VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

Appendix H

Cost Benefit Analysis – VISN 07

Table of Contents

VISN 07 Alabama

The recommendations for modernization and realignment of VHA infrastructure submitted by the Secretary of the Department of Veterans Affairs to the Asset and Infrastructure Review (AIR) Commission are focused on allowing VA to provide accessible, timely, and high-quality health care for Veterans now and in the future. To inform the recommendations, VA conducted a Cost Benefit Analysis (CBA) that examines the cost-efficiency and benefits to Veterans of various courses of action (COAs) within each market. The CBA compares the costs and benefits associated with maintaining the current facilities, modernizing the current facilities, or strategically realigning and modernizing facilities in each market to inform the identification of a preferred COA.

The CBA aligns with requirements outlined in Section 1703C of Title 38, United States Code (U.S.C.), as added by Section 203 of the VA MISSION Act of 2018.

> *VA MISSION Act, Section 203(2)(F)*
>
> *"In making recommendations under this subsection, the Secretary shall consider…the extent and timing of potential costs and savings, including the number of years such costs or savings will be incurred, beginning with the date of completion of the proposed recommendation."*

This CBA summary document defines the COAs, provides a brief overview of the methodology, and outlines the results of the CBA and the associated sensitivity analysis.

Overview of COAs and Methodology

The Cost Benefit Analysis (CBA) reviews, analyzes, and compares the costs and benefits of three distinct courses of action (COA):

- maintaining VA's current facilities assuming no changes or additional modernization to current facilities, programs, and infrastructure (COA Name: Status Quo)
- modernizing the current facilities without strategically realigning facilities (COA Name: Modernization)
- strategically realigning and modernizing facilities (COA Name: VA Recommendation to the AIR Commission)

To evaluate these courses of action, VA examined the combined cost and benefits of each COA for each market. The CBA was conducted at the market level, rather than at the facility level, to allow for a holistic assessment of a COA's impact that considers optimization of the market across all health care facilities. The financial costs were assessed using a Present Value (PV) analysis while the non-financial benefits were assessed using a Benefits Analysis Scoring process. Ultimately, the CBA results in a Cost-Benefit Index – a simple metric by which to compare the combined cost and non-financial benefits associated with each COA. The CBI equals the total life-cycle cost (PV) of each COA in PV dollars, divided by the Benefits Analysis score for that COA's non-financial benefits normalized to the billions place. The COA with the lowest CBI score is the preferred COA.

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the combined VISN 07 Alabama Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (2.35) is 48.1% lower than the Status Quo COA (4.54) and 27.7% lower than the Modernization COA (3.26).

The VA Recommendation COA is $1.2 B (3.8%) more expensive than the Status Quo COA and $387.6 M (1.2%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 7 for the Status Quo COA and 10 for the Modernization COA.

The tables below detail the present values, benefit scores, and CBIs for each COA.

Table 1 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($31,757,617,755)	($32,562,284,946)	($32,949,853,888)
Benefit Analysis Score	7	10	14
CBI (Normalized in $Billions)	4.54	3.26	2.35
CBI % Change vs. Status Quo	N/A	-28.2%	-48.1%
CBI % Change vs. Modernization	N/A	N/A	-27.7%

Table 2 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($804,667,191)	($1,482,572,713)
Operational Cost Variance vs. Status Quo	N/A	$0	$290,336,580
Estimated Total Cost Variance vs. Status Quo	N/A	($804,667,191)	($1,192,236,133)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($387,568,942)

Note: Operational unit costs were provided at the parent facility level not at the facility level. Therefore, the analysis does not estimate the changes in operational costs stemming from new, expanded, or removed POC. The analysis only shows changes to operational costs when a service line is shifted, at the parent facility level, from the VA care to Non-VA care. When the VA Recommendation COA shifts care across markets, operational costs are still incurred by the originating market in the future state. This is done to better compare COAs in each market and because the costs remain with the VHA at the national level.

Table 3 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	1	2	2
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**7**	**10**	**14**

VA Recommendation

The VA Recommendation for the VISN 07 Alabama Market COA is detailed below.

- Modernize and realign the Birmingham VAMC by:
  - Constructing a replacement VAMC with inpatient medical and surgical care, inpatient mental health, and emergency department services
  - Constructing a new VAMC with outpatient and RRTP services in the vicinity of Huntsville, Alabama
  - Relocating inpatient blind rehabilitation services provided at the Birmingham VAMC to current or future VA facilities and discontinuing those services at the Birmingham VAMC
  - Establishing a strategic collaboration in Huntsville, Alabama, to add inpatient medical and surgical care and inpatient mental health services. If unable to enter into a strategic collaboration, utilize community providers
- Modernize and realign the Montgomery VAMC by:
  - Constructing a new ambulatory building at the existing Montgomery VAMC
  - Establishing inpatient mental health services at the Montgomery VAMC
  - Establishing a strategic collaboration to provide inpatient medical and surgical services in the vicinity of Columbus, Georgia
- Modernize and realign the Tuskegee VAMC by:
  - Relocating inpatient mental health services to current or future VA facilities and discontinuing those services at the Tuskegee VAMC
  - Constructing a replacement VAMC with CLC, RRTP, and outpatient services at the Tuskegee VAMC
- Modernize the RRTP at the Tuscaloosa VAMC
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new CBOC in the vicinity of Prattville, Alabama
  - Establishing a new CBOC in the vicinity of LaGrange, Georgia
  - Relocating the Huntsville MS CBOC to a new site in the vicinity of Huntsville, Alabama, and closing the existing Huntsville MS CBOC

- Relocating the Birmingham 7th Ave MS CBOC to a new site in the vicinity of Birmingham, Alabama, and closing the existing Birmingham 7th Ave MS CBOC
- Relocating the Dothan 2 CBOC to a new site in the vicinity of Dothan, Alabama, and closing the existing Dothan 2 CBOC
- Relocating all services from the Birmingham OOS to the proposed Birmingham MS CBOC and closing the Birmingham OOS
- Relocating all services from the Central Alabama Montgomery MS CBOC to the proposed new ambulatory building on the existing Montgomery VAMC and closing the Central Alabama Montgomery MS CBOC

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 07 Alabama Market across a 30-year horizon. The cost of the VA Recommendation COA ($32.9 B) was higher than the Status Quo COA ($31.8 B) and the Modernization COA ($32.6 B).

For the VISN 07 Alabama Market, the VA Recommendation COA is $1.2 B (3.8%) more expensive than the Status Quo COA and $387.6 M (1.2%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 07 Alabama: Capital and Operational Costs.

Table 4 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($31,757,617,755)	($32,562,284,946)	($32,949,853,888)
Capital Cost Variance vs. Status Quo	N/A	($804,667,191)	($1,482,572,713)
Operational Cost Variance vs. Status Quo	N/A	$0	$290,336,580
Non-VA Care Operational Cost Variance	N/A	$0	($127,883,302)
VA Care Operational Cost Variance	N/A	$0	$418,219,883
Estimated Total Cost Variance vs. Status Quo	$0	($804,667,191)	($1,192,236,133)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($387,568,942)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 07 Alabama Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 5 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	1	2	2
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**7**	**10**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 07 Alabama: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

Within the Demand and Supply domain, the CBA considers how each COA impacts VA's ability to meet Veteran demand in the future. Each COA is assessed on two benefit components: (1) the ability to balance demand and supply; (2) the changes to facility placement or service offerings that improve VA's ability to meet future demand.

The table below shows the scores for VISN 07 Alabama for this domain.

Table 6 – Demand and Supply Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3

Status Quo: The COA received a score of 1 because at least one inpatient service line was over/under supplied, or more than 50% of specialties were inadequately supplied when compared to future Veteran in-house demand. Additionally, no changes to facilities or services were introduced that improve VA's ability to meet the future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, expansion of services).

Modernization: The COA received a score of 2 because, while Modernization right-sizes services to meet future Veteran in-house demand, the COA does not include changes to facilities or services that improve

VA's ability to meet the future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, addition of new services).

VA Recommendation: The COA received a score of 3 because it right-sizes services to meet future Veteran enrollee demand and includes changes to facilities or services that improve VA's ability to meet future Veteran enrollee demand based on guidelines established in the CBA methodology. These changes include the following:

- Establishes a new Prattville CBOC to provide primary care and outpatient mental health services; there are 4,996 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new LaGrange CBOC to provide primary care and outpatient mental health services; there are 3,357 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new Huntsville VAMC to provide inpatient residential rehabilitative services; 30,658 enrollees live within 60 minutes of the proposed facility
- Establishes the new Huntsville, AL inpatient medicine and surgery partnership
- Establishes the new Columbus, AL inpatient medicine and surgery partnership

Access

Within the Access domain, the CBA considers how each COA impacts Veteran access to care in the future. Each COA is assessed on the change in enrollee proximity to VA-provided primary care, specialty care, and outpatient mental health care.

The table below shows the CBA access scores for VISN 07 Alabama for this domain.

Table 7 – Access Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Access	2	2	3

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (inclusive of VA, Community Care Network providers, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future high-performing integrated delivery network (HPIDN).

Status Quo: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

Modernization: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

VA Recommendation: The COA received a score of 3 because access to VA-provided primary care was maintained within 1%, specialty care increased 1% or more, and outpatient mental health care increased 1% or more.

Quality

Within the Quality domain, the CBA considers how each COA impacts the quality of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the ability of the main patient care facilities to support modern healthcare; (2) the ability of demand to support clinical competency.

The table below shows the scores for VISN 07 Alabama for this domain.

Table 8 – Quality Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Quality	1	2	2

Status Quo: The COA received a score of 1 for two reasons. First, the COA includes main patient care facilities that were built prior to the emergence of modern healthcare design principles and specific standards to support modern medicine (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces aged infrastructure with modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

VA Recommendation: The COA received a score of 2 for two reasons. First, the COA replaces aged infrastructure with modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Facilities and Sustainability

Within the Facilities and Sustainability domain, the CBA considers how each COA impacts the sustainability of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the useful life of the main patient care facilities; (2) changes that strengthen VA's ability to recruit and retain providers.

The table below shows the scores for VISN 07 Alabama for this domain.

Table 9 – Facilities and Sustainability Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Facilities and Sustainability	1	2	3

Note: The American Hospital Association estimates that a hospital's useful life, a measure which predicts the productive period of a typical capital asset before it becomes obsolete or needs replacement, is currently 40 years.

Status Quo: The COA received a score of 1 for two reasons. First, the COA includes at least one main patient care facility that exceeds its useful life as defined by the American Hospital Association, indicating it may be obsolete or need replacement. Second, the COA does not include changes that strengthen VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, while the COA includes modernized infrastructure, which may attract providers, it does not include additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

VA Recommendation: The COA received a score of 3 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, in addition to modernized infrastructure which may attract providers, it also includes additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities). The COA includes the following actions to support VA's ability to recruit or retain providers:

- Establishes the new Huntsville, AL inpatient medicine and surgery partnership
- Establishes the new Columbus, AL inpatient medicine and surgery partnership

Mission

Within the Mission domain, the CBA considers how each COA impacts VA's ability to support its statutory missions of Education, Research, and Emergency Preparedness in the future. Each COA is assessed on three benefit components: (1) the impact on training programs; (2) the impact on research programs; (3) the impact on emergency preparedness.

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 07 Alabama for this domain.

Table 10 – Mission Scoring Summary

Subdomain	Status Quo	Modernization	VA Recommendation
Education	2	2	3
Research	2	2	3
Emergency Preparedness	2	2	2
Overall Mission Score (Rounded Average)	**2**	**2**	**3**

Status Quo: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Modernization: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

VA Recommendation: The COA received a score of 3 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 3 because inpatient acute services remain VA-delivered and thus the COA maintains existing training programs. Additionally, the COA includes new (not replacement) infrastructure that creates new opportunities for training within the market.
- **Research:** The COA received a score of 3 because it maintains all research programs and builds new (not replacement) infrastructure to support additional research space.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Sensitivity Analysis

A sensitivity analyses study shows how various sources of uncertainty in a mathematical model contribute to the model's overall uncertainty. The market is considered sensitive to a scenario when the

VA Recommendation is no longer the leading COA due to changes in benefit scores, VA capital costs, VA operational costs, or non-VA operational costs.

The table below outlines the sensitivity analysis scenarios completed.

Table 11 – Sensitivity Analysis Scenarios

Sensitivity Analysis Scenarios
Increase Benefit Scores for Status Quo and Modernization in increments of one from 1 to 3 points
Increase VA Capital Costs in 50% increments from 0% to 300%
Increase VA Operational Costs in 50% increments from 0% to 300%
Increase Non-VA Operational Costs in 50% increments from 0% to 300%

Sensitivity Analysis Results Summary

In the VISN 07 Alabama Market, no scenarios changed the outcome of the CBA.

Sensitivity Analysis Full Results

The below tables show the results across all sensitivity analysis scenarios.

Table 12 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	4.54	3.26	2.35	VA Recommendation
+1	3.97	2.96	2.35	VA Recommendation
+2	3.53	2.71	2.35	VA Recommendation
+3	3.18	2.50	2.35	VA Recommendation

Table 13 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.54	3.26	2.35	VA Recommendation
50%	4.76	3.45	2.52	VA Recommendation
100%	4.98	3.64	2.68	VA Recommendation
150%	5.20	3.84	2.84	VA Recommendation
200%	5.42	4.03	3.00	VA Recommendation
250%	5.64	4.23	3.17	VA Recommendation
300%	5.86	4.42	3.33	VA Recommendation

Table 14 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.54	3.26	2.35	VA Recommendation
50%	5.90	4.21	3.02	VA Recommendation
100%	7.26	5.16	3.69	VA Recommendation
150%	8.63	6.12	4.35	VA Recommendation
200%	9.99	7.07	5.02	VA Recommendation
250%	11.35	8.03	5.69	VA Recommendation
300%	12.72	8.98	6.35	VA Recommendation

Table 15 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.54	3.26	2.35	VA Recommendation
50%	5.22	3.74	2.70	VA Recommendation
100%	5.91	4.22	3.05	VA Recommendation
150%	6.59	4.70	3.40	VA Recommendation
200%	7.28	5.18	3.74	VA Recommendation
250%	7.96	5.66	4.09	VA Recommendation
300%	8.65	6.14	4.44	VA Recommendation

Appendix A – VISN 07 Alabama: Capital and Operational Costs Detail

Table 16 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	3,032,770	3,622,483
Build New GSF	-	1,621,815	2,122,031
Renovate In Place GSF	-	373,072	379,239
Matched Convert To GSF	-	470,248	378,502
Demolition GSF	-	2,002,499	2,194,620
Total Build New Cost	$0	($1,421,796,480)	($1,786,475,952)
Total Renovate In Place Cost	$0	($134,051,308)	($137,754,295)
Total Matched Convert To Cost	$0	($170,112,285)	($137,337,310)
Total Demolition Cost	$0	($67,497,402)	($60,377,570)
Total Lease Build-Out Cost	$0	($97,007,695)	($82,489,333)
Total New Lease Cost	$0	($497,071,525)	($409,926,224)
Total Existing Lease Cost	($177,345,743)	($177,345,616)	($58,928,509)
NRM Costs for Owned Facilities	($2,251,170,370)	($354,053,519)	($422,898,108)
FCA Correction Cost	($557,606,421)	N/A	N/A
Estimated Base Modernization Cost	($2,986,122,533)	($2,918,935,830)	($3,096,187,302)
Additional Common/Lobby Space Needed (GSF)	-	567,635	742,711
Cost of Additional Common/Lobby Space	$0	($421,881,592)	($552,409,007)

	Status Quo	Modernization	VA Recommendation
Additional Parking Cost	$0	($46,392,201)	($386,566,456)
Potential Land Acquisition Cost	$0	($8,576,891)	($1,365,242)
Seismic Correction Cost	($38,608,129)	($8,473,605)	($6,635,141)
Non-Building FCA Correction Cost	($51,826,498)	($51,826,497)	($47,471,167)
Activation Costs	$0	($425,137,735)	($468,495,558)
Estimated Additional Costs for Modernization	($90,434,627)	($962,288,521)	($1,462,942,571)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($3,076,557,161)	($3,881,224,351)	($4,559,129,873)

Table 17 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($10,048,439,717)	($10,048,439,717)	($9,823,829,823)
Fixed Direct	($1,129,911,139)	($1,129,911,139)	($1,122,679,657)
VA Specific Direct	($510,808,824)	($510,808,824)	($509,901,228)
Indirect	($5,596,247,915)	($5,596,247,915)	($5,451,758,456)
VA Specific Indirect	($795,281,066)	($795,281,066)	($776,744,461)
Research and Education	($27,373,621)	($27,373,621)	($27,373,621)
VA Overhead	($974,538,828)	($974,538,828)	($952,093,982)
VA Care Operational Cost Total (PV)	($19,082,601,110)	($19,082,601,110)	($18,664,381,228)
CC Direct	($6,928,992,230)	($6,928,992,230)	($7,056,823,181)

	Status Quo	Modernization	VA Recommendation
Delivery and Operations	($308,708,334)	($308,708,334)	($313,648,369)
Care Coordination	($312,564,650)	($312,564,650)	($317,996,835)
CC Overhead	($390,725,725)	($390,725,725)	($397,345,784)
Admin PMPM	($1,657,468,545)	($1,657,468,545)	($1,640,528,618)
Non-VA Care Operational Cost Total (PV)	($9,598,459,484)	($9,598,459,484)	($9,726,342,787)
Estimated Operational Costs (PV)	($28,681,060,594)	($28,681,060,594)	($28,390,724,014)

Appendix B – VISN 07 Alabama: Benefits Analysis Key Data

Below are key data points used in the benefit analysis, summarized in the above Benefit Analysis section.

Demand and Supply

Inpatient

Table 18 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	225	270	184	Under Supplied
IP Med/Surg	92	111	155	Over Supplied
IP MH	66	79	62	Under Supplied

Note: Community Living Center (CLC); Medicine (Med); Surgery (Surg); Mental Health (MH)

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 19 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	13	48%

Physician Supply Adequacy	Count of Specialties	Percentage
Under Supplied	14	52%

Note: VA supply in the Status Quo COA is quantitatively evaluated based on the data above. It is assumed the Modernization COA scales the capacity of existing facilities up or down to meet future Veteran in-house demand. Similar to the Modernization COA, it is assumed the VA Recommendation COA scales the capacity of existing and proposed facilities up or down to meet future Veteran in-house demand. However, the VA Recommendation COA may account for factors that demand projections do not consider that may shift the future balance of in-house and community workload, such as:

- Areas with unmet Veteran demand that may warrant a net new point of care
- Low-census inpatient acute programs that may pose risks to quality and training programs, potentially warranting a shift to community providers
- Community capacity factors that may warrant changes to VA capacity

Source: Office of Productivity, Efficiency and Staffing 2019 Capacity Report

Table 20 – New Facility Demand Guidelines

Facility or Service	Guideline
Inpatient Acute VAMCs	Greater than or equal to 35,000 overlapping enrollees
Inpatient CLC	Greater than or equal to 21,000 overlapping enrollees
Health Care Center	Greater than or equal to 34,000 overlapping enrollees
MS CBOC	Greater than or equal to 4,300 non-overlapping enrollees
CBOC	Greater than or equal to 2,500 non-overlapping enrollees

Note: The above guidelines are used to determine whether a new (not replacement) point of care or service proposed in the VA recommendation had adequate demand.

Access

Table 21 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.7%	75.7%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	76.0%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	87.4%	87.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	95.8%	95.8%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.5%	99.5%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.7%	75.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	76.0%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	87.4%	87.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	95.8%	95.8%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.5%	99.5%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.7%	77.0%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	77.0%	Increased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	87.4%	89.0%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	95.8%	96.1%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.5%	99.7%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (HPIDN) (inclusive of VA, Community Care Network, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future HPIDN. The table above shows the results for enrollee proximity to the full HPIDN as well as to VA-provided care in the market.

Source: Enrollee data from the FY19 Geocoded Enrollee File. Existing VA facility location data from VAST. Commercial provider location data from Definitive Healthcare.

Quality

Main Patient Care Facility Construction Date

Table 22 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V07) (521) Birmingham	1952	Yes

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V07) (619) Montgomery	1940	Yes
(V07) (619A4) Tuskegee	1988	No
(V07) (679) Tuscaloosa	1995	No

Source: Main patient care facility construction and renovation dates from CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Inpatient Acute Demand

Table 23 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V07) (521) Birmingham	IP Med	20 ADC	Yes	Replace
(V07) (521) Birmingham	IP Surg	1,600 Cases	Yes	Replace
(V07) (521) Birmingham	IP MH	8 ADC	No Service	N/A
(V07) (619) Montgomery	IP Med	20 ADC	No	Maintain
(V07) (619) Montgomery	IP Surg	1,600 Cases	No	Maintain
(V07) (619) Montgomery	IP MH	8 ADC	No Service	Open New
(V07) (679) Tuscaloosa	IP Med	20 ADC	No Service	N/A
(V07) (679) Tuscaloosa	IP Surg	1,600 Cases	No Service	N/A
(V07) (679) Tuscaloosa	IP MH	8 ADC	Yes	Maintain
(V07) (619A4) Tuskegee	IP Med	20 ADC	No Service	N/A
(V07) (619A4) Tuskegee	IP Surg	1,600 Cases	No Service	N/A

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V07) (619A4) Tuskegee	IP MH	8 ADC	Yes	Relocate

Note: The Status Quo and Modernization COAs are assumed to maintain all current facilities and services. The VA Recommendation COA proposes maintaining, partnering, and divesting of services at each facility, shown in the last column titled "VA Recommendation". To score a 3, the VA recommendation must partner or divest of all low-demand services.

Source: FY 2029 average daily census for inpatient services is based on Enrollee Healthcare Projection Model Base Year 2019. 2019 Total Surgical Cases is from the VA National Surgery Office.

Facilities and Sustainability

Table 24 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V07) (521) Birmingham	1952	1990	Yes
(V07) (619) Montgomery	1940	1993	Yes
(V07) (619A4) Tuskegee	1988	1996	No
(V07) (679) Tuscaloosa	1995	N/A	No

Note: Exceeding useful life is defined as 1) When a main patient care facility was built before 1970 it has exceeded its useful life, even if it has undergone major renovation in the last 40 years. 2) When a main patient care facility was built after 1970 but is still more than 40 years old (built on or after 1971 and before 1989), it must have undergone major renovation within the last 40 years to not exceed its useful life. 3) When a main patient care facility was built in or after 1989, it has not exceeded its useful life.

Source: From CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Table 25 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
(V07) Huntsville, AL IP Partnership	Yes
(V07) Columbus, AL IP Partnership	Yes

Mission

Table 26 – Mission Key Data Points for Scoring

The Status Quo and Modernization COAs are assumed to have no impact on VA's statutory missions. The impact of the VA Recommendation on VA's statutory missions is shown in the table below:

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V07) (521) Birmingham	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V07) (619) Montgomery	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V07) (679) Tuscaloosa	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V07) (619A4) Tuskegee	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 07 Georgia

The recommendations for modernization and realignment of VHA infrastructure submitted by the Secretary of the Department of Veterans Affairs to the Asset and Infrastructure Review (AIR) Commission are focused on allowing VA to provide accessible, timely, and high-quality health care for Veterans now and in the future. To inform the recommendations, VA conducted a Cost Benefit Analysis (CBA) that examines the cost-efficiency and benefits to Veterans of various courses of action (COAs) within each market. The CBA compares the costs and benefits associated with maintaining the current facilities, modernizing the current facilities, or strategically realigning and modernizing facilities in each market to inform the identification of a preferred COA.

The CBA aligns with requirements outlined in Section 1703C of Title 38, United States Code (U.S.C.), as added by Section 203 of the VA MISSION Act of 2018.

> *VA MISSION Act, Section 203(2)(F)*
>
> *"In making recommendations under this subsection, the Secretary shall consider…the extent and timing of potential costs and savings, including the number of years such costs or savings will be incurred, beginning with the date of completion of the proposed recommendation."*

This CBA summary document defines the COAs, provides a brief overview of the methodology, and outlines the results of the CBA and the associated sensitivity analysis.

Overview of COAs and Methodology

The Cost Benefit Analysis (CBA) reviews, analyzes, and compares the costs and benefits of three distinct courses of action (COA):

- maintaining VA's current facilities assuming no changes or additional modernization to current facilities, programs, and infrastructure (COA Name: Status Quo)
- modernizing the current facilities without strategically realigning facilities (COA Name: Modernization)
- strategically realigning and modernizing facilities (COA Name: VA Recommendation to the AIR Commission)

To evaluate these courses of action, VA examined the combined cost and benefits of each COA for each market. The CBA was conducted at the market level, rather than at the facility level, to allow for a holistic assessment of a COA's impact that considers optimization of the market across all health care facilities. The financial costs were assessed using a Present Value (PV) analysis while the non-financial benefits were assessed using a Benefits Analysis Scoring process. Ultimately, the CBA results in a Cost-Benefit Index – a simple metric by which to compare the combined cost and non-financial benefits associated with each COA. The CBI equals the total life-cycle cost (PV) of each COA in PV dollars, divided by the Benefits Analysis score for that COA's non-financial benefits normalized to the billions place. The COA with the lowest CBI score is the preferred COA.

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the combined VISN 07 Georgia Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (4.35) is 42.8% lower than the Status Quo COA (7.61) and 22.4% lower than the Modernization COA (5.60).

The VA Recommendation COA is $3.3 B (6.2%) more expensive than the Status Quo COA and $502.9 M (0.9%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 13-point benefits score compared to 7 for the Status Quo COA and 10 for the Modernization COA.

The tables below detail the present values, benefit scores, and CBIs for each COA.

Table 27 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($53,250,071,560)	($56,044,134,558)	($56,547,064,128)
Benefit Analysis Score	7	10	13
CBI (Normalized in $Billions)	7.61	5.60	4.35
CBI % Change vs. Status Quo	N/A	-26.3%	-42.8%
CBI % Change vs. Modernization	N/A	N/A	-22.4%

Table 28 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($2,794,062,998)	($3,364,029,082)
Operational Cost Variance vs. Status Quo	N/A	$0	$67,036,514
Estimated Total Cost Variance vs. Status Quo	N/A	($2,794,062,998)	($3,296,992,567)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($502,929,569)

Note: Operational unit costs were provided at the parent facility level not at the facility level. Therefore, the analysis does not estimate the changes in operational costs stemming from new, expanded, or removed POC. The analysis only shows changes to operational costs when a service line is shifted, at the parent facility level, from the VA care to Non-VA care. When the VA Recommendation COA shifts care across markets, operational costs are still incurred by the originating market in the future state. This is done to better compare COAs in each market and because the costs remain with the VHA at the national level.

Table 29 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	1	2	2
Facilities and Sustainability	1	2	3
Mission	2	2	2
Total Benefit Score	**7**	**10**	**13**

VA Recommendation

The VA Recommendation for the VISN 07 Georgia Market COA is detailed below.

- Modernize and realign the Atlanta VAMC by:
  - Constructing a replacement VAMC with inpatient medical and surgical care, inpatient mental health, emergency department, and outpatient services in the vicinity of Atlanta, Georgia
  - Constructing a new VAMC with CLC and outpatient services in the vicinity of Gwinnett County, Georgia
  - Relocating all services provided at the Atlanta VAMC to current or future VA facilities and discontinuing those services at the existing Atlanta VAMC
  - Closing the Atlanta VAMC
- Modernize the Fort McPherson VAMC by:
  - Modernizing the RRTP
  - Modernizing the ambulatory clinic
- Modernizing the CLC at the Carrollton VAMC
- Modernize and realign the Augusta VAMC – Uptown by:
  - Constructing a new acute care tower
  - Modernizing the RRTP
  - Modernizing the CLC
  - Modernizing the inpatient mental health patient rooms
  - Modernizing the inpatient blind rehabilitation unit
- Modernize and realign the Augusta VAMC – Downtown by relocating all inpatient and outpatient services provided at the Augusta VAMC – Downtown to current or future VA facilities and discontinuing those services at the Augusta VAMC – Downtown
- Modernize and realign the Dublin VAMC by:
  - Constructing a new VAMC with CLC, RRTP, outpatient, and urgent care services in the vicinity of Macon, Georgia

    - Relocating all inpatient and outpatient services provided at the Dublin VAMC to current or future VA facilities, a strategic collaboration, and community providers and discontinuing those services at the Dublin VAMC
    - Closing the Dublin VAMC
- Modernize and realign outpatient facilities in the market by:
    - Establishing a new CBOC in the vicinity of Baldwin, Georgia
    - Establishing a new MS CBOC in the vicinity of Dublin, Georgia
    - Relocating the Perry CBOC to a new site in the vicinity of Perry, Georgia, and closing the existing Perry CBOC
    - Relocating all services from the Gwinnett County CBOC to the proposed Gwinnett County VAMC and closing the existing Gwinnett County CBOC
    - Relocating all services from the Macon MS CBOC to the proposed Macon VAMC and closing the existing Macon MS CBOC
    - Relocating all services from the North Fulton OOS to the proposed Gwinnett County VAMC and closing the North Fulton OOS
    - Relocating all services from the Henderson Mill OOS to the proposed Gwinnett County VAMC and closing the Henderson Mill OOS
    - Relocating all services from the West Cobb CBOC to the planned Cobb County MS CBOC and closing the West Cobb CBOC
    - Relocating all services from the Northeast Cobb County CBOC to the planned Cobb County MS CBOC and closing the Northeast Cobb County CBOC
    - Relocating all services from the South Cobb County CBOC to the planned Cobb County MS CBOC and closing the South Cobb County CBOC
    - Relocating all services from the North DeKalb County OOS to the Atlanta North Arcadia MS CBOC and closing the North DeKalb County OOS
    - Relocating all services from the South Fulton County OOS to the Fort McPherson VAMC and closing the South Fulton County OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 07 Georgia Market across a 30-year horizon. The cost of the VA Recommendation COA ($56.5 B) was higher than the Status Quo COA ($53.3 B) and the Modernization COA ($56.0 B).

For the VISN 07 Georgia Market, the VA Recommendation COA is $3.3 B (6.2%) more expensive than the Status Quo COA and $502.9 M (0.9%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 07 Georgia: Capital and Operational Costs Detail.

Table 30 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($53,250,071,560)	($56,044,134,558)	($56,547,064,128)
Capital Cost Variance vs. Status Quo	N/A	($2,794,062,998)	($3,364,029,082)
Operational Cost Variance vs. Status Quo	N/A	$0	$67,036,514
Non-VA Care Operational Cost Variance	N/A	$0	($38,980,829)
VA Care Operational Cost Variance	N/A	$0	$106,017,344
Estimated Total Cost Variance vs. Status Quo	N/A	($2,794,062,998)	($3,296,992,567)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($502,929,569)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 07 Georgia Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 31 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	1	2	2
Facilities and Sustainability	1	2	3
Mission	2	2	2
Total Benefit Score	**7**	**10**	**13**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 07 Georgia: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

Within the Demand and Supply domain, the CBA considers how each COA impacts VA's ability to meet Veteran demand in the future. Each COA is assessed on two benefit components: (1) the ability to balance demand and supply; (2) the changes to facility placement or service offerings that improve VA's ability to meet future demand.

The table below shows the scores for VISN 07 Georgia for this domain.

Table 32 – Demand and Supply Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3

Status Quo: The COA received a score of 1 because at least one inpatient service line was over/under supplied, or more than 50% of specialties were inadequately supplied when compared to future Veteran in-house demand. Additionally, no changes to facilities or services were introduced that improve VA's ability to meet the future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, expansion of services).

Modernization: The COA received a score of 2 because, while Modernization right-sizes services to meet future Veteran in-house demand, the COA does not include changes to facilities or services that improve VA's ability to meet the future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, addition of new services).

VA Recommendation: The COA received a score of 3 because it right-sizes services to meet future Veteran enrollee demand and includes changes to facilities or services that improve VA's ability to meet future Veteran enrollee demand based on guidelines established in the CBA methodology. These changes include the following:

- Establishes a new Cobb County MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 24,017 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Gwinnett County VAMC to provide inpatient community living center services; 124,988 enrollees live within 60 minutes of the proposed facility
- Establishes a new Baldwin CBOC to provide primary care and outpatient mental health services; there are 3,529 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new Dublin MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 5,547 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Perry (Warner Robins) MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 10,563 enrollees for which the proposed facility is the closest VA point of care within 60 minutes

- Establishes a new Macon VAMC to provide inpatient community living center and inpatient residential rehabilitative services; 38,160 enrollees live within 60 minutes of the proposed facility
- Expands the Athens CBOC to a MS CBOC, adding specialty care services
- Expands the Statesboro CBOC to a MS CBOC, adding specialty care services
- Establishes the new Macon inpatient medicine and surgery partnership

Access

Within the Access domain, the CBA considers how each COA impacts Veteran access to care in the future. Each COA is assessed on the change in enrollee proximity to VA-provided primary care, specialty care, and outpatient mental health care.

The table below shows the CBA access scores for VISN 07 Georgia for this domain.

Table 33 – Access Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Access	2	2	3

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (inclusive of VA, Community Care Network providers, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future high-performing integrated delivery network (HPIDN).

Status Quo: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

Modernization: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

VA Recommendation: The COA received a score of 3 because access to VA-provided primary care was maintained within 1%, specialty care increased 1% or more, and outpatient mental health care was maintained within 1%.

Quality

Within the Quality domain, the CBA considers how each COA impacts the quality of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the ability of the main patient care facilities to support modern healthcare; (2) the ability of demand to support clinical competency.

The table below shows the scores for VISN 07 Georgia for this domain.

Table 34 – Quality Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Quality	1	2	2

Status Quo: The COA received a score of 1 for two reasons. First, the COA includes main patient care facilities that were built prior to the emergence of modern healthcare design principles and specific standards to support modern medicine (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces aged infrastructure with modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

VA Recommendation: The COA received a score of 2 for two reasons. First, the COA replaces aged infrastructure with modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand below VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Facilities and Sustainability

Within the Facilities and Sustainability domain, the CBA considers how each COA impacts the sustainability of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the useful life of the main patient care facilities; (2) changes that strengthen VA's ability to recruit and retain providers.

The table below shows the scores for VISN 07 Georgia for this domain.

Table 35 – Facilities and Sustainability Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Facilities and Sustainability	1	2	3

Note: The American Hospital Association estimates that a hospital's useful life, a measure which predicts the productive period of a typical capital asset before it becomes obsolete or needs replacement, is currently 40 years.

Status Quo: The COA received a score of 1 for two reasons. First, the COA includes at least one main patient care facility that exceeds its useful life as defined by the American Hospital Association, indicating it may be obsolete or need replacement. Second, the COA does not include changes that strengthen VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, while the COA includes modernized infrastructure, which may attract providers, it does not include additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

VA Recommendation: The COA received a score of 3 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, in addition to modernized infrastructure which may attract providers, it also includes additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities). The COA includes the following action to support VA's ability to recruit or retain providers:

- Establishes the new Macon inpatient medicine and surgery partnership

Mission

Within the Mission domain, the CBA considers how each COA impacts VA's ability to support its statutory missions of Education, Research, and Emergency Preparedness in the future. Each COA is assessed on three benefit components: (1) the impact on training programs; (2) the impact on research programs; (3) the impact on emergency preparedness.

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 07 Georgia for this domain.

Table 36 – Mission Scoring Summary

Subdomain	Status Quo	Modernization	VA Recommendation
Education	2	2	1
Research	2	2	3
Emergency Preparedness	2	2	2
Overall Mission Score (Rounded Average)	**2**	**2**	**2**

Status Quo: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Modernization: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

VA Recommendation: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 1 because it impacts inpatient acute service lines and thus introduces risk to existing training programs.
- **Research:** The COA received a score of 3 because it maintains all research programs and builds new (not replacement) infrastructure to support additional research space.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Sensitivity Analysis

A sensitivity analyses study shows how various sources of uncertainty in a mathematical model contribute to the model's overall uncertainty. The market is considered sensitive to a scenario when the VA Recommendation is no longer the leading COA due to changes in benefit scores, VA capital costs, VA operational costs, or non-VA operational costs.

The table below outlines the sensitivity analysis scenarios completed.

Table 37 – Sensitivity Analysis Scenarios

Sensitivity Analysis Scenarios
Increase Benefit Scores for Status Quo and Modernization in increments of one from 1 to 3 points
Increase VA Capital Costs in 50% increments from 0% to 300%
Increase VA Operational Costs in 50% increments from 0% to 300%
Increase Non-VA Operational Costs in 50% increments from 0% to 300%

Sensitivity Analysis Results Summary

In the VISN 07 Georgia Market, one scenario changed the outcome of the CBA.

- Increasing the Modernization benefits score by three points

Sensitivity Analysis Full Results

The below tables show the results across all sensitivity analysis scenarios.

Table 38 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	7.61	5.60	4.35	VA Recommendation
+1	6.66	5.09	4.35	VA Recommendation
+2	5.92	4.67	4.35	VA Recommendation
+3	5.33	4.31	4.35	Modernization

Table 39 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	7.61	5.60	4.35	VA Recommendation
50%	7.91	5.95	4.64	VA Recommendation
100%	8.21	6.30	4.93	VA Recommendation
150%	8.51	6.65	5.22	VA Recommendation
200%	8.81	7.00	5.51	VA Recommendation
250%	9.11	7.35	5.81	VA Recommendation
300%	9.41	7.71	6.10	VA Recommendation

Table 40 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	7.61	5.60	4.35	VA Recommendation
50%	10.12	7.36	5.70	VA Recommendation
100%	12.63	9.12	7.05	VA Recommendation
150%	15.15	10.88	8.40	VA Recommendation
200%	17.66	12.64	9.75	VA Recommendation
250%	20.17	14.40	11.10	VA Recommendation
300%	22.69	16.16	12.45	VA Recommendation

Table 41 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	7.61	5.60	4.35	VA Recommendation
50%	8.60	6.30	4.88	VA Recommendation
100%	9.59	6.99	5.42	VA Recommendation
150%	10.58	7.68	5.95	VA Recommendation
200%	11.57	8.38	6.49	VA Recommendation
250%	12.56	9.07	7.02	VA Recommendation
300%	13.55	9.76	7.56	VA Recommendation

Appendix A – VISN 07 Georgia: Capital and Operational Costs Detail

Table 42 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	5,856,459	5,695,425
Build New GSF	-	2,932,786	3,499,560
Renovate In Place GSF	-	1,223,228	601,206
Matched Convert To GSF	-	673,970	369,813
Demolition GSF	-	827,806	2,781,695
Total Build New Cost	$0	($2,609,190,547)	($2,996,124,286)
Total Renovate In Place Cost	$0	($429,968,959)	($207,705,444)
Total Matched Convert To Cost	$0	($255,311,945)	($135,263,496)
Total Demolition Cost	$0	($28,039,839)	($54,892,085)
Total Lease Build-Out Cost	$0	($119,022,360)	($214,729,630)
Total New Lease Cost	$0	($547,111,938)	($922,312,593)
Total Existing Lease Cost	($330,955,258)	($247,197,343)	($96,019,493)
NRM Costs for Owned Facilities	($2,884,611,151)	($683,698,330)	($664,898,789)
FCA Correction Cost	($794,815,657)	N/A	N/A
Estimated Base Modernization Cost	($4,010,382,066)	($4,919,541,261)	($5,291,945,815)
Additional Common/Lobby Space Needed (GSF)	-	1,026,475	1,224,846
Cost of Additional Common/Lobby Space	$0	($775,058,102)	($924,543,881)
Additional Parking Cost	$0	($369,599,788)	($666,117,781)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($10,594,720)	($10,195,222)
Seismic Correction Cost	($49,338,896)	($21,877,262)	($11,137,780)
Non-Building FCA Correction Cost	($148,178,631)	($112,743,810)	($1,212,846)
Activation Costs	$0	($792,547,647)	($666,775,349)
Estimated Additional Costs for Modernization	($197,517,527)	($2,082,421,329)	($2,279,982,859)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	$94,011,489	$0
Estimated Facilities Costs (PV)	($4,207,899,592)	($7,001,962,590)	($7,571,928,674)

Table 43 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($19,462,574,930)	($19,462,574,930)	($19,401,199,327)
Fixed Direct	($2,391,660,378)	($2,391,660,378)	($2,387,977,431)
VA Specific Direct	($921,645,800)	($921,645,800)	($920,695,624)
Indirect	($9,390,427,820)	($9,390,427,820)	($9,359,786,273)
VA Specific Indirect	($1,249,811,269)	($1,249,811,269)	($1,245,926,553)
Research and Education	($16,948,057)	($16,948,057)	($16,948,057)
VA Overhead	($1,753,522,182)	($1,753,522,182)	($1,748,039,827)
VA Care Operational Cost Total (PV)	($35,186,590,436)	($35,186,590,436)	($35,080,573,093)
CC Direct	($9,857,902,312)	($9,857,902,312)	($9,897,528,179)
Delivery and Operations	($429,208,032)	($429,208,032)	($430,123,016)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($403,643,362)	($403,643,362)	($404,452,771)
CC Overhead	($542,305,591)	($542,305,591)	($543,525,571)
Admin PMPM	($2,622,522,235)	($2,622,522,235)	($2,618,932,824)
Non-VA Care Operational Cost Total (PV)	($13,855,581,531)	($13,855,581,531)	($13,894,562,361)
Estimated Operational Costs (PV)	($49,042,171,968)	($49,042,171,968)	($48,975,135,454)

Appendix B – VISN 07 Georgia: Benefits Analysis Key Data

Below are key data points used in the benefit analysis, summarized in the above Benefit Analysis section.

Demand and Supply

Inpatient

Table 44 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	453	543	332	Under Supplied
IP Med/Surg	199	239	246	Over Supplied
IP MH	65	78	70	Adequately Supplied

Note: Community Living Center (CLC); Medicine (Med); Surgery (Surg); Mental Health (MH)

*The 62 beds at the Atlanta VAMC (508) reported by the field in FY2019 were not included because the inpatient CLC was closed due to a pest infestation.

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 45 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	12	44%
Under Supplied	15	56%

Note: VA supply in the Status Quo COA is quantitatively evaluated based on the data above. It is assumed the Modernization COA scales the capacity of existing facilities up or down to meet future Veteran in-house demand. Similar to the Modernization COA, it is assumed the VA Recommendation COA scales the capacity of existing and proposed facilities up or down to meet future Veteran in-house demand. However, the VA Recommendation COA may account for factors that demand projections do not consider that may shift the future balance of in-house and community workload, such as:

- Areas with unmet Veteran demand that may warrant a net new point of care
- Low-census inpatient acute programs that may pose risks to quality and training programs, potentially warranting a shift to community providers
- Community capacity factors that may warrant changes to VA capacity

Source: Office of Productivity, Efficiency and Staffing 2019 Capacity Report

Table 46 – New Facility Demand Guidelines

Facility or Service	Guideline
Inpatient Acute VAMCs	Greater than or equal to 35,000 overlapping enrollees
Inpatient CLC	Greater than or equal to 21,000 overlapping enrollees
Health Care Center	Greater than or equal to 34,000 overlapping enrollees
MS CBOC	Greater than or equal to 4,300 non-overlapping enrollees
CBOC	Greater than or equal to 2,500 non-overlapping enrollees

Note: The above guidelines are used to determine whether a new (not replacement) point of care or service proposed in the VA recommendation had adequate demand.

Access

Table 47 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	87.3%	87.3%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	87.3%	87.3%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	95.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.6%	98.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	99.8%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	87.3%	87.3%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	87.3%	87.3%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	95.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.6%	98.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	99.8%	Maintained within 1%

COA	Measure	Current	Future	Result
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	87.3%	87.1%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	87.3%	87.1%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	97.2%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.6%	98.7%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (HPIDN) (inclusive of VA, Community Care Network, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future HPIDN. The table above shows the results for enrollee proximity to the full HPIDN as well as to VA-provided care in the market.

Source: Enrollee data from the FY19 Geocoded Enrollee File. Existing VA facility location data from VAST. Commercial provider location data from Definitive Healthcare.

Quality

Main Patient Care Facility Construction Date

Table 48 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V07) (508) Atlanta	1966	Yes
(V07) (508GA) Fort McPherson	1996	No
(V07) (508GK) Carrollton	2012	No
(V07) (509) Augusta Downtown	1980	No
(V07) (509A0) Augusta Uptown	1991	No
(V07) (557) Dublin	1944	Yes

Source: Main patient care facility construction and renovation dates from CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Inpatient Acute Demand

Table 49 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V07) (508) Atlanta	IP Med	20 ADC	Yes	Replace/Relocate
(V07) (508) Atlanta	IP Surg	1,600 Cases	Yes	Replace/Relocate
(V07) (508) Atlanta	IP MH	8 ADC	Yes	Replace/Relocate
(V07) (509) Augusta VAMC - Downtown	IP Med	20 ADC	Yes	Relocate
(V07) (509) Augusta VAMC - Downtown	IP Surg	1,600 Cases	Yes	Relocate
(V07) (509) Augusta VAMC - Downtown	IP MH	8 ADC	No Service	N/A
(V07) (509A0) Augusta VAMC - Uptown	IP Med	20 ADC	No Service	Open New
(V07) (509A0) Augusta VAMC - Uptown	IP Surg	1,600 Cases	No Service	Open New

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V07) (509A0) Augusta VAMC - Uptown	IP MH	8 ADC	Yes	Maintain
(V07) (557) Dublin	IP Med	20 ADC	No	Partner (CCN)
(V07) (557) Dublin	IP Surg	1,600 Cases	No Service	N/A
(V07) (557) Dublin	IP MH	8 ADC	No Service	N/A

Note: The Status Quo and Modernization COAs are assumed to maintain all current facilities and services. The VA Recommendation COA proposes maintaining, partnering, and divesting of services at each facility, shown in the last column titled "VA Recommendation". To score a 3, the VA recommendation must partner or divest of all low-demand services.

Source: FY 2029 average daily census for inpatient services is based on Enrollee Healthcare Projection Model Base Year 2019. 2019 Total Surgical Cases is from the VA National Surgery Office.

Facilities and Sustainability

Table 50 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V07) (508) Atlanta	1966	1997	Yes
(V07) (508GA) Fort McPherson	1996	2013	No
(V07) (508GK) Carrollton	2012	N/A	No
(V07) (509) Augusta Downtown	1980	N/A	Yes
(V07) (509A0) Augusta Uptown	1991	N/A	No
(V07) (557) Dublin	1944	2003	Yes

Note: Exceeding useful life is defined as 1) When a main patient care facility was built before 1970 it has exceeded its useful life, even if it has undergone major renovation in the last 40 years. 2) When a main patient care facility was built after 1970 but is still more than 40 years old (built on or after 1971 and before 1989), it must have undergone major renovation within the last 40 years to not exceed its useful life. 3) When a main patient care facility was built in or after 1989, it has not exceeded its useful life.

Source: From CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Table 51 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
(V07) Macon IP Partnership	Yes

Mission

Table 52 – Mission Key Data Points for Scoring

The Status Quo and Modernization COAs are assumed to have no impact on VA's statutory missions. The impact of the VA Recommendation on VA's statutory missions is shown in the table below:

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V07) (508) Atlanta	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities
(V07) (509) Augusta Downtown	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities
(V07) (557) Dublin	Deactivates IP Acute Service with training	No Research Program	No PRC Designation	Increases Research Opportunities
(V07) (509A0) Augusta Uptown	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities

VISN 07 South Carolina

The recommendations for modernization and realignment of VHA infrastructure submitted by the Secretary of the Department of Veterans Affairs to the Asset and Infrastructure Review (AIR) Commission are focused on allowing VA to provide accessible, timely, and high-quality health care for Veterans now and in the future. To inform the recommendations, VA conducted a Cost Benefit Analysis (CBA) that examines the cost-efficiency and benefits to Veterans of various courses of action (COAs) within each market. The CBA compares the costs and benefits associated with maintaining the current facilities, modernizing the current facilities, or strategically realigning and modernizing facilities in each market to inform the identification of a preferred COA.

The CBA aligns with requirements outlined in Section 1703C of Title 38, United States Code (U.S.C.), as added by Section 203 of the VA MISSION Act of 2018.

> *VA MISSION Act, Section 203(2)(F)*
>
> *"In making recommendations under this subsection, the Secretary shall consider…the extent and timing of potential costs and savings, including the number of years such costs or savings will be incurred, beginning with the date of completion of the proposed recommendation."*

This CBA summary document defines the COAs, provides a brief overview of the methodology, and outlines the results of the CBA and the associated sensitivity analysis.

Overview of COAs and Methodology

The Cost Benefit Analysis (CBA) reviews, analyzes, and compares the costs and benefits of three distinct courses of action (COA):

- maintaining VA's current facilities assuming no changes or additional modernization to current facilities, programs, and infrastructure (COA Name: Status Quo)
- modernizing the current facilities without strategically realigning facilities (COA Name: Modernization)
- strategically realigning and modernizing facilities (COA Name: VA Recommendation to the AIR Commission)

To evaluate these courses of action, VA examined the combined cost and benefits of each COA for each market. The CBA was conducted at the market level, rather than at the facility level, to allow for a holistic assessment of a COA's impact that considers optimization of the market across all health care facilities. The financial costs were assessed using a Present Value (PV) analysis while the non-financial benefits were assessed using a Benefits Analysis Scoring process. Ultimately, the CBA results in a Cost-Benefit Index – a simple metric by which to compare the combined cost and non-financial benefits associated with each COA. The CBI equals the total life-cycle cost (PV) of each COA in PV dollars, divided by the Benefits Analysis score for that COA's non-financial benefits normalized to the billions place. The COA with the lowest CBI score is the preferred COA.

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the combined VISN 07 South Carolina Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (2.72) is 41.2% lower than the Status Quo COA (4.63) and 24.5% lower than the Modernization COA (3.61).

The VA Recommendation COA is $3.8 B (10.3%) more expensive than the Status Quo COA and $1.2 B (3.0%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 15-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

The tables below detail the present values, benefit scores, and CBIs for each COA.

Table 53 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($37,059,177,187)	($39,692,239,516)	($40,872,479,141)
Benefit Analysis Score	8	11	15
CBI (Normalized in $Billions)	4.63	3.61	2.72
CBI % Change vs. Status Quo	N/A	-22.1%	-41.2%
CBI % Change vs. Modernization	N/A	N/A	-24.5%

Table 54 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($2,633,062,329)	($3,813,301,954)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,633,062,329)	($3,813,301,954)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($1,180,239,625)

Note: Operational unit costs were provided at the parent facility level not at the facility level. Therefore, the analysis does not estimate the changes in operational costs stemming from new, expanded, or removed points of care (POC). The analysis only shows changes to operational costs when a service line is shifted, at the parent facility level, from VA care to non-VA care.

Table 55 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**8**	**11**	**15**

VA Recommendation

The VA Recommendation for the VISN 07 South Carolina Market COA is detailed below.

- Modernize and realign the Charleston VAMC by:
  - Constructing a new VAMC with RRTP, CLC, and outpatient services in the vicinity of Summerville, South Carolina
  - Constructing a new bed tower at the Charleston VAMC
  - Relocating CLC services to current or future VA facilities and discontinuing those services at the Charleston VAMC
  - Establishing a strategic collaboration in Myrtle Beach, South Carolina, to provide inpatient services. If unable to enter into a strategic collaboration, utilize community providers
  - Establishing a strategic collaboration in Savannah, Georgia, to provide inpatient medical and surgical care and inpatient mental health services. If unable to enter into a strategic collaboration, utilize community providers
- Modernize and realign the Columbia VAMC by:
  - Establishing a new acute care bed tower
  - Modernizing the CLC
- Modernize by establishing a new stand-alone CLC in the vicinity of Columbia, South Carolina
- Modernize by establishing a new stand-alone RRTP in the vicinity of Columbia, South Carolina
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new OOS in the vicinity of Georgetown, South Carolina
  - Establishing a new CBOC in the vicinity of Clinton, South Carolina
  - Relocating the Savannah MS CBOC to a new site in the vicinity of Savannah, Georgia, and closing the existing Savannah MS CBOC
  - Relocating the Beaufort CBOC to a new site in the vicinity of Beaufort, South Carolina, and closing the existing Beaufort CBOC
  - Relocating the Myrtle Beach CBOC to a new site in the vicinity of Myrtle Beach, South Carolina, and closing the existing Myrtle Beach CBOC

- Relocating the Greenville MS CBOC to a new site in the vicinity of Greenville, South Carolina, and closing the existing Greenville MS CBOC
- Relocating all services from the Charleston City Hall Lane OOS to the North Charleston MS CBOC and the proposed Summerville VAMC and closing the Charleston City Hall Lane OOS
- Relocating all services from the Goose Creek MS CBOC to the North Charleston MS CBOC and the proposed Summerville VAMC and closing the Goose Creek MS CBOC
- Relocating all services from the Trident 2 OOS to the North Charleston MS CBOC and the proposed Summerville VAMC and closing the Trident 2 OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 07 South Carolina Market across a 30-year horizon. The cost of the VA Recommendation COA ($40.9 B) was higher than the Status Quo COA ($37.1 B) and the Modernization COA ($39.7 B).

For the VISN 07 South Carolina Market, the VA Recommendation COA is $3.8 B (10.3%) more expensive than the Status Quo COA and $1.2 B (3.0%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A VISN 07 – South Carolina: Capital and Operational Costs Detail

Table 56 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($37,059,177,187)	($39,692,239,516)	($40,872,479,141)
Capital Cost Variance vs. Status Quo	N/A	($2,633,062,329)	($3,813,301,954)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,633,062,329)	($3,813,301,954)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($1,180,239,625)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 07 South Carolina Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 57 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**8**	**11**	**15**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 07 South Carolina: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

Within the Demand and Supply domain, the CBA considers how each COA impacts VA's ability to meet Veteran demand in the future. Each COA is assessed on two benefit components: (1) the ability to balance demand and supply; (2) the changes to facility placement or service offerings that improve VA's ability to meet future demand.

The table below shows the scores for VISN 07 South Carolina for this domain.

Table 58 – Demand and Supply Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3

Status Quo: The COA received a score of 1 because at least one inpatient service line was over/under supplied, or more than 50% of specialties were inadequately supplied when compared to future Veteran in-house demand. Additionally, no changes to facilities or services were introduced that improve VA's ability to meet the future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, expansion of services).

Modernization: The COA received a score of 2 because, while Modernization right-sizes services to meet future Veteran in-house demand, the COA does not include changes to facilities or services that improve

VA's ability to meet future Veteran enrollee population (e.g., relocation or establishment of facilities in areas with greater Veteran demand, addition of new services).

VA Recommendation: The COA received a score of 3 because it right-sizes services to meet future Veteran enrollee demand and includes changes to facilities or services that improve VA's ability to meet future Veteran enrollee demand based on guidelines established in the CBA methodology. These changes include the following:

- Establishes a new Summerville VAMC to provide inpatient community living center, inpatient residential rehabilitative services, outpatient primary care, outpatient mental health, and outpatient specialty care; 38,870 enrollees live within 60 minutes of the proposed facility
- Establishes a new Richland CLC to provide inpatient community living center services; 48,856 enrollees live within 60 minutes of the proposed facility
- Establishes a new Richland RRTP to provide inpatient residential rehabilitative services; 48,856 enrollees live within 60 minutes of the proposed facility
- Expands the Florence CBOC to a MS CBOC, adding specialty care services.
- Expands the Rock Hill CBOC to a MS CBOC, adding specialty care services.
- Expands the Orangeburg CBOC to a MS CBOC, adding specialty care services
- Expands the Sumter CBOC to a MS CBOC, adding specialty care services.
- Establishes the new Savannah, GA inpatient medicine and surgery, and inpatient mental health partnership
- Establishes the new Myrtle Beach, SC inpatient medicine and surgery, and inpatient mental health partnership

Access

Within the Access domain, the CBA considers how each COA impacts Veteran access to care in the future. Each COA is assessed on the change in enrollee proximity to VA-provided primary care, specialty care, and outpatient mental health care.

The table below shows the CBA access scores for VISN 07 South Carolina for this domain.

Table 59 – Access Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Access	2	2	3

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (inclusive of VA, Community Care Network providers, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future high-performing integrated delivery network (HPIDN).

Status Quo: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

Modernization: The COA received a score of 2 because access is maintained within 1% for VA-provided primary care, specialty care, and outpatient mental health care.

VA Recommendation: The COA received a score of 3 because access to VA-provided primary care increased 1% or more, specialty care increased 1% or more, and outpatient mental health care was maintained within 1%.

Quality

Within the Quality domain, the CBA considers how each COA impacts the quality of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the ability of the main patient care facilities to support modern healthcare; (2) the ability of demand to support clinical competency.

The table below shows the scores for VISN 07 South Carolina for this domain.

Table 60 – Quality Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Quality	2	3	3

Status Quo: The COA received a score of 2 for two reasons. First, the COA includes main patient care facilities that were built prior to the emergence of modern healthcare design principles and specific standards to support modern medicine (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). Second, the COA includes facilities with projected future demand at or above VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Modernization: The COA received a score of 3 for two reasons. First, the COA contains only modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand at or above VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

VA Recommendation: The COA received a score of 3 for two reasons. First, the COA contains only modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand at or above VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

Facilities and Sustainability

Within the Facilities and Sustainability domain, the CBA considers how each COA impacts the sustainability of Veteran care in the future. Each COA is assessed based on two benefit components: (1) the useful life of the main patient care facilities; (2) changes that strengthen VA's ability to recruit and retain providers.

The table below shows the scores for VISN 07 South Carolina for this domain.

Table 61 – Facilities and Sustainability Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Facilities and Sustainability	1	2	3

Note: The American Hospital Association estimates that a hospital's useful life, a measure which predicts the productive period of a typical capital asset before it becomes obsolete or needs replacement, is currently 40 years.

Status Quo: The COA received a score of 1 for two reasons. First, the COA includes at least one main patient care facility that exceeds its useful life as defined by the American Hospital Association, indicating it may be obsolete or need replacement. Second, the COA does not include changes that strengthen VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, while the COA includes modernized infrastructure, which may attract providers, it does not include additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

VA Recommendation: The COA received a score of 3 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, in addition to modernized infrastructure which may attract providers, it also includes additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities). The COA includes the following actions to support VA's ability to recruit or retain providers:

- Establishes the new Hilton Head, SC/Savannah, GA inpatient medicine and surgery, and inpatient mental health partnership
- Establishes the new Myrtle Beach, SC inpatient medicine and surgery, and inpatient mental health partnership

Mission

Within the Mission domain, the CBA considers how each COA impacts VA's ability to support its statutory missions of Education, Research, and Emergency Preparedness in the future. Each COA is assessed on three benefit components: (1) the impact on training programs; (2) the impact on research programs; (3) the impact on emergency preparedness.

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 07 South Carolina for this domain.

Table 62 – Mission Scoring Summary

Subdomain	Status Quo	Modernization	VA Recommendation
Education	2	2	3
Research	2	2	3
Emergency Preparedness	2	2	2
Overall Mission Score (Rounded Average)	**2**	**2**	**3**

Status Quo: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Modernization: The COA received a score of 2 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

VA Recommendation: The COA received a score of 3 (rounded average of scores across Education, Research, and Emergency Preparedness).

- **Education:** The COA received a score of 3 because inpatient acute services remain VA-delivered and thus the COA maintains existing training programs. Additionally, the COA includes new (not replacement) infrastructure that creates new opportunities for training within the market.
- **Research:** The COA received a score of 3 because it maintains all research programs and builds new (not replacement) infrastructure to support additional research space.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Sensitivity Analysis

A sensitivity analyses study shows how various sources of uncertainty in a mathematical model contribute to the model's overall uncertainty. The market is considered sensitive to a scenario when the VA Recommendation is no longer the leading COA due to changes in benefit scores, VA capital costs, VA operational costs, or non-VA operational costs.

The table below outlines the sensitivity analysis scenarios completed.

Table 63 – Sensitivity Analysis Scenarios

Sensitivity Analysis Scenarios
Increase Benefit Scores for Status Quo and Modernization in increments of one from 1 to 3 points
Increase VA Capital Costs in 50% increments from 0% to 300%
Increase VA Operational Costs in 50% increments from 0% to 300%
Increase Non-VA Operational Costs in 50% increments from 0% to 300%

Sensitivity Analysis Results Summary

In the VISN 07 South Carolina Market, no scenarios changed the outcome of the CBA.

Sensitivity Analysis Full Results

The below tables show the results across all sensitivity analysis scenarios.

Table 64 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	4.63	3.61	2.72	VA Recommendation
+1	4.12	3.31	2.72	VA Recommendation
+2	3.71	3.05	2.72	VA Recommendation
+3	3.37	2.84	2.72	VA Recommendation

Table 65 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.63	3.61	2.72	VA Recommendation
50%	4.75	3.82	2.92	VA Recommendation
100%	4.87	4.02	3.11	VA Recommendation
150%	4.99	4.23	3.30	VA Recommendation
200%	5.11	4.44	3.49	VA Recommendation
250%	5.23	4.64	3.68	VA Recommendation
300%	5.35	4.85	3.87	VA Recommendation

Table 66 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.63	3.61	2.72	VA Recommendation
50%	6.14	4.70	3.53	VA Recommendation
100%	7.65	5.80	4.33	VA Recommendation
150%	9.15	6.90	5.14	VA Recommendation
200%	10.66	7.99	5.94	VA Recommendation
250%	12.17	9.09	6.74	VA Recommendation
300%	13.68	10.19	7.55	VA Recommendation

Table 67 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.63	3.61	2.72	VA Recommendation
50%	5.32	4.11	3.09	VA Recommendation
100%	6.01	4.61	3.46	VA Recommendation
150%	6.70	5.11	3.83	VA Recommendation
200%	7.39	5.61	4.19	VA Recommendation
250%	8.08	6.11	4.56	VA Recommendation
300%	8.77	6.61	4.93	VA Recommendation

Appendix A VISN 07 – South Carolina: Capital and Operational Costs Detail

Table 68 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	3,481,639	4,885,326
Build New GSF	-	1,802,964	2,842,732
Renovate In Place GSF	-	558,334	593,710
Matched Convert To GSF	-	489,304	453,928
Demolition GSF	-	617,620	617,620
Total Build New Cost	$0	($1,633,622,026)	($2,490,351,968)
Total Renovate In Place Cost	$0	($176,058,024)	($188,833,295)
Total Matched Convert To Cost	$0	($181,428,384)	($170,463,193)
Total Demolition Cost	$0	($21,859,709)	($21,640,211)
Total Lease Build-Out Cost	$0	($110,324,883)	($74,696,148)
Total New Lease Cost	$0	($589,931,096)	($390,033,997)
Total Existing Lease Cost	($257,492,383)	($229,506,261)	($134,190,410)
NRM Costs for Owned Facilities	($1,228,571,009)	($406,455,676)	($570,325,739)
FCA Correction Cost	($316,579,659)	N/A	N/A
Estimated Base Modernization Cost	($1,802,643,050)	($3,349,186,060)	($4,040,534,962)
Additional Common/Lobby Space Needed (GSF)	-	631,037	994,956
Cost of Additional Common/Lobby Space	$0	($485,602,496)	($762,832,482)
Additional Parking Cost	$0	($62,507,137)	($269,032,003)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($16,718,843)	($22,432,137)
Seismic Correction Cost	($40,959,334)	($12,534,570)	($12,534,571)
Non-Building FCA Correction Cost	($78,737,703)	($75,774,685)	($75,774,686)
Activation Costs	$0	($553,078,625)	($680,872,920)
Estimated Additional Costs for Modernization	($119,697,037)	($1,206,216,356)	($1,823,478,799)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$128,371,720
Estimated Facilities Costs (PV)	($1,922,340,087)	($4,555,402,416)	($5,735,642,041)

Table 69 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($13,131,794,966)	($13,131,794,966)	($13,131,794,966)
Fixed Direct	($1,929,702,970)	($1,929,702,970)	($1,929,702,970)
VA Specific Direct	($456,213,018)	($456,213,018)	($456,213,018)
Indirect	($6,483,949,043)	($6,483,949,043)	($6,483,949,043)
VA Specific Indirect	($899,874,540)	($899,874,540)	($899,874,540)
Research and Education	($2,307,786)	($2,307,786)	($2,307,786)
VA Overhead	($1,210,532,343)	($1,210,532,343)	($1,210,532,343)
VA Care Operational Cost Total (PV)	($24,114,374,665)	($24,114,374,665)	($24,114,374,665)
CC Direct	($7,617,385,997)	($7,617,385,997)	($7,617,385,997)
Delivery and Operations	($338,560,753)	($338,560,753)	($338,560,753)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($321,978,543)	($321,978,543)	($321,978,543)
CC Overhead	($420,860,523)	($420,860,523)	($420,860,523)
Admin PMPM	($2,323,676,619)	($2,323,676,619)	($2,323,676,619)
Non-VA Care Operational Cost Total (PV)	($11,022,462,435)	($11,022,462,435)	($11,022,462,435)
Estimated Operational Costs (PV)	($35,136,837,100)	($35,136,837,100)	($35,136,837,100)

Appendix B – VISN 07 South Carolina: Benefits Analysis Key Data

Below are key data points used in the benefit analysis, summarized in the above Benefit Analysis section.

Demand and Supply

Inpatient

Table 70 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	148	178	112	Under Supplied
IP Med/Surg	127	152	168	Over Supplied
IP MH	52	63	45	Under Supplied

Note: Community Living Center (CLC); Medicine (Med); Surgery (Surg); Mental Health (MH)

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 71 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	7	26%
Under Supplied	20	74%

Note: VA supply in the Status Quo COA is quantitatively evaluated based on the data above. It is assumed the Modernization COA scales the capacity of existing facilities up or down to meet future Veteran in-house demand. Similar to the Modernization COA, it is assumed the VA Recommendation COA scales the capacity of existing and proposed facilities up or down to meet future Veteran in-house demand. However, the VA Recommendation COA may account for factors that demand projections do not consider that may shift the future balance of in-house and community workload, such as:

- Areas with unmet Veteran demand that may warrant a net new point of care
- Low-census inpatient acute programs that may pose risks to quality and training programs, potentially warranting a shift to community providers
- Community capacity factors that may warrant changes to VA capacity

Source: Office of Productivity, Efficiency and Staffing 2019 Capacity Report

Table 72 – New Facility Demand Guidelines

Facility or Service	Guideline
Inpatient Acute VAMCs	Greater than or equal to 35,000 overlapping enrollees
Inpatient CLC	Greater than or equal to 21,000 overlapping enrollees
Health Care Center	Greater than or equal to 34,000 overlapping enrollees
MS CBOC	Greater than or equal to 4,300 non-overlapping enrollees
CBOC	Greater than or equal to 2,500 non-overlapping enrollees

Note: The above guidelines are used to determine whether a new (not replacement) point of care or service proposed in the VA recommendation had adequate demand.

Access

Table 73 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	76.0%	76.0%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	76.0%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	81.2%	81.2%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.5%	98.5%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.6%	99.6%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	76.0%	76.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	76.0%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	81.2%	81.2%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.5%	98.5%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.6%	99.6%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	76.0%	76.7%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	76.0%	77.8%	Increased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	81.2%	97.7%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.5%	98.5%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.6%	99.7%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (HPIDN) (inclusive of VA, Community Care Network, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future HPIDN. The table above shows the results for enrollee proximity to the full HPIDN as well as to VA-provided care in the market.

Source: Enrollee data from the FY19 Geocoded Enrollee File. Existing VA facility location data from VAST. Commercial provider location data from Definitive Healthcare.

Quality

Main Patient Care Facility Construction Date

Table 74 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V07) (534) Charleston	1965	Yes

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V07) (544) Columbia	1979	No

Source: Main patient care facility construction and renovation dates from CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Inpatient Acute Demand

Table 75 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V07) (534) Charleston	IP Med	20 ADC	Yes	Maintain
(V07) (534) Charleston	IP Surg	1,600 Cases	Yes	Maintain
(V07) (534) Charleston	IP MH	8 ADC	Yes	Maintain
(V07) (544) Columbia	IP Med	20 ADC	Yes	Maintain
(V07) (544) Columbia	IP Surg	1,600 Cases	Yes	Maintain
(V07) (544) Columbia	IP MH	8 ADC	Yes	Maintain

Note: The Status Quo and Modernization COAs are assumed to maintain all current facilities and services. The VA Recommendation COA proposes maintaining, partnering, and divesting of services at each facility, shown in the last column titled “VA Recommendation”. To score a 3, the VA recommendation must partner or divest of all low-demand services.

Source: FY 2029 average daily census for inpatient services is based on Enrollee Healthcare Projection Model Base Year 2019. 2019 Total Surgical Cases is from the VA National Surgery Office.

Facilities and Sustainability

Table 76 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V07) (534) Charleston	1965	1985	Yes

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V07) (544) Columbia	1979	2001	No

Note: Exceeding useful life is defined as 1) When a main patient care facility was built before 1970 it has exceeded its useful life, even if it has undergone major renovation in the last 40 years. 2) When a main patient care facility was built after 1970 but is still more than 40 years old (built on or after 1971 and before 1989), it must have undergone major renovation within the last 40 years to not exceed its useful life. 3) When a main patient care facility was built in or after 1989, it has not exceeded its useful life.

Source: From CAI Buildings and FCA Condition Gaps Reports 9-14-2020

Table 77 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
(V07) Hilton Head, SC/Savannah, GA IP Partnership	Yes
(V07) Myrtle Beach, SC IP Partnership	Yes

Mission

Table 78 – Mission Key Data Points for Scoring

The Status Quo and Modernization COAs are assumed to have no impact on VA's statutory missions. The impact of the VA Recommendation on VA's statutory missions is shown in the table below:

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V07) (534) Charleston	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V07) (544) Columbia	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities