the Butler MS CBOC. The VAPHS supports the Butler VAMC with most specialty services, and primary care sites between the two VAMCs sometimes compete for the same patients. Duplicate administrative functions are not necessary because of this proximity.
- **Strengthen the VAMC's educational mission and outreach through continued community relationships (such as community colleges and medical schools) and expanded partnerships with the VAPHS. Investigate research opportunities through the VAPHS:** There are limited opportunities to partner with large academic institutions in the Butler, Pennsylvania, area. However, the Butler VAMC is pursuing other community partners including community colleges and other local organizations. With the Butler VAMC becoming part of VAPHS, research and education opportunities will be expanded.
- **Rightsize the RRTP capacity at the Butler VAMC to align with demand:** With demand for RRTP services projected to decrease, the estimated number of beds required at the Butler VAMC will be reduced from 56 to 28 to align with demand.

## Erie VAMC

- Expand outpatient specialty care services at the Meadville CBOC, which may result in its reclassification as an MS CBOC:** In FY 2019, there were 4,358 enrollees within 30 minutes and 30,311 enrollees within 60 minutes of the Meadville CBOC. Expanding outpatient specialty care services at the CBOC improves access for Veterans living in Venango and Ashtabula counties seeking high-volume low-acuity specialty care.
- Relocating long-term CLC services to community providers and discontinuing those services at the Erie VAMC:** The CLC at the Erie VAMC is operating at capacity, with an FY 2029 projected ADC of 41.5. Maintaining the short-stay CLC mission at the VAMC assists Veterans with their transition from acute care. Long-term care is available in the communities where Veterans live. Relocating long-stay CLC services to community providers will move care closer to Veterans' homes and their families while allowing the Erie VAMC to focus on patients with greater care needs and ensure care continuity where the Veterans are most at risk.
- Expand and diversify specialty mental health offerings at the Erie VAMC and CBOCs to include Mental Health Intensive Case Management Program and intensive day therapy:** Increasing capabilities at CBOCs reduces the need for Veterans to travel long distance to inconvenient locations for services. Demand for outpatient mental health is projected to increase by 50.9% in the Western Market between FY 2019 and FY 2029.
- Strengthen the working relationships between the VISN 10 Cleveland VAMC and the VISN 02 Buffalo VAMC to help fill specialty care needs:** The Erie VAMC is closer to both the Cleveland VAMC in VISN 10 and the Buffalo VAMC in VISN 02 than it is to the Pittsburgh VAMC. The Erie VAMC currently relies on the Cleveland VAMC for care related to spinal cord injuries. Demand for outpatient medical specialties is projected to increase by 54.9% and demand for outpatient surgical specialties is projected to increase by 70.5% in the Western Market between FY 2019 and FY 2029.
- Expand open access schedule slots for primary care and extend hours to provide urgent care services at the Erie VAMC:** Urgent care is not open 24/7 and instead serves as an after-hours primary care clinic. Primary care panel sizes have historically been high, indicating the need for efficient space utilization. Transforming existing urgent care space for primary care use will maximize space efficiency for primary care PACT expansion and improve Veteran access.
- Reconfigure primary care at the Erie VAMC to meet PACT guidelines:** The primary care space is fragmented and is not functionally designed in accordance with PACT guidelines. Both the existing and the proposed expanded space should be configured to support this care model.
- Strengthen the relationship with Lake Erie College of Osteopathic Medicine (LECOM) for primary care and mental health training opportunities:** LECOM is proximate to the Erie VAMC. Strengthening the education mission provides staff professional growth and innovation opportunities.
- Realign the Jamestown CBOC to the Erie VAMC in the VISN 04 Western Market:** The Jamestown CBOC is located in VISN 04 (Chautauqua County) and is currently aligned to the Buffalo VAMC. However, it is approximately 30 minutes closer to the Erie VAMC than the Buffalo VAMC.

## Pittsburgh-University Drive VAMC

- **Expand outpatient specialty care services at the Greensburg CBOC, which may result in its reclassification as an MS CBOC:** In FY 2019, there were 8,545 enrollees within 30 minutes and 48,555 enrollees within 60 minutes of the Meadville CBOC. Expanding outpatient specialty care services at the CBOC improves access for Veterans in Westmoreland and Fayette counties seeking high-volume low-acuity specialty care.
- **Seek quality community providers for specialty care services and long-term nursing home care services in Monroe County, Ohio; Belmont County, Ohio; Marshall County, West Virginia; Ohio County, West Virginia; Brooke County, West Virginia; Jefferson County, Ohio; Hancock, West Virginia; Greene, Pennsylvania; and Fayette County, Pennsylvania:** These counties lack enough Veteran enrollees to sustain VA points of care, and enrollment is projected to decrease by 14.8% in the Western Market between FY 2019 and FY 2029. Local community sources of care will improve access for Veterans so they do not have to travel for locally desired services.
- **In alignment with the VISN 04 Western Market initiative, expand visiting medical and surgical specialists from the Pittsburgh-University Drive VAMC to the Butler VAMC, Altoona VAMC, and Erie VAMC:** The current hub-and-spoke model centered on the Pittsburgh VAMC has improved access to care for Veterans by having Pittsburgh-based providers travel to the Butler, Altoona, and Erie VAMCs. The reputation of the Pittsburgh VAMC and UPMC eases the hiring of specialists to serve Erie, Butler, and Altoona when the hiring is done centrally by the market.
- **Collaborate with contracted CBOC sites on altering facility space to incorporate physical therapy and occupational therapy services:** Demand for outpatient rehabilitation therapies is projected to increase by 62.1% in the Western Market between FY 2019 and FY 2029. Providing these services at additional CBOC locations will improve Veteran access to care.
- **Pursue parking solutions for the Pittsburgh-University Drive campus:** Parking at the Pittsburgh-University Drive VAMC is inadequate for Veterans and staff. There is a reported parking shortage of 1,228 spaces.

## Pittsburgh-Heinz VAMC

- **Rightsize the RRTP capacity at the Heinz VAMC to align with demand:** With market demand for RRTP services projected to decrease, the estimated number of beds at the Heinz VAMC will be reduced from 88 to 71 to align with demand.
- **Relocate the Compensation and Pension Office and other non-clinical functions from the Pittsburgh-Heinz VAMC first floor CLC to accommodate projected growth in CLC demand:** The Pittsburgh-Heinz VAMC supports a large CLC mission. More private beds could be added if the Compensation and Pension Office and other non-CLC functions were relocated.

## Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three Courses of Action (COAs) for the VISN 04 Western Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- Costs:** The present value cost<sup>24</sup> over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 04 Western Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 04 Western Market	Status Quo	Modernization	VA Recommendation
<b>Total Cost</b>	\$29,168,977,930	\$32,297,352,833	\$32,077,164,410
Capital Cost	\$1,458,531,736	\$4,586,906,639	\$4,554,040,700
Operational Cost	\$27,710,446,194	\$27,710,446,194	\$27,523,123,711
<b>Total Benefit Score</b>	7	10	15
<b>CBI (normalized in \$B)</b>	<b>4.17</b>	<b>3.23</b>	<b>2.14</b>

**Note:** Operational costs are shifted from VA to non-VA care only when a service line is relocated in totality to non-VA care at the parent facility level. Total cost is a sum of operational and capital costs rounded to the nearest dollar.

<sup>24</sup> The present value cost is the current value of future costs discounted at the defined discount rate.



## Section 203 Criteria Analysis

This section provides an overview of how this market recommendation is consistent with the Section 203 decision criteria as required by the MISSION Act. For more detailed information on how the recommendation is consistent with the Section 203 criteria, please see Appendix I.

### Demand

*This recommendation is consistent with the Demand criterion, aligning VA's high-performing integrated delivery network resources to effectively meet the future health care demand of the Veteran enrollee population with the capacity in the market.*

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 28 VA points of care offering outpatient services, including the proposed new East Pittsburgh, Pennsylvania MS CBOC; Steubenville, Ohio CBOC; and Butler, Pennsylvania partnership; and the proposed expanded Jamestown, New York MS CBOC; Greensburg, Pennsylvania MS CBOC; and Meadville, Pennsylvania MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Altoona, Pennsylvania; Butler, Pennsylvania; Erie, Pennsylvania; and Pittsburgh-Heinz, Pennsylvania VAMCs, as well as community nursing homes.

*The recommendation ensures that projected demand for SCI/D, RRTP, and blind rehabilitation is sufficiently met through VA-only capacity in the respective VISN or blind rehabilitation region.*

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D hub at the Cleveland, Ohio VAMC (VISN 10).
- **RRTP:** RRTP demand will be met through the Butler, Pennsylvania VAMC and Heinz, Pennsylvania VAMC, and the other facilities within VISN 04 offering RRTP, including the Lebanon, Pennsylvania VAMC; proposed new stand-alone RRTP in Wilmington, Delaware, and proposed replacement stand-alone RRTP in Philadelphia, Pennsylvania; and the RRTPs at the proposed new Camden, New Jersey VAMC; proposed new King of Prussia, Pennsylvania VAMC; and proposed replacement Wilkes-Barre, Pennsylvania VAMC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the proposed new King of Prussia, Pennsylvania VAMC (VISN 04) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the Pittsburgh, Pennsylvania VAMC and the proposed new Altoona, Pennsylvania and Erie, Pennsylvania partnerships, as well as through community providers; inpatient mental health demand will be met through the Pittsburgh, Pennsylvania VAMC, as well as through community providers.

## Access

*This recommendation is consistent with the Access criterion, maintaining or improving Veteran access to care in the market and providing Veterans the opportunity to choose the care they trust throughout their lifetime. The Access criterion evaluates enrollee access to care in the current and proposed future state across multiple service lines. It is evaluated for both the overall enrollee population as well as for specific subpopulations of enrollees that traditionally face barriers to receiving appropriate care, including minority enrollees, enrollees over 65, women enrollees, rural enrollees, and enrollees living in disadvantaged neighborhoods. Below are the access results for both primary care and specialty care among the overall enrollee population.*

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 125,149 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 125,269 enrollees within 60 minutes of specialty care in the future state.

## Mission

*This recommendation is consistent with the Mission criterion, providing for VA's second, third, and fourth health related statutory missions of education, research, and emergency preparedness.*

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 04. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with the University of Pittsburgh, Lake Erie College, and Conemaugh Memorial Medical Center.
- **Research:** This recommendation does not impact the research mission in the market and allows the Pittsburgh, Pennsylvania VAMC and other sites to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; no VAMCs in this market are designated as a Primary Receiving Center.

## Quality

*This recommendation is consistent with the Quality criterion, considering the quality and delivery of health care services available to Veterans in the market, including the experience, safety, and appropriateness of care.*

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new East Pittsburgh, Pennsylvania MS CBOC; Steubenville, Ohio CBOC; Butler, Pennsylvania partnership; Altoona, Pennsylvania partnership; and Erie, Pennsylvania partnership; as well as the modernization of the CLC at the Altoona, Pennsylvania VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.

## Quality

- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

## Cost Effectiveness

*This recommendation is consistent with the Cost Effectiveness criterion, providing a cost-effective means by which to provide Veterans with modern health care. The Cost Effectiveness criterion was assessed through a CBA summarized in the CBA section and detailed in Appendix H.*

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (2.14 for VA Recommendation versus 4.17 for Status Quo), indicating that VA Recommendation is more cost-effective than the Status Quo.

## Sustainability

*This recommendation is consistent with the Sustainability criterion, creating a sustainable health care delivery system for Veterans. It ensures that the health care delivery system proposed for the market is aligned with future demand, allowing it to sustainably operate and provide a safe and welcoming health care environment that meets modern health care standards.*

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new East Pittsburgh, Pennsylvania MS CBOC; Steubenville, Ohio CBOC; Butler, Pennsylvania partnership; Altoona, Pennsylvania partnership; and Erie, Pennsylvania partnership; as well as the modernization of the CLC at the Altoona, Pennsylvania VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in a community partner space.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today (\$32.1B for VA Recommendation versus \$32.3B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (2.14 for VA Recommendation versus 3.23 for Modernization), reflecting effective stewardship of taxpayer dollars.