



VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022



VISN 08

Market Recommendations



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VISN 08 Miami Market

The Veterans Integrated Service Network (VISN) 08 Miami Market serves Veterans in southeast Florida and the Florida Keys. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.¹

VA's Commitment to Veterans in the Miami Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Miami Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the Miami Market is projected to decrease between fiscal year (FY) 2019 and FY 2029. While demand for inpatient medical and surgical services and inpatient mental health is projected to decrease, demand for long-term care and outpatient services is projected to increase. There is need to expand access to VA health care to meet the existing and projected demand and to modernize facilities to meet current design standards. There is a need to invest in new outpatient sites to meet existing and projected Veteran demand while also replacing the Miami VAMC. The strategy for the Miami Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increased demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the market, expands one community-based outpatient clinic (CBOC) to a multi-specialty community-based outpatient clinic (MS CBOC), relocates one CBOC closer to where Veterans reside and expands it to an MS CBOC, and closes one CBOC to consolidate services to a location where a greater population of Veteran enrollees reside.

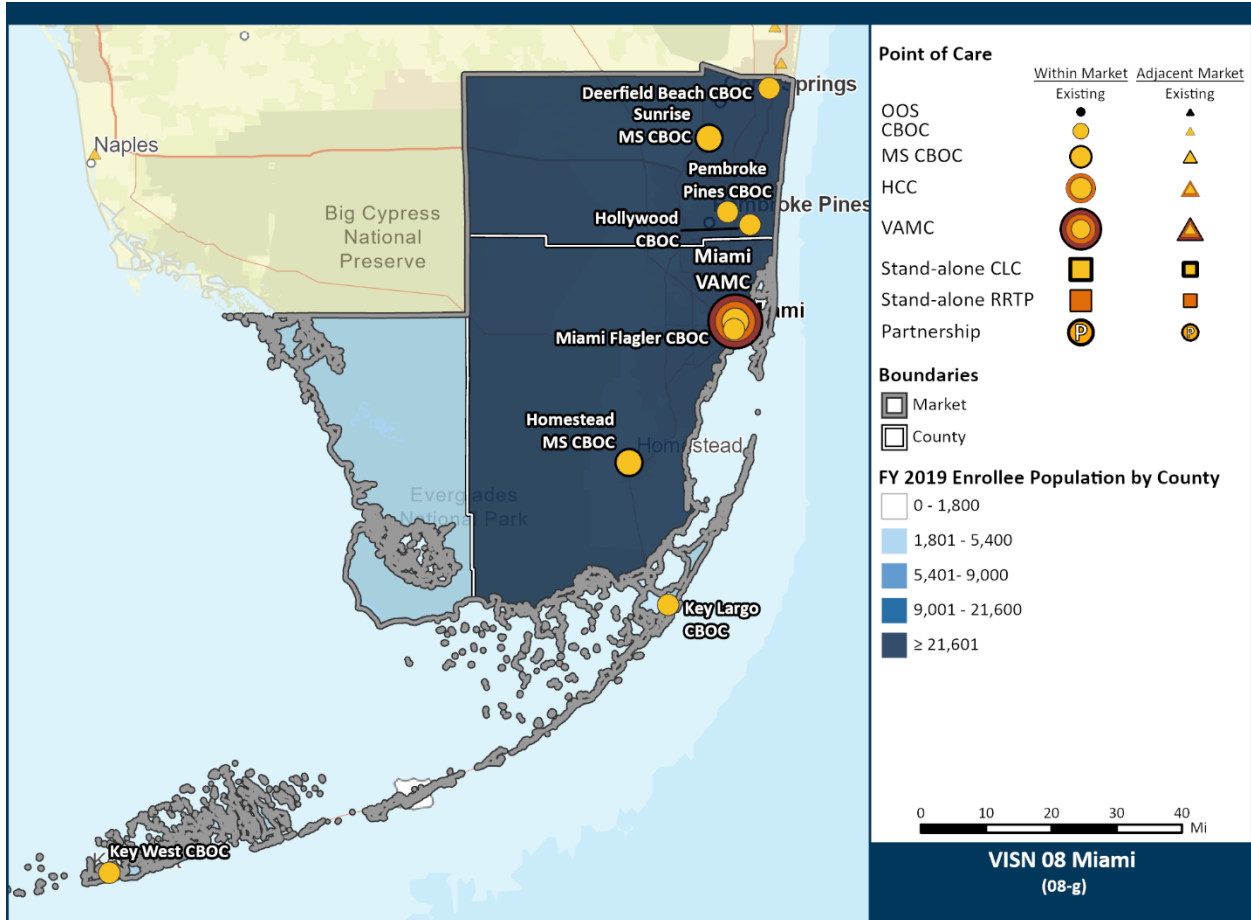
¹ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation invests in a replacement VAMC in Miami, Florida that will offer inpatient mental health and inpatient spinal cord injuries and disorders (SCI/D) services. Additionally, the recommendation establishes two new community living center (CLC) sites and one new stand-alone residential rehabilitation treatment program (RRTP) site to provide comprehensive care that may not be readily available in the community. Demand for inpatient blind rehabilitation services will be met through the regional centers in the southeast region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation considers the continued need for inpatient medical and surgical services as well as a strong presence of tertiary and quaternary services in the market by investing in a replacement Miami VAMC while continuing to strengthen regional and local partnerships with existing academic affiliates and community providers.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Miami), two MS CBOCs, and six CBOCs.

Enrollees: In FY 2019, the market had 67,643 enrollees and is projected to experience a 12.2% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in Broward, Miami-Dade, and Monroe counties in Florida.

Demand: Demand² in the market for inpatient medical and surgical services is projected to decrease by 11.9% and demand for inpatient mental health services is projected to decrease by 11.6% between FY 2019 and FY 2029. Demand for long-term care³ is projected to increase by 10.5%. Demand for all

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

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

outpatient services⁴, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 5.4% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 98.0% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 94.9% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers⁵ in the market within a 60-minute drive time of the Miami VAMC had an inpatient acute occupancy rate⁶ of 58.0% (2,697 available beds)⁷ and an inpatient mental health occupancy rate of 76.4% (28 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 91.3% (118 available beds), indicating limited community availability. Community residential rehabilitation programs⁸ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has academic affiliations in the market that include the University of Miami, Florida International University, and Jackson Memorial Hospital. The Miami VAMC is ranked 12 out of 154 VA training sites based on the number of trainees and is ranked 43 out of 103 VAMCs with research funding. The Miami VAMC is designated as a Federal Coordinating Center.⁹

Facility Overview

Miami VAMC: The Miami VAMC is located in Miami, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, SCI/D, rehabilitation medicine, and outpatient services. In FY 2019, the Miami VAMC had an inpatient medical and surgical average daily census (ADC) of 59.8, an inpatient mental health ADC of 17.0, a CLC ADC of 79.2, an RRTP ADC of 26.5, an SCI/D ADC of 22.6, and a rehabilitation medicine ADC of 4.7.

The Miami VAMC was built in 1967 on 28.4 acres, with the most recent renovations to the main hospital building completed in 1990. The Miami VAMC does not meet the current VA design standards for modern health care.¹⁰ Facility condition assessment (FCA) deficiencies are approximately \$140.8M, and annual operations and maintenance costs are an estimated \$15.9M.

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

⁵ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

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

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

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

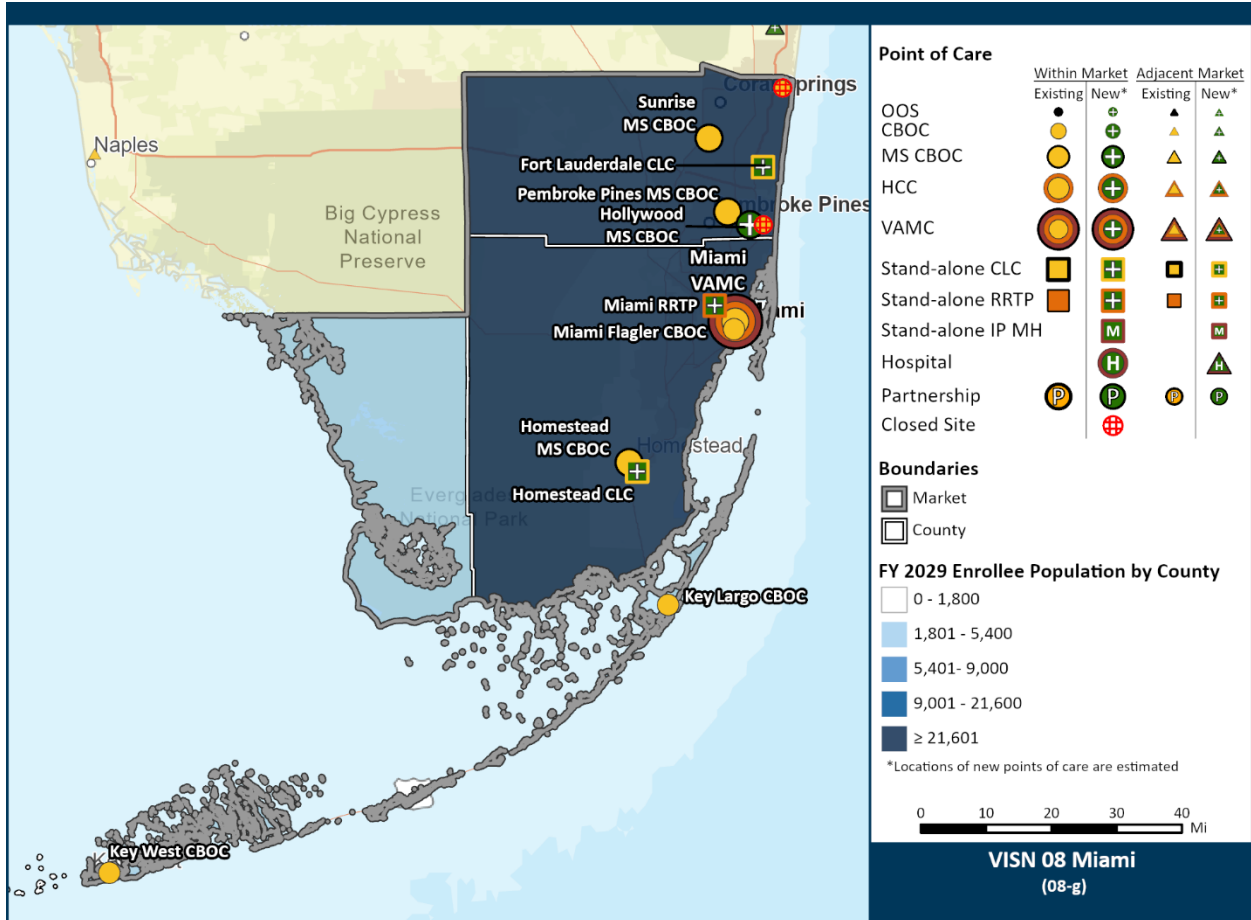
⁹ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

¹⁰ Beginning in the late 1970s, modern health care design principles began to emerge and become more standard. While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

Recommendation and Justification

This section details the VISN 08 Miami Market recommendation and justification for each element of the recommendation.

Future Market Map



1. Modernize and realign the Miami VAMC by:

- 1.1. **Constructing a replacement VAMC and relocating inpatient medical and surgical services and inpatient mental health services from the existing Miami VAMC to the new Miami VAMC:** The Miami VAMC offers inpatient acute care, CLC, RRTP, SCI/D, rehabilitation medicine, and outpatient services and includes 134 inpatient acute care beds, 110 CLC beds, 36 RRTP beds, 36 SCI/D beds, and 6 rehabilitation medicine beds. The facility is a major training center, located in the same medical district as their main affiliate, supporting over 1,900 trainees from the University of Miami Jackson Memorial Hospital. It provides significant tertiary and quaternary services to Veterans in the region. The current VAMC has ongoing facility challenges, has high operating and maintenance costs, and has limited room for expansion. Completion of current projects will still result in Miami VAMC facilities that do not meet current VA planning standards or contemporary health care service standards. By building a replacement facility, VA's recommendation will resolve these issues while maintaining VA's ability to provide tertiary

inpatient care and complex outpatient care in the market. The new replacement Miami VAMC will decrease inpatient medical beds from 76 to 52, decrease inpatient surgical beds from 30 to 24, and decrease inpatient mental health beds from 28 to 20.

1.2. Relocating CLC services at the Miami VAMC to current or future VA facilities and discontinuing CLC services at the Miami VAMC:

Two new, stand-alone sites of care for long-term care services will allow VA to design and construct a new VAMC that is focused on delivering acute care and tertiary/quaternary services and separately activate CLCs that can be more flexible in their design and location to support elder care needs. The Miami VAMC has 110 CLC beds. In FY 2019, there was a CLC ADC of 79.2, and it is projected to decrease to 77.4 by FY 2029. Total demand for long-term care services in the Miami Market is projected to reach an ADC of 122.7 by FY 2029. In the Miami Market, 40.7% (27,497) of Veteran enrollees are over the age of 65. There is limited community capacity for long-term care within the Miami Market. These CLCs will be placed in areas that are most convenient to the elderly Veteran population in need of these services. Demand for long-term care in the Miami Market will be met through the two proposed new stand-alone CLCs which are located approximately 1 hour apart (60 miles) and will have a combined 120 CLC beds.

1.3. Relocating RRTP services at the Miami VAMC to current or future VA facilities and discontinuing RRTP services at the Miami VAMC:

A new, stand-alone site of care for RRTP services will allow VA to design and construct a new VAMC that is focused on delivering acute care and tertiary/quaternary services and separately activate a modernized RRTP that can be more contemporary in its design to support Veteran residential mental health care needs. The Miami VAMC has 36 RRTP beds with an FY 2019 ADC of 26.5. The facility will be placed in an area that is most convenient to the Veteran population in need of these services.

2. **Modernize by establishing a new stand-alone CLC in the vicinity of Fort Lauderdale, Florida:** A new stand-alone site of care for CLC services in the vicinity of Fort Lauderdale, Florida (Broward County), will increase access to long-term care services in a more contemporary environment of care. Total demand for long-term care services in the Miami Market is projected to reach an ADC of 122.7 by FY 2029. In FY 2019, there were 85,680 Veteran enrollees within a 60-minute drive time of the proposed new site. In the Miami Market, 40.7% (27,497) of Veteran enrollees are over the age of 65. The proposed new CLC will have 60 beds and will be placed in an area that is most convenient to the elderly Veteran population.
3. **Modernize by establishing a new stand-alone CLC in the vicinity of Homestead, Florida:** A new stand-alone site of care for CLC services in the vicinity of Homestead, Florida (Miami-Dade County), will increase access to long-term care services in a more contemporary environment of care. Total demand for long-term care services in the Miami Market is projected to reach an ADC of 122.7 by FY 2029. In FY 2019, there were 31,619 Veteran enrollees within a 60-minute drive time of the proposed new site. In the Miami Market, 40.7% (27,497) of Veteran enrollees are over the age of 65. This facility will have 60 CLC beds and will be placed in an area that is most convenient to the elderly Veteran population.
4. **Modernize by establishing a new stand-alone RRTP in the vicinity of Miami, Florida:** A new, stand-alone site of care for RRTP services in the vicinity of Miami, Florida (Miami-Dade County), will increase access to mental health residential rehabilitation services in a contemporary environment

of care. The Miami Market is projected to have an RRTP bed need of 55 by FY 2028. In FY 2019, there were 65,090 Veteran enrollees within a 60-minute drive time of the proposed site in Miami, Florida. The facility will have 60 RRTP beds and will be placed in an area that is most convenient to the Veteran population in need of these services.

5. Modernize and realign outpatient facilities in the market by:

5.1. Relocating the Hollywood CBOC to a new site in the vicinity of Hollywood, Florida, and closing the existing Hollywood CBOC: Shifting facility placement to a better market location and larger site in the vicinity of Hollywood, Florida (Broward County), will increase access to primary care, outpatient mental health, and outpatient specialty care services. A more centralized location will help decompress the Sunrise MS CBOC, located approximately 30 minutes from the proposed Hollywood MS CBOC, and increase long-term sustainability of the facility. In FY 2019, there were 41,151 Veteran enrollees within a 30-minute drive time and 84,672 Veteran enrollees within a 60-minute drive time of the proposed new site. In FY 2019, there were 3,793 core uniques¹¹ at the existing Hollywood CBOC. Broward County is projected to have more than 31,000 Veteran enrollees by FY 2029. The new site will offer specialty care services, which may result in reclassification of the facility as an MS CBOC.

5.2. Relocating all services to the planned Delray Beach MS CBOC and closing the Deerfield CBOC: Closing the Deerfield Beach CBOC and relocating the clinic's services to the planned expanded Delray Beach MS CBOC in Palm Beach County (located in the VISN 08 Atlantic Market) will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the existing Deerfield Beach CBOC had 2,435 core uniques. The planned Delray Beach MS CBOC and the existing Deerfield Beach CBOC are located approximately 20 minutes (13 miles) apart.

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

Complementary Strategy

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

Miami Market

- Add outpatient specialty care services to the Pembroke Pines CBOC, which may result in the classification of the facility as an MS CBOC:** In FY 2019, there were 38,501 Veteran enrollees within a 30-minute drive time and 85,254 Veteran enrollees within a 60-minute drive time of the Pembroke Pines CBOC. In FY 2019, the Pembroke Pines CBOC had 2,378 core uniques. Broward County, where Pembroke Pines CBOC is located, is projected to have more than 31,000 Veteran enrollees by FY 2029. The addition will increase access to outpatient specialty care for Veterans in Broward County.
- Expand primary care, optometry, and physical therapy services at the Homestead MS CBOC:** In FY 2019, there were 8,411 Veteran enrollees within a 30-minute drive time and 30,538 Veteran enrollees within a 60-minute drive time of the Homestead MS CBOC. In FY 2019, the Homestead MS CBOC had 7,387 core uniques. Miami-Dade County, where Homestead CBOC is located, is projected to have more than 25,000 Veteran enrollees by FY 2029. The addition of services will increase access to select outpatient specialty care for Veterans in Miami-Dade County.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 Miami Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- Costs:** The present value cost¹² over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

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

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Miami Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 8 Miami Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$15,779,185,989	\$16,663,248,150	\$17,133,141,664
Capital Cost	\$1,057,661,622	\$1,941,723,784	\$2,411,617,298
Operational Cost	\$14,721,524,366	\$14,721,524,366	\$14,721,524,366
Total Benefit Score	8	11	13
CBI (normalized in \$B)	1.97	1.51	1.32

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through eight VA points of care offering outpatient services, including the proposed relocated and expanded Hollywood, Florida MS CBOC; proposed replacement Miami, Florida VAMC; and proposed expanded Pembroke Pines, Florida MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed new stand-alone CLCs in Fort Lauderdale, Florida and Homestead, Florida, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Miami, Florida VAMC.
- **RRTP:** RRTP demand will be met through the proposed new stand-alone RRTP in Miami, Florida, and the other facilities within VISN 08 offering RRTP services, including the Bay Pines, Florida VAMC; West Palm Beach, Florida VAMC; Orlando, Florida VAMC; Lake City, Florida VAMC; and new stand-alone RRTPs in Gainesville, Florida; Tampa, Florida; Jacksonville, Florida; and San Juan, Puerto Rico.

Demand

- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the proposed replacement Miami, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 54,513 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following the implementation of this recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 54,566 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with the University of Miami, Florida International University, and Jackson Memorial Hospital.
- **Research:** This recommendation does not impact the research mission in the market and allows the Miami, Florida VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Miami, Florida VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed replacement Miami, Florida VAMC; proposed relocated and expanded Hollywood, Florida MS CBOC; proposed new stand-alone CLC in Fort Lauderdale, Florida; stand-alone CLC in Homestead, Florida; and stand-alone RRTP in Miami, Florida. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.32 for VA Recommendation versus 1.97 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed replacement Miami, Florida VAMC; proposed relocated and expanded Hollywood, Florida MS CBOC; proposed new stand-alone CLC in Fort Lauderdale, Florida; stand-alone CLC in Homestead, Florida; and stand-alone RRTP in Miami, Florida. This new infrastructure modernizes VA facilities to state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$17.1B for VA Recommendation versus \$16.7B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.32 for VA Recommendation versus 1.51 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 North Market

The Veterans Integrated Service Network (VISN) 08 North Market serves Veterans in northern Florida and a portion of South Georgia. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.¹³

VA's Commitment to Veterans in the North Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's North Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the North Market is projected to increase between fiscal year (FY) 2019 and FY 2029. Demand for inpatient medical and surgical services, inpatient mental health, long-term care, and outpatient services is projected to increase. Given the expected growth and size of the market, there is a need to invest in new outpatient sites and a new VAMC in Jacksonville, Florida, to meet existing and projected Veteran demand. The strategy for the North Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increase in demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the market and invests in providing outpatient services in a new modern VAMC in Jacksonville, Florida, and a new ambulatory facility on the Lake City VAMC campus. Additionally, the recommendation establishes two new multi-specialty community-based outpatient clinics (MS CBOCs), three community-based outpatient clinics (CBOCs), and one other outpatient services (OOS) site. Two CBOCs will be expanded to MS CBOCs and five OOSs and one CBOC will

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

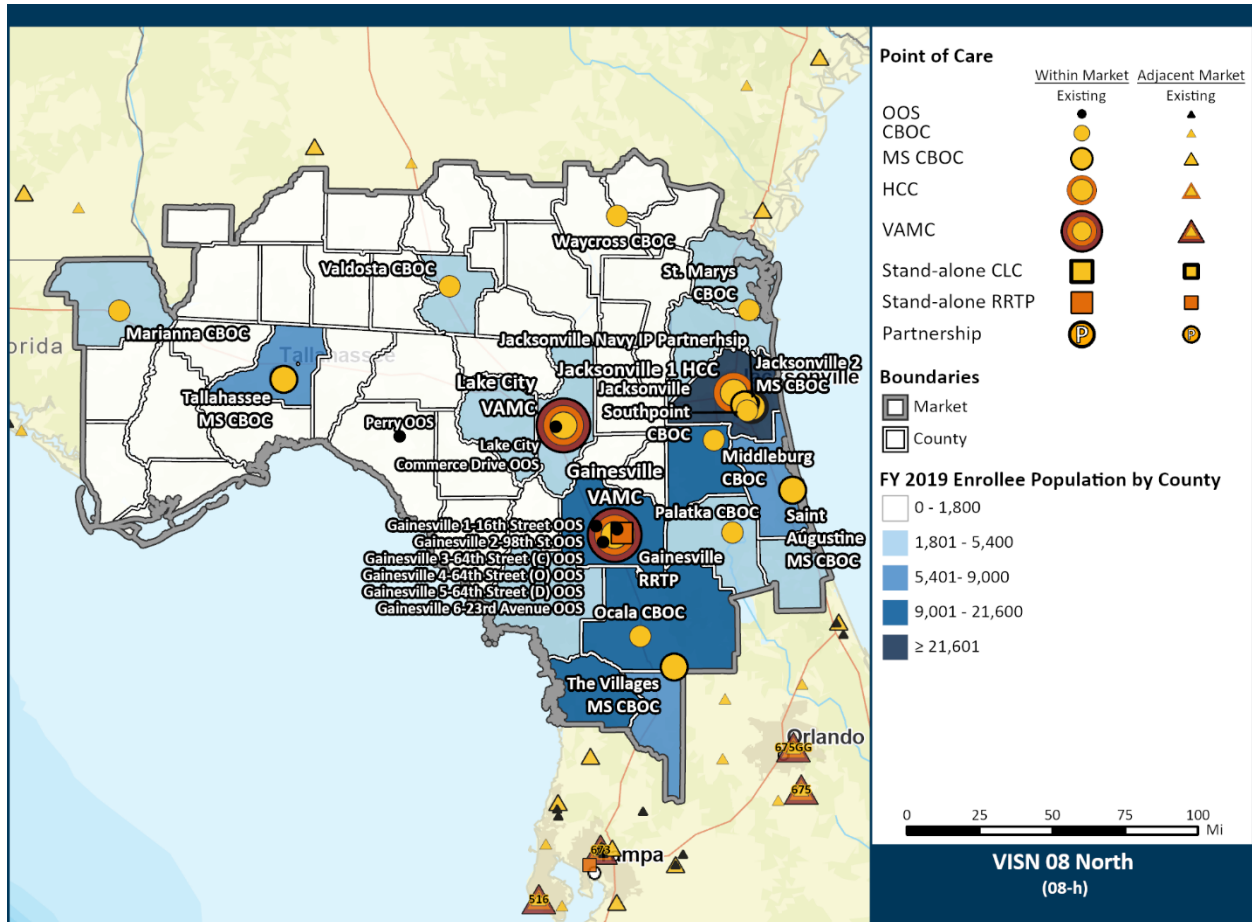
be closed to consolidate services in locations where a greater population of Veteran enrollees reside.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation maintains inpatient mental health care services, modernizes the Lake City VAMC’s aging residential rehabilitation treatment program (RRTP) and community living center (CLC) facilities, and establishes a new VAMC in the growing Jacksonville, Florida, area. Additionally, the recommendation relocates CLC and RRTP services from the Gainesville VAMC to new stand-alone sites in the vicinity of Gainesville, Florida, to provide comprehensive care for Veterans with the most complex needs. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Tampa, Florida VAMC and demand for inpatient blind rehabilitation services will be met through regional centers in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation considers the projected overall increase in the number of enrollees in the future and invests in a new VAMC in the growing Jacksonville, Florida, area to provide tertiary inpatient care and relocates inpatient medical and surgical care from the Lake City VAMC to the Gainesville VAMC.

Market Overview

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

Market Map



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

Facilities: The market has two VAMCs (Gainesville and Lake City), one stand-alone RRTP, one health care center (HCC), four MS CBOCs, eight CBOCs, and eight OOS sites. Additionally, the North Market has an existing joint partnership for inpatient acute medical services with the Jacksonville Naval Medical Center.

Enrollees: In FY 2019, the market had 175,670 enrollees and is projected to experience a 7.2% increase in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in Duval, Marion, and Clay counties in Florida.

Demand: Demand¹⁴ in the market for inpatient medical and surgical services is projected to increase by 11.3% and demand for inpatient mental health services is projected to increase by 9.5% between FY

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

2019 and FY 2029. Demand for long-term care¹⁵ is projected to increase by 37.1%. Demand for all outpatient services¹⁶, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 37.1% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 74.5% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 65.7% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers¹⁷ in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate¹⁸ of 70.5% (627 available beds)¹⁹ and an inpatient mental health occupancy rate of 75.8% (17 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 87.2% (325 available beds). Community residential rehabilitation programs²⁰ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with the University of Florida. The Gainesville VAMC is ranked 7 out of 154 VA training sites based on the number of trainees and the Lake City VAMC is ranked 148 out of 154. The Gainesville VAMC is ranked 42 out of 103 VAMCs with research funding while the Lake City VAMC conducts limited or no research. Neither VAMC in the North Market holds an emergency designation.²¹

Facility Overviews

Gainesville VAMC: The Gainesville VAMC is located in Gainesville, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, and outpatient services. In FY 2019, the Gainesville VAMC had an inpatient medical and surgical average daily census (ADC) of 125.7, an inpatient mental health ADC of 43.1, and a CLC ADC of 28.6. RRTP services are located at a stand-alone facility in Gainesville, Florida and had an FY 2019 ADC of 44.7.

The Gainesville VAMC was built in 1966 on 40.7 acres, with the most recent renovations to the main hospital building completed in 1998. The Gainesville VAMC does not meet current VA design standards

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

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

¹⁷ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

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

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

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

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

for modern health care.²² Facility condition assessment (FCA) deficiencies are approximately \$102.7M, and annual operations and maintenance costs are an estimated \$18.5M.

Lake City VAMC: The Lake City VAMC is located in Lake City, Florida, and offers inpatient medical and surgical, CLC, RRTP, and outpatient services. In FY 2019, the Lake City VAMC had an inpatient medical and surgical ADC of 17.9, a CLC ADC of 77.4, and an RRTP ADC of 24.8.

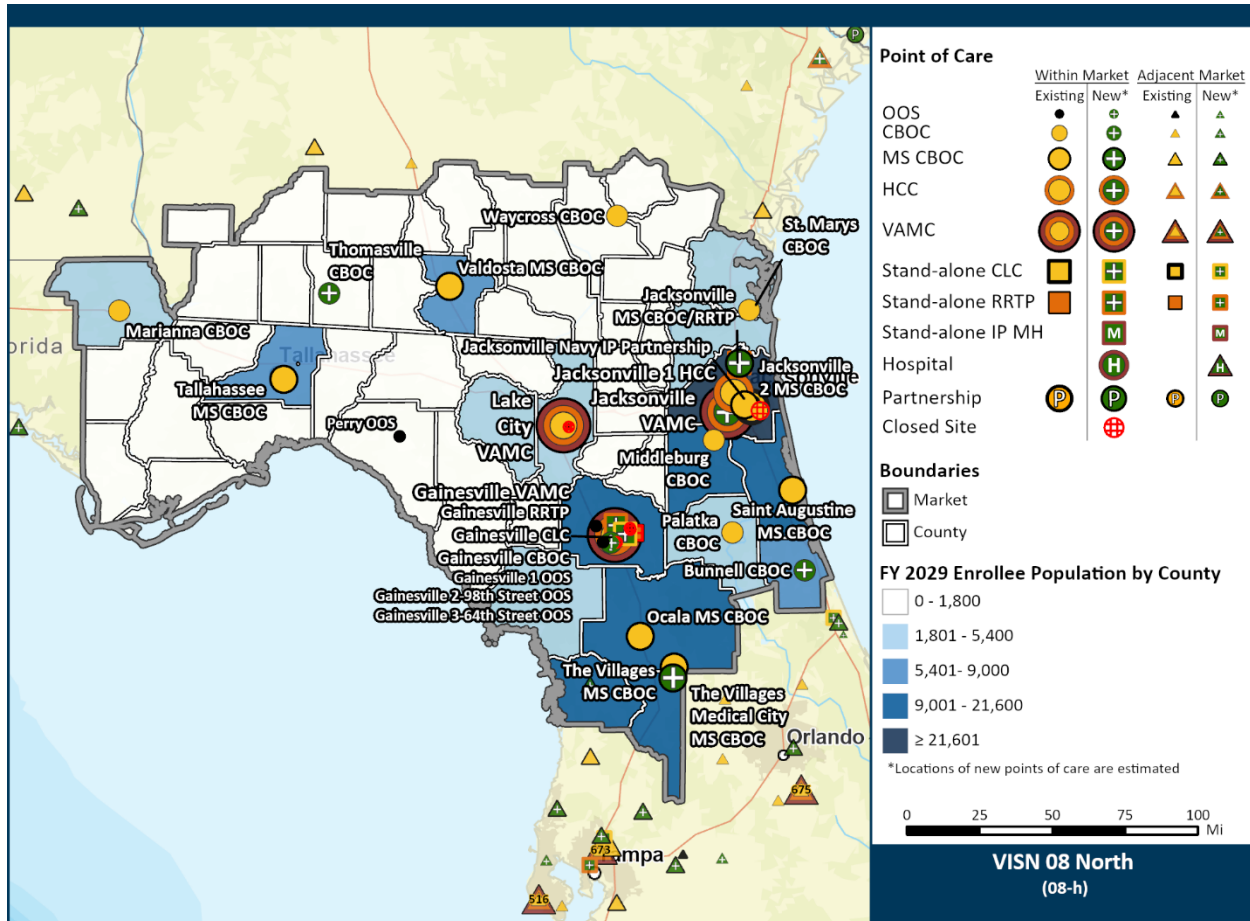
The Lake City VAMC was built in 1953 on 40.7 acres, with the most recent renovations to the main hospital building completed in 1983. The Lake City VAMC does not meet current VA design standards for modern health care.²² FCA deficiencies are approximately \$101.6M, and annual operations and maintenance costs are an estimated \$8.8M.

²² Beginning in the late 1970s, modern health care design principles began to emerge and become more standard. While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

Recommendation and Justification

This section details the VISN 08 North Market recommendation and justification for each element of the recommendation.

Future Market Map



- 1. Modernize by establishing a new VAMC with inpatient medical and surgical services, inpatient mental health, non-surgical outpatient services, and emergency services in the vicinity of Jacksonville, Florida:** The Jacksonville region is a large, growing urban market that does not currently have a VAMC. The region is expected to experience an increase in enrollees and demand for all services through FY 2029. In FY 2019, there were 73,455 enrollees within a 60-minute drive time of the proposed new Jacksonville VAMC. Total demand for inpatient medical and surgical services in the North Market is projected to reach an ADC of 236.8 by FY 2029. The proposed new Jacksonville VAMC and the Gainesville VAMC are located approximately 65 miles (1 hour and 30 minutes) apart. While there is an existing VA-Department of Defense (DoD) partnership at the Jacksonville Naval Medical Center southwest of Jacksonville, Florida, access issues on the base have created challenges to the sustainability of VA services. Leveraging adjacent Federal land for the new VAMC and proximity to Interstate 295 will improve access and promote continued partnership with DoD. By building a new medical center, VA's recommendation will allow VA to meet the projected

increase in Veteran demand in the Jacksonville area and enhance its ability to provide tertiary inpatient care and complex outpatient care. The new Jacksonville VAMC will have 36 inpatient medical beds, 20 inpatient surgical beds, 12 inpatient mental health beds, and emergency department services. Demand for inpatient medical and surgical services in the North Market will be met through the 56 inpatient medical and surgical beds at the proposed new Jacksonville VAMC and the 186 inpatient medical and surgical beds at the Gainesville VAMC. Prior to the activation of the proposed Jacksonville VAMC, VA will create a new partnership for inpatient medical and surgical services in Jacksonville, Florida (Duval County). To partner, VA will consider establishing a sharing arrangement or lease.

2. **Modernize and realign the Gainesville VAMC by:**

2.1. **Relocating CLC services at the Gainesville VAMC to current or future VA facilities and discontinuing CLC services at the Gainesville VAMC:**

A new, stand-alone site of care for long-term care services in the vicinity of Gainesville, Florida will allow VA to activate a CLC that can be more flexible in its design to support elder care needs. The Gainesville VAMC has 34 CLC beds. In FY 2019, there was an ADC of 28.6 and it is projected to reach an ADC of 119.3 by FY 2029. Long-term care services in the community are limited. As of FY 2019, community nursing homes within a 30-minute drive time of the Gainesville VAMC were operating at an occupancy rate of 90.5% (20 available beds). Demand for long-term care in the North Market will be met through the 48 CLC beds at the proposed new stand-alone Gainesville CLC and the 102 CLC beds at the Lake City VAMC.

2.2. **Relocating the Gainesville RRTP to a new site in the vicinity of Gainesville, Florida, and closing the existing Gainesville RRTP:** Shifting facility placement to a better market location and a larger site in the vicinity of Gainesville, Florida, will improve access to inpatient mental health residential rehabilitation services across the North Market in a more contemporary environment of care. The Gainesville VAMC has 45 RRTP beds. In FY 2019, there was an RRTP ADC of 44.7. The North Market is projected to have an RRTP bed need of 127 by FY 2028. The number of beds at the Gainesville RRTP will be increased based on the projected demand and allocation of beds across the North Market. This change will require the Gainesville RRTP to increase the number of RRTP beds from 45 to 53. A relocated, modern RRTP facility will meet the demand for inpatient residential rehabilitation services and will be placed in an area that is most convenient to the Veteran population in need of these services. In FY 2019, there were 36,264 Veteran enrollees within a 60-minute drive time of the proposed new site.

3. **Modernize and realign the Lake City VAMC by:**

3.1. **Modernizing the CLC at the Lake City VAMC:** A new site of care in a separate building on the existing Lake City VAMC campus will allow VA to activate a CLC that can be more flexible in its design to support elder care needs. In FY 2019, there were 28,077 Veteran enrollees within a 60-minute drive time of the existing Lake City VAMC campus. The current facility was built in the 1950s and has significant infrastructure challenges. The Lake City VAMC has 102 CLC beds. In-house demand for long-term care services in the North Market is projected to reach an ADC of 122.7 by FY 2029. In the North Market, 47.2% (82,881) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase by 15.0% by FY 2029. Long-term care services in the community are limited. In FY 2019, community nursing

homes within a 30-minute drive time of the Gainesville VAMC were operating at an occupancy rate of 90.5% (20 available beds). Placing the facility on the existing Lake City VAMC campus will ensure these services will be provided in a modern environment of care and remain accessible to the elderly Veteran population in the area. Demand for long-term care in the North Market will be met through the 102 CLC beds at the Lake City VAMC and the 48 CLC beds at the proposed new stand-alone Gainesville CLC.

- 3.2. Modernizing the RRTP at the Lake City VAMC:** A new site of care for inpatient mental health residential rehabilitation services, in a separate building on the existing Lake City VAMC campus, will allow VA to activate an RRTP that can be more contemporary in its design to support Veteran residential mental health needs. The current facility was built in the 1950s and has significant infrastructure challenges. In FY 2019, there were 28,077 enrollees within a 60-minute drive time of the existing Lake City VAMC campus. The North Market is projected to have an RRTP bed need of 127 by FY 2028. Placing the facility on the existing Lake City VAMC campus will ensure these services will be provided in a modern environment of care and remain accessible to the Veteran population in need of these services. There will be 45 RRTP beds at the new stand-alone RRTP at the Lake City VAMC based on the projected demand and allocation of beds across the North Market.
- 3.3. Modernizing the ambulatory facility at the Lake City VAMC. If unable to modernize the ambulatory facility, construct a replacement ambulatory facility in the vicinity of the Lake City VAMC:** A new ambulatory facility on the existing Lake City VAMC campus will provide a modern, contemporary site of care, and absorb outpatient and emergency department services from the Lake City VAMC. The new facility will offer primary care, outpatient mental health, outpatient specialty, outpatient surgical, and emergency department services. The current facility was built in the 1950s and has significant infrastructure challenges. In FY 2019, there were 2,130 outpatient surgical cases and 14,235 emergency department encounters. In the same time period, there were 5,902 Veteran enrollees within a 30-minute drive time and 28,077 Veteran enrollees within a 60-minute drive time of the Lake City VAMC campus. By building a new, modernized ambulatory care space, VA's recommendation will resolve the infrastructure issues, improve the environment of care for Veterans, and increase access to outpatient services in the market.
- 3.4. Relocating inpatient medical services at the Lake City VAMC to current or future VA facilities and discontinuing inpatient medical services at the Lake City VAMC:** The Lake City VAMC has 41 inpatient medical beds. In FY 2019, the inpatient medicine ADC at the Lake City VAMC was 17.3. The Gainesville VAMC has 186 inpatient medical and surgical beds. In FY 2019, inpatient medical and surgical services at the Gainesville VAMC had an ADC of 125.7. The Gainesville VAMC has sufficient space and staffing (28 available beds at an estimated 80% occupancy rate) to absorb the current Lake City VAMC demand. Consolidating these services to the Gainesville VAMC will allow for a modern health care setting, improve access to supportive specialty services, and decrease redundant support services. In-house demand for inpatient medical services in the North Market is projected to reach an ADC of 114.0 by FY 2029. The proposed new Jacksonville VAMC will provide a planned 56 inpatient medical and surgical beds in high Veteran population areas, also supporting VA's ability to meet future demand in the market.

- 4. Modernize by establishing a new stand-alone CLC in the vicinity of Gainesville, Florida:** A new stand-alone site of care for CLC services in the vicinity of Gainesville, Florida (Alachua County), with easy access to the Gainesville VAMC will increase access to long-term care services in a contemporary environment of care. In the North Market, 47.2% (82,881) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase 15.0% by FY 2029. The Gainesville VAMC has 34 CLC beds. In FY 2019, there was an ADC of 28.6 and it is projected to reach an ADC of 119.3 by FY 2029. In FY 2019, there were 37,313 Veteran enrollees within a 60-minute drive time of the proposed new site. This new stand-alone CLC will have 48 beds and will be placed in an area that is most convenient to the elderly Veteran population.
- 5. Modernize and realign outpatient facilities in the market by:**
- 5.1. Establishing a new MS CBOC in the vicinity of The Villages/New Medical City, Florida:** A new MS CBOC in the vicinity of The Villages, Florida (Sumter County), located approximately 13 minutes (6.0 miles) from The Villages MS CBOC, will improve access to primary care, outpatient mental health, and outpatient specialty services. In FY 2019, there were 22,588 Veteran enrollees within a 30-minute drive time and 60,689 Veteran enrollees within a 60-minute drive time of the proposed new site. In FY 2029, Sumter County is projected to have over 9,200 Veteran enrollees. Efforts to establish a new MS CBOC are underway.
- 5.2. Establishing a new CBOC in the vicinity of Thomasville, Georgia:** A new CBOC in the vicinity of Thomasville, Georgia (Thomas County), located approximately 47 minutes (41.4 miles) from the Valdosta CBOC and 52 minutes (36.7 miles) from the Tallahassee MS CBOC, will improve access to primary care and outpatient mental health services. In FY 2029, Thomas County is projected to have over 1,700 Veteran enrollees. In FY 2019, there were 2,781 enrollees within a 30-minute drive time of the proposed new site.
- 5.3. Establishing a new CBOC in the vicinity of Bunnell, Florida:** A new CBOC in the vicinity of Bunnell, Florida (Flagler County), located approximately 37 minutes (28.6 miles) from the St. Johns MS CBOC and 42 minutes (32.6 miles) from the Palatka CBOC, will improve access to primary care and outpatient mental health services. In FY 2029, Flagler County is projected to have over 6,000 Veteran enrollees. In FY19, there were 11,251 enrollees within a 30-minute drive time of the proposed new site.
- 5.4. Relocating all services at the Jacksonville Southpoint CBOC and closing the Jacksonville Southpoint CBOC:** Closing the Jacksonville Southpoint CBOC and relocating the clinic's services to the proposed new Jacksonville VAMC in Duval County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. The Jacksonville Southpoint CBOC is outdated, contributing to poor clinical flow and patient wayfinding. The proposed new Jacksonville VAMC will meet the current VA design standards for modern health care. In FY 2019, the Jacksonville Southpoint CBOC had 15,717 core uniques.²³ The proposed new Jacksonville VAMC and the existing Jacksonville Southpoint CBOC are located approximately 20 minutes (17 miles) apart.

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

5.5. Relocating all services to the Lake City VAMC and closing the Lake City Commerce Drive OOS:

Closing the Lake City Commerce Drive OOS and relocating the clinic's services to the proposed ambulatory facility at the existing Lake City VAMC in Columbia County will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Lake City Commerce Drive OOS had 3,556 core uniques. The ambulatory facility at the existing Lake City VAMC and the existing Lake City Commerce Drive OOS are located approximately 10 minutes (4 miles) apart.

Complementary Strategy

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

North Market

- Establishing a new CBOC in the vicinity of Gainesville, Florida (in progress):** A new CBOC in the vicinity of Gainesville, Florida (Alachua County), located approximately 10 minutes (4.1 miles) from the Gainesville VAMC, will improve access to primary care and outpatient mental health services by decompressing the Gainesville VAMC. In FY 2019, there were 11,756 Veteran enrollees within a 30-minute drive time of the planned new site. In FY 2029, Alachua County is projected to have over 9,900 Veteran enrollees.
- Relocating all services at the Gainesville 1-16th Street and closing the Gainesville 1-16th Street OOS (in progress):** Closing the Gainesville 1-16th Street OOS and relocating the clinic's services to the planned new Gainesville CBOC in Alachua County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Gainesville 1-16th Street OOS had 972 core uniques. The planned new Gainesville CBOC and the existing Gainesville 1-16th Street OOS are located approximately 15 minutes (eight miles) apart.
- Relocating all services at the Gainesville 6-23rd Avenue OOS and closing the Gainesville 6-23rd Avenue OOS (in progress):** Closing the Gainesville 6-23rd Avenue OOS and relocating the clinic's compensation work therapy (CWT) service to the planned new Gainesville CBOC in Alachua County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Gainesville 6-23rd Avenue OOS had 2,167 core uniques. The planned new Gainesville CBOC and the existing Gainesville 6-23rd Avenue OOS are located approximately 15 minutes (nine miles) apart.
- Add audiology, outpatient blind rehabilitation, and optometry services to the Ocala CBOC, which may result in the classification of facility as an MS CBOC (in progress):** Outpatient specialty care service demand is projected to increase. In FY 2019, there were 16,767 Veteran enrollees within a 30-minute drive time and 63,970 Veteran enrollees within a 60-minute drive time of the Ocala CBOC. In FY 2019, there were 9,646 core uniques at the Ocala CBOC. The expansion will increase access to outpatient specialty care for Veterans in Marion County.

- Establish a new MS CBOC in Jacksonville, Florida (Duval County), to expand access to primary care and outpatient mental health services (in progress):** The North Market is currently in the process of developing an MS CBOC in the vicinity of Jacksonville, Florida (Duval County), collocated with a stand-alone RRTP. In FY 2019, there were 44,189 Veteran enrollees within a 30-minute drive time and 73,356 Veteran enrollees within a 60-minute drive time of the planned new site. The new site will increase access to primary care, outpatient mental health, and outpatient specialty services for Veterans in Duval County.
- Establish a stand-alone RRTP in Jacksonville, Florida (Duval County), (in progress):** The North Market is currently in the process of developing an RRTP in the vicinity of Jacksonville, Florida (Duval County), collocated with an MS CBOC. In FY 2019, there were 43,780 Veteran enrollees within a 30-minute drive time and 73,276 Veteran enrollees within a 60-minute drive time of the planned new site. The North Market is projected to have an RRTP bed need of 127 by FY 2028. The new site will increase access to RRTP services for Veterans in and near Duval County. There will be 30 beds at the planned new stand-alone RRTP in Jacksonville, Florida based on the projected demand and allocation of beds across the North Market.
- Expand outpatient specialty care services at the Valdosta CBOC, which may result in the classification of the facility as an MS CBOC:** Outpatient specialty care service demand is projected to increase. In FY 2019, there were 6,602 Veteran enrollees within a 30-minute drive time and 13,673 Veteran enrollees within a 60-minute drive time of the Valdosta CBOC. In FY 2019, there were 5,479 core uniques at the Valdosta CBOC. By FY 2029, Lowndes County is projected to have over 5,600 Veteran enrollees. The expansion will increase access to outpatient specialty care for Veterans in Lowndes County.
- Expand specialty care capacity at the Jacksonville 1 HCC by decompressing primary care and outpatient mental health services to surrounding CBOCs:** Outpatient specialty care service demand is projected to increase. In FY 2019, there were 71,350 Veteran enrollees within a 60-minute drive time from the Jacksonville 1 HCC. Nearby VA sites of care that can partially absorb primary care and outpatient mental health services include the proposed new Jacksonville VAMC and the planned Jacksonville MS CBOC. In FY 2019, there were 37,450 core uniques at the Jacksonville 1 HCC. The expansion of specialty care services will increase access for Veterans in Duval County.

Lake City VAMC

- Relocate existing laundry services to a community partner; deactivate the Lake City VAMC laundry service:** Relocating and deactivating laundry services on the Lake City VAMC campus will allow for VA to remove burdensome, non-clinical infrastructure and services, reducing overall FCA deficiencies and yearly operations and maintenance costs on the campus.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 North Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational

costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost²⁴ over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of Community Care).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 North Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 8 North Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$37,743,933,877	\$39,792,437,030	\$40,430,670,859
Capital Cost	\$1,475,631,800	\$3,524,134,954	\$4,162,368,783
Operational Cost	\$36,268,302,076	\$36,268,302,076	\$36,268,302,076
Total Benefit Score	8	11	14
CBI (normalized in \$B)	4.72	3.62	2.89

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

Section 203 Criteria Analysis

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

Demand

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

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

Demand

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 24 VA points of care offering outpatient services, including the proposed new Jacksonville, Florida VAMC; The Villages/New Medical City, Florida MS CBOC; Bunnell, Florida CBOC; Thomasville, Georgia CBOC; Gainesville, Florida OOS; the planned Jacksonville, Florida MS CBOC and Gainesville, Florida CBOC; and the planned expanded Ocala, Florida MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Lake City, Florida VAMC and the proposed new Gainesville, Florida stand-alone CLC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Tampa, Florida VAMC.
- **RRTP:** RRTP demand will be met through the Lake City, Florida VAMC; new stand-alone RRTPs in Gainesville, Florida and Jacksonville, Florida; and the other facilities within VISN 08 offering RRTP services, including the Bay Pines, Florida VAMC; West Palm Beach, Florida VAMC; Orlando, Florida VAMC; and proposed new stand-alone RRTPs in Miami, Florida; Tampa, Florida; and San Juan, Puerto Rico.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the Gainesville, Florida VAMC; Jacksonville, Florida Navy inpatient partnership; and proposed new Jacksonville, Florida VAMC, as well as through community providers. Inpatient mental health demand will be met through the Gainesville, Florida VAMC and proposed new Jacksonville, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 199,348 enrollees within 30 minutes of primary care in the future state.
- **Access to Specialty Care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 199,494 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with the University of Florida.
- **Research:** This recommendation does not impact the research mission in the market and allows the Gainesville, Florida VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Gainesville, Florida and Lake City, Florida VAMCs are not designated as Primary Receiving Centers.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Jacksonville, Florida VAMC; The Villages/New Medical City, Florida MS CBOC; Bunnell, Florida CBOC; Thomasville, Georgia CBOC; Gainesville, Florida OOS; stand-alone CLC and RRTP in Gainesville, Florida; and planned new Jacksonville, Florida MS CBOC; Gainesville, Florida CBOC; and stand-alone RRTP in Jacksonville, Florida; This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (2.89 for VA Recommendation versus 4.72 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Jacksonville, Florida VAMC; The Villages/New Medical City, Florida MS CBOC; Bunnell, Florida CBOC; Thomasville, Georgia CBOC; Gainesville, Florida OOS; stand-alone CLC and RRTP in Gainesville, Florida; and planned new Jacksonville, Florida MS CBOC; Gainesville, Florida CBOC; stand-alone RRTP in Jacksonville, Florida. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$40.4B for VA Recommendation versus \$39.8B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (2.89 for VA Recommendation versus 3.62 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 Orlando Market

The Veterans Integrated Service Network (VISN) 08 Orlando Market serves Veterans in central and east Florida. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.²⁵

VA's Commitment to Veterans in the Orlando Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Orlando Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the Orlando Market is projected to remain stable between fiscal year (FY) 2019 and FY 2029. Demand for inpatient medical and surgical services, inpatient mental health, long-term care, and outpatient services is projected to increase. There is a need to invest in new outpatient sites and community living centers (CLCs) to meet existing and projected Veteran demand. The strategy for the Orlando Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increased demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the Orlando Market and establishes one new community-based outpatient clinic (CBOC) near Titusville, Florida. Additionally, the recommendation relocates one multi-specialty community-based outpatient clinic (MS CBOC) and one other outpatient services (OOS) site more proximate to the Veteran enrollee population, relocates one OOS and expands the site to a CBOC, and closes one OOS to consolidate services.

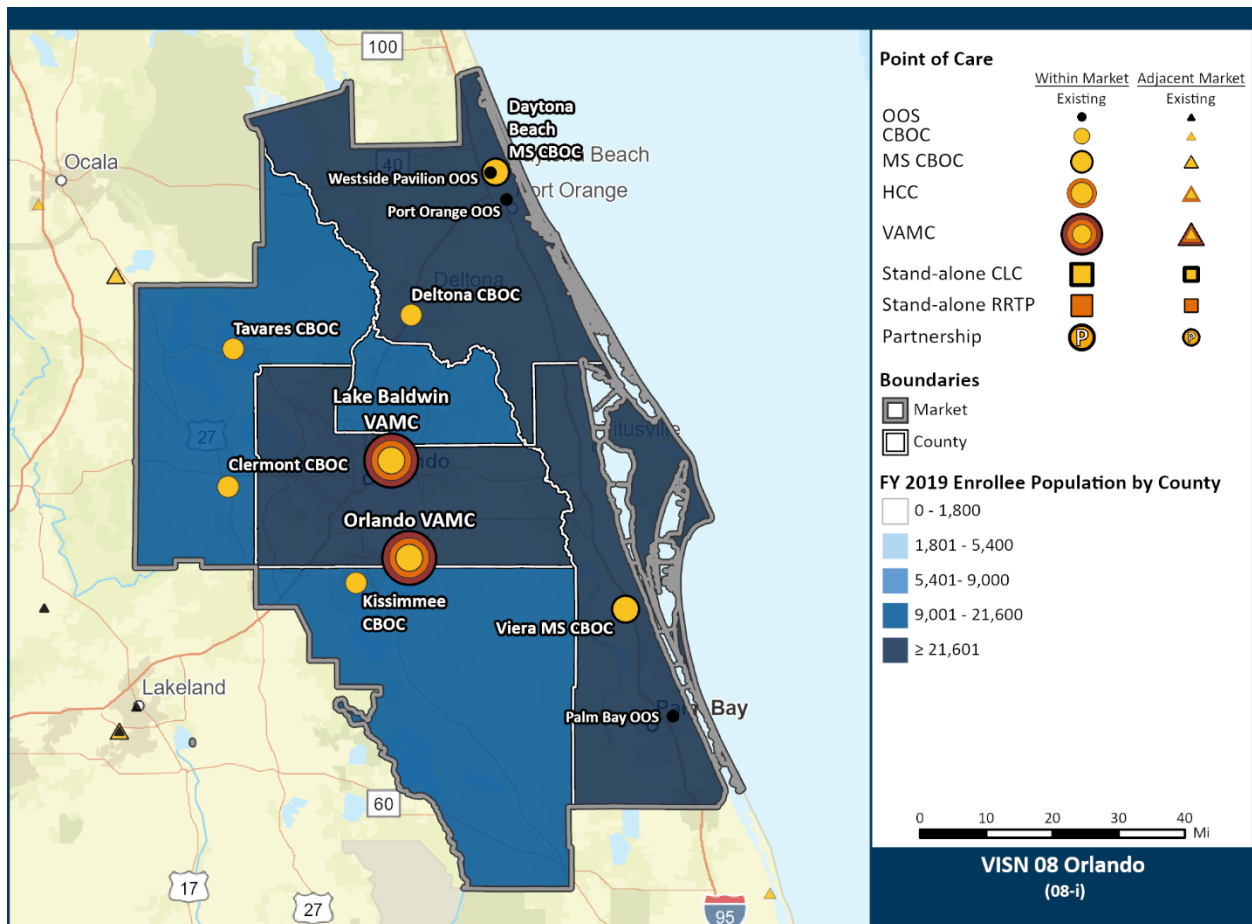
²⁵ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation maintains inpatient mental health and residential rehabilitation treatment program (RRTP) services at the Orlando VAMC and invests in long-term care by establishing two new, stand-alone CLCs in the market. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Tampa, Florida VAMC and demand for inpatient blind rehabilitation services will be met through regional centers in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation maintains inpatient medical and surgical care within the Orlando VAMC, while continuing to strengthen relationships with community providers.

Market Overview

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

Market Map



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

Facilities: The market has two VAMCs (Orlando and Lake Baldwin), two MS CBOCs, four CBOCs, and three OOS sites.

Enrollees: In FY 2019, the market had 136,293 enrollees and is projected to experience a 0.8% increase in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in Orange, Brevard, and Volusia counties in Florida.

Demand: Demand²⁶ in the market for inpatient medical and surgical services is projected to increase by 9.0% and demand for inpatient mental health services is projected to increase by 11.0% between FY 2019 and FY 2029. Demand for long-term care²⁷ is projected to increase by 26.7%. Demand for all outpatient services²⁸, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 4.3% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 94.1% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 84.9% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers²⁹ in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate³⁰ of 68.0% (1,058 available beds)³¹ and inpatient mental health occupancy rates of 70.3% (27 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 87.9% (365 available beds). Community residential rehabilitation programs³² that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has academic affiliations in the market that include University of Central Florida and AdventHealth Orlando. The Orlando VA Health Care System, which includes both the Orlando and Lake Baldwin VAMCs, is ranked 74 out of 154 VA training sites based on number of trainees and is ranked 95 out of 103 VAMCs with research funding. Neither VAMC has an emergency designation.³³

Facility Overviews

Orlando VAMC: The Orlando VAMC is located in Orlando, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Orlando VAMC had

²⁶ Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

²⁷ Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

²⁸ Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

²⁹ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

³⁰ Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

³¹ Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

³² Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

³³ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

an inpatient medical and surgical average daily census (ADC) of 65.6, an inpatient mental ADC of 22.3, a CLC ADC of 113.2, and an RRTP ADC of 70.0.

The Orlando VAMC was built in 2015 on 93.3 acres. Facility condition assessment (FCA) deficiencies are approximately \$6.5M, and annual operations and maintenance costs are an estimated \$16.4M.

Lake Baldwin VAMC: The Lake Baldwin VAMC is located in Orlando, Florida, and offers RRTP and outpatient services. In FY 2019, the Lake Baldwin VAMC had an RRTP ADC of 32.4.

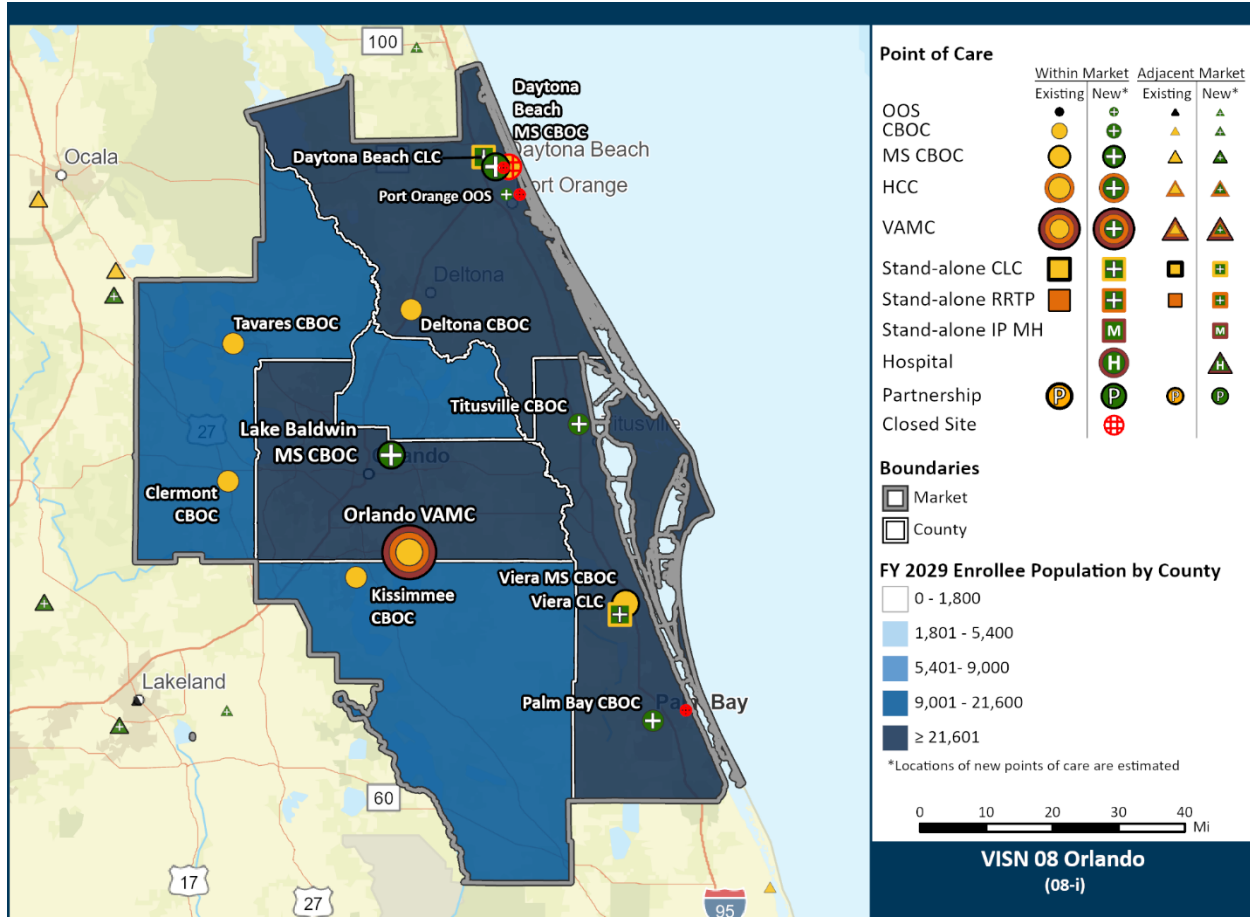
The Lake Baldwin VAMC was built in 1981 on 46.0 acres, with the most recent renovations to the main hospital building completed in 2012. The Lake Baldwin VAMC does not meet current VA design standards for modern health care.³⁴ FCA deficiencies are approximately \$15.1M, and annual operations and maintenance costs are an estimated \$3.6M.

³⁴ Beginning in the late 1970s, modern health care design principles began to emerge and become more standard. While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

Recommendation and Justification

This section details the VISN 08 Orlando Market recommendation market and justification for each element of the recommendation.

Future Market Map



- 1. Modernize and realign the Lake Baldwin VAMC by relocating RRTP services at the Lake Baldwin VAMC to current of future VA facilities and discontinuing RRTP services at the Lake Baldwin VAMC:** The Lake Baldwin VAMC has 56 RRTP beds with an FY 2019 ADC of 32.4 and does not meet the current VA design standards for modern health care. Relocating RRTP services from the Lake Baldwin VAMC to the Orlando VAMC will improve safety provisions and allow VA to provide a consolidated, contemporary setting for inpatient residential rehabilitation services. The Lake Baldwin VAMC is located approximately 35 minutes (20 miles) from the Orlando VAMC. Consolidating RRTP services to the Orlando VAMC in modernized infrastructure will support the provision of high-quality care and result in the reclassification of the Lake Baldwin VAMC to an MS CBOC.
- 2. Modernize and realign the Orlando VAMC by modernizing the RRTP at the Orlando VAMC:** With the relocation of RRTP beds from the Lake Baldwin VAMC to the Orlando VAMC, the existing Orlando RRTP does not have the capacity to absorb the additional 56 beds from the Lake Baldwin RRTP. The Orlando Market is projected to have an RRTP bed need of 86 by FY 2028. Modernization

of the Orlando RRTP will increase capacity to 96 RRTP beds and meet existing and projected demand for RRTP services in the market. Modernization of the facility will also provide a contemporary setting for inpatient residential rehabilitation services, improve safety provisions, create greater operational efficiencies through program consolidation, and support higher quality of care.

3. **Modernize by establishing a new stand-alone CLC in the vicinity of Daytona Beach, Florida:** A new, stand-alone site of care for CLC services in the vicinity of Daytona Beach, Florida, will increase access to long-term care services in a contemporary environment of care. In FY 2019, there were 69,469 Veteran enrollees within a 60-minute drive time of the proposed new site in Daytona Beach (Volusia County). In the Orlando Market, 46.9% (63,863) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase by 7.9% by FY 2029. Total demand for long-term care services in the Orlando Market is projected to reach an ADC of 231.6 by FY 2029. The closest VA CLC is currently located at the Orlando VAMC which is over an hour (80 miles) away from the proposed CLC site in Daytona Beach, Florida. There is limited community capacity for long-term care within the Orlando Market. The CLC will be placed in an area that is most convenient to the elderly Veteran population in need of these services. The new stand-alone CLC will have 48 beds. Demand for long-term care in the Orlando Market will be met through the 120 CLC beds at the Orlando VAMC, the 48 CLC beds at the proposed new stand-alone CLC in Daytona Beach, and the 48 CLC beds at proposed new stand-alone CLC in Viera.
4. **Modernize by establishing a new stand-alone CLC in the vicinity of Viera, Florida:** A new, stand-alone site of care for CLC services in the vicinity of Viera, Florida, will increase access to long-term care services in a contemporary environment of care. In FY 2019, there were 69,310 Veteran enrollees within a 60-minute drive time of the proposed site in Viera, Florida (Brevard County). In the Orlando Market, 46.9% (63,863) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase by 7.9% by FY 2029. Total demand for long-term care services in the Orlando Market is projected to reach an ADC of 231.6 by FY 2029. The closest VA CLC is currently located at the Orlando VAMC, which is approximately 47 minutes (45 miles) away from the proposed CLC site in Daytona Beach, Florida. There is limited community capacity for long-term care within the Orlando Market. The CLC will be placed in an area that is most convenient to the elderly Veteran population in need of these services. The new stand-alone CLC will have 48 beds. Demand for long-term care in the Orlando Market will be met through the 120 CLC beds at the Orlando VAMC, the 48 CLC beds at the proposed new stand-alone CLC in Viera, and the 48 CLC beds at the proposed new stand-alone CLC in Daytona Beach.
5. **Modernize and realign outpatient facilities in the market by:**
 - 5.1. **Establishing a new CBOC in the vicinity of Titusville, Florida:** A new CBOC in the vicinity of Titusville, Florida (Brevard County), will improve access to primary care and outpatient mental health care by decompressing the Viera MS CBOC. Brevard County is projected to have more than 34,600 Veteran enrollees by FY 2029. In FY 2019, there were 10,351 Veteran enrollees within a 30-minute drive time of the proposed site.
 - 5.2. **Relocating the Daytona Beach MS CBOC to a new site in the vicinity of Daytona Beach, Florida, and closing the existing Daytona Beach MS CBOC:** Relocating the facility to a better market location and larger site in the vicinity of Daytona Beach, Florida (Volusia County), will increase access for the Veteran enrollee population as a more centralized location will be

proximate to major highways (Interstate 95, LPGA Boulevard). In FY 2019, there were 18,363 Veteran enrollees within a 30-minute drive time and 61,953 Veteran enrollees within a 60-minute drive time of the proposed new site. In FY 2019, there were 21,794 core uniques³⁵ at the existing Daytona Beach MS CBOC.

- 5.3. Relocating the Port Orange OOS to a new site in the vicinity of Daytona Beach, Florida, and closing the existing Port Orange OOS:** The Port Orange OOS is a Psychosocial Rehabilitation and Recovery Center (PRRC) facility and will be ideally located independent of other mental health services and in a community setting. Relocating the facility to a better market location and larger site in the vicinity of Daytona Beach, Florida (Volusia County), will increase access for outpatient mental health services for the Veteran enrollees. This centralized location will be proximate to the major highway (Interstate 95), with access to the proposed new Daytona Beach MS CBOC. In FY 2019, there were 19,677 Veteran enrollees within a 30-minute drive time of the proposed new site. In FY 2019, there were 199 core uniques at the Port Orange OOS. The new site will increase capacity to provide outpatient mental health services.
- 5.4. Relocating all services to the proposed Daytona Beach MS CBOC and the proposed Port Orange OOS and closing the Westside Pavilion OOS:** Closing the Westside Pavilion OOS and relocating the clinic's services to the proposed new Daytona Beach MS CBOC and the proposed new Port Orange OOS will consolidate more services together. By consolidating services, VA will provide greater access to a range of services at each proposed new site and improve operational efficiency. In FY 2019, the Westside Pavilion OOS had 4,173 core uniques. The existing Westside Pavilion OOS is located approximately 5 minutes (1.2 miles) from the proposed new Daytona Beach MS CBOC and 15 minutes (seven miles) from the proposed new Port Orange OOS.

Complementary Strategy

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

Orlando Market

- Relocate the Palm Bay OOS to a new site within Palm Bay, Florida, to expand primary care and outpatient mental health services and to decompress primary care and outpatient mental health services from the Viera MS CBOC which may result in the classification of the facility as a CBOC (in progress):** Shifting facility placement to a better market location and larger site in the vicinity of Palm Bay, Florida (Brevard County), will improve access to outpatient services and help decompress the Viera MS CBOC. In FY 2019, there were 21,346 Veteran enrollees within a 30-minute drive time of the proposed new site in Palm Bay, Florida. The new Palm Bay site will offer primary care and mental health services, which may result in reclassification of the facility as a CBOC.

³⁵ VA core unique patients exclude Veterans who have used only VA telephone triage, pharmacy, and laboratory services.

- **Expand existing outpatient specialty care services at the Viera MS CBOC:** In the Orlando Market, outpatient specialty care service demand is projected to increase. In FY 2019, there were 77,931 Veteran enrollees within a 60-minute drive time from the Viera MS CBOC. Alongside the recent discontinuation of outpatient surgical services at the Viera HCC, decompressing a portion of the primary care and outpatient mental health services to nearby VA points of care and expanding the existing specialty care services will decrease wait times and increase access to outpatient specialty care for Veterans in Brevard County.
- **Increase availability of nephrology across the Orlando Market:** As identified in the Section 203 criteria analysis, there is a potential lack of high-quality nephrologists. Increased availability may be achieved through a variety of tactics, such as telehealth, Veterans Community Care Program recruitment, and hiring additional VA providers, as appropriate.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 Orlando Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost³⁶ over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Orlando Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

³⁶ The present value cost is the current value of future costs discounted at the defined discount rate.

VISN 8 Orlando Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$25,458,693,615	\$27,592,232,230	\$27,879,545,090
Capital Cost	\$241,608,654	\$2,375,147,269	\$2,662,460,129
Operational Cost	\$25,217,084,961	\$25,217,084,961	\$25,217,084,961
Total Benefit Score	10	11	14
CBI (normalized in \$B)	2.55	2.51	1.99

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 11 VA points of care offering outpatient services, including the proposed new Titusville, Florida CBOC; proposed relocated Daytona Beach, Florida MS CBOC and Port Orange, Florida OOS; and proposed relocated and expanded Palm Bay, Florida CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Orlando, Florida VAMC and the proposed new stand-alone CLCs in Daytona Beach, Florida and Viera, Florida, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Tampa, Florida VAMC.
- **RRTP:** RRTP demand will be met through the Orlando, Florida VAMC and the other facilities within VISN 08 offering RRTP, including the Bay Pines, Florida VAMC; West Palm Beach, Florida VAMC; Lake City, Florida VAMC; and new stand-alone RRTPs in Gainesville, Florida; Tampa, Florida; Jacksonville, Florida; Miami, Florida; and San Juan, Puerto Rico.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Orlando, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 135,863 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following the implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 135,996 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with University of Central Florida and AdventHealth Orlando.
- **Research:** This recommendation does not impact the research mission in the market and allows the Orlando, Florida VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Orlando, Florida VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Titusville, Florida CBOC; proposed relocated Daytona Beach, Florida MS CBOC and Port Orange, Florida OOS; and proposed relocated and expanded Palm Bay, Florida CBOC; and stand-alone CLCs in Daytona Beach, Florida and Viera, Florida; as well as the modernization of the RRTP at the Orlando, Florida VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.99 for VA Recommendation versus 2.55 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Titusville, Florida CBOC; proposed relocated Daytona Beach, Florida MS CBOC and Port Orange, Florida OOS; and proposed relocated and expanded Palm Bay, Florida CBOC; and stand-alone CLCs Daytona Beach, Florida and Viera, Florida; as well as the modernization of the RRTP at the Orlando, Florida VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$27.9B for VA Recommendation versus \$27.6B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.99 for VA Recommendation versus 2.51 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 Central Market

The Veterans Integrated Service Network (VISN) 08 Central Market serves Veterans in the gulf coast of central Florida. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.³⁷

VA's Commitment to Veterans in the Central Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Central Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the Central Market is projected to remain stable between fiscal year (FY) 2019 and FY 2029. Demand for inpatient medical and surgical services, long-term care, and outpatient services is projected to increase, while demand for inpatient mental health is projected to decrease. There is a need to invest in new outpatient sites to meet the existing and projected Veteran demand, modernize facilities to meet current design standards, and relocate outpatient facilities to locations more proximate to the Veteran enrollee population. The strategy for the Central Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increased demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the market and establishes one new community-based outpatient clinic (CBOC) and one new multi-specialty community-based outpatient clinic (MS CBOC). Additionally, the recommendation expands one other outpatient services (OOS) site to an MS CBOC, relocates two MS CBOCs proximate to greater projected enrollee populations, relocates and expands one

³⁷ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

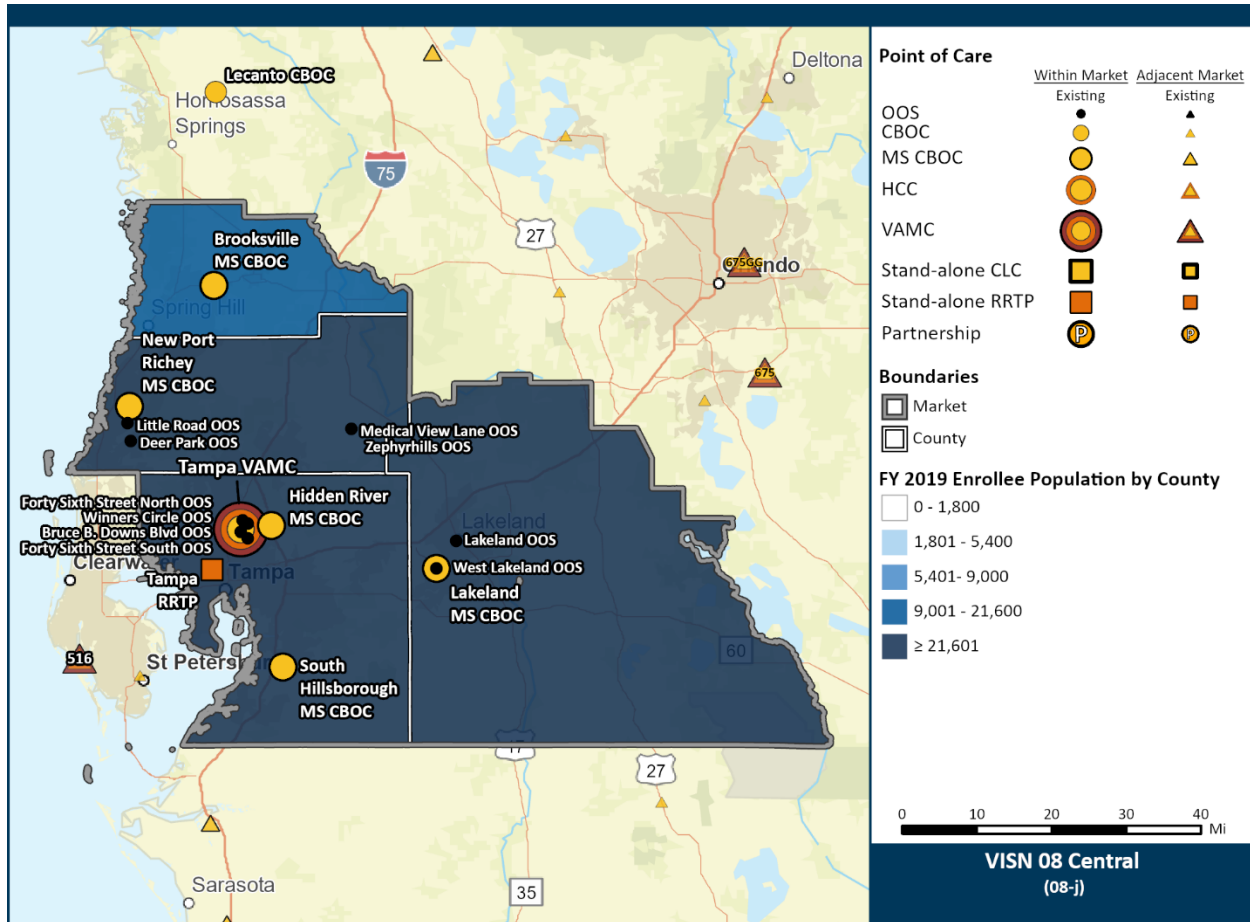
CBOC to an MS CBOC, and consolidates services from eight smaller clinics to more sustainable sites that can provide greater access to a range of services for Veterans at locations closer to where a greater population of Veteran enrollees reside.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation maintains inpatient mental health and inpatient spinal cord injuries and disorders (SCI/D) services at the current Tampa VAMC, invests in a new stand-alone community living center (CLC), and relocates residential rehabilitation treatment program (RRTP) services at the existing stand-alone Tampa RRTP to a new stand-alone site in Tampa, Florida, to provide care that may not be readily available in the community. Demand for inpatient blind rehabilitation services will be met through regional centers in the Southeast region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation maintains inpatient medical and surgical care within the Tampa VAMC and invests in a modern replacement emergency department to support emergent and acute care needs of Veterans.

Market Overview

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

Market Map



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

Facilities: The market has 1 VAMC (Tampa), 1 stand-alone RRTP, 1 CBOC, 5 MS CBOCs, and 10 OOS sites.

Enrollees: In FY 2019, the market had 112,683 enrollees and is projected to experience a 0.4% decrease in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in Hillsborough, Pasco, and Polk counties in Florida.

Demand: Demand³⁸ in the market for inpatient medical and surgical services is projected to increase by 1.9% and demand for inpatient mental health services is projected to decrease by 8.6% between FY 2019 and FY 2029. Demand for long-term care³⁹ is projected to increase by 23.7%. Demand for all

³⁸ Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

³⁹ Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

outpatient services⁴⁰, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 6.5% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 91.8% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 94.7% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers⁴¹ in the market within a 60-minute drive time of the Tampa VAMC had an inpatient acute occupancy rate⁴² of 63.3% (1,851 available beds)⁴³ and an inpatient mental health occupancy rate of 74.9% (25 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 89.3% (97 available beds). Community residential rehabilitation programs⁴⁴ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with the University of South Florida. The Tampa VAMC is ranked 18 out of 154 VA training sites based on the number of trainees and is ranked 37 out of 103 VAMCs with research funding. The Tampa VAMC is designated as a Federal Coordinating Center and a Primary Receiving Center.⁴⁵

Facility Overview

Tampa VAMC: The Tampa VAMC is located in Tampa, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, spinal cord injuries and disorders (SCI/D), rehabilitation medicine, and outpatient services. In FY 2019, the Tampa VAMC had an inpatient medical and surgical average daily census (ADC) of 134.0, an inpatient mental health ADC of 27.0, a CLC ADC of 41.0, an SCI/D ADC of 92.5, and a rehabilitation medicine ADC of 50.7. RRTP services are located at a stand-alone facility in Tampa, Florida and had an FY 2019 ADC of 23.4.

The Tampa VAMC was built in 1972 on 25.8 acres, with renovations to the main hospital building completed in 1995 and a new bed tower nearing completion. The Tampa VAMC, particularly the main hospital building and existing CLC facility, does not meet current VA design standards for modern health care.⁴⁶ Facility conditions assessment (FCA) deficiencies are approximately \$126.8M, and annual operations and maintenance costs are an estimated \$23.6M.

⁴⁰ Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

⁴¹ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

⁴² Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

⁴³ Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

⁴⁴ Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

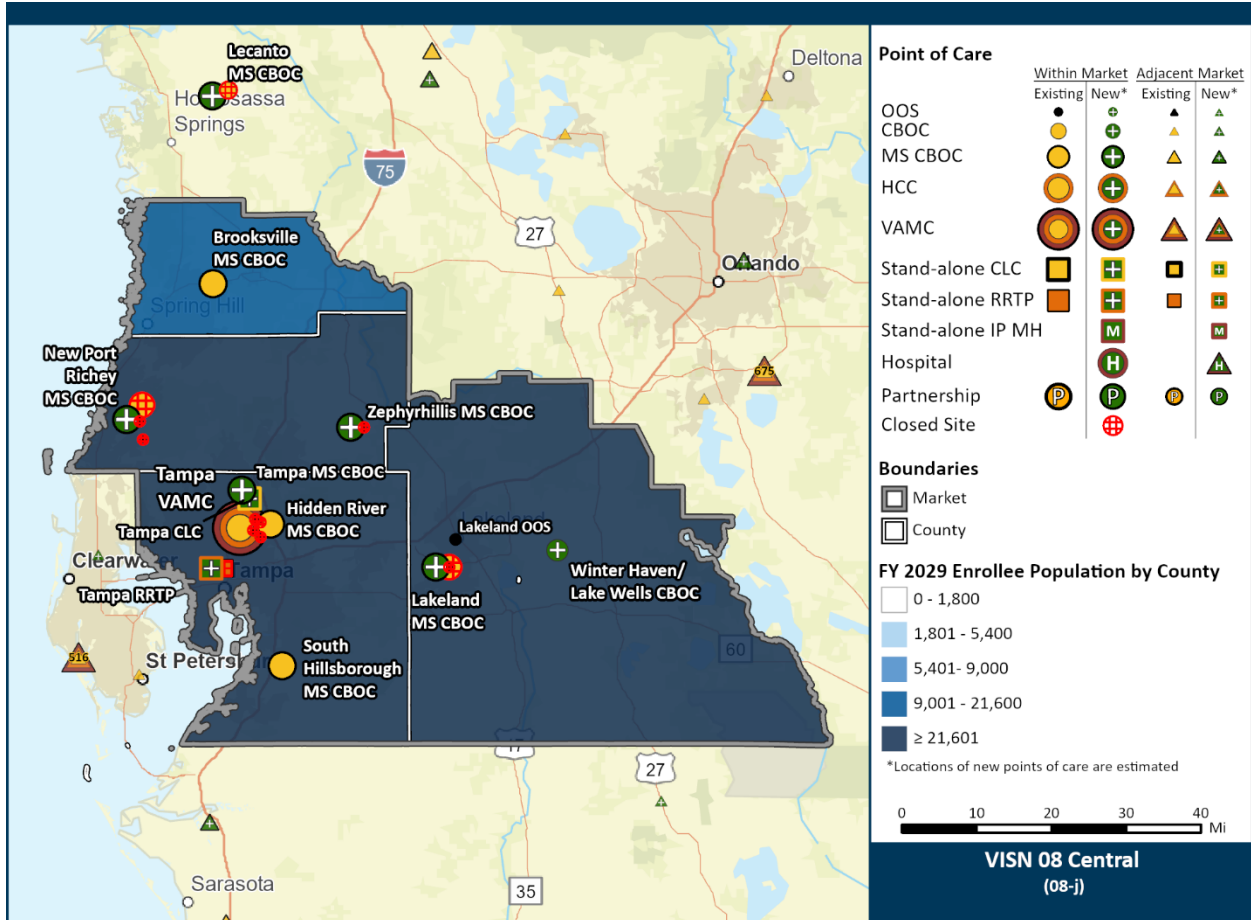
⁴⁵ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

⁴⁶ Beginning in the late 1970s, modern health care design principles began to emerge and become more standard (e.g., floor-to-floor heights, corridor widths, column spacing, and utility infrastructure requirements). While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

Recommendation and Justification

This section details the VISN 08 Central Market recommendation and justification for each element of the recommendation.

Future Market Map



1. Modernize and realign the Tampa VAMC by:

1.1. Modernizing the emergency department at the existing Tampa VAMC: The current Tampa VAMC emergency department is overburdened, cannot support patient volumes, and does not meet current VA planning standards or contemporary health care service standards. The site operates 16 bays and had 41,734 emergency department encounters in FY 2019. The Tampa VAMC is nearing completion of construction of a new, modern 136 bed tower, housing acute inpatient medical and surgical care. Due to limited room on campus for expansion, the bed tower is not adjacent to the current emergency department, which will likely lead to patient flow issues. By building a replacement emergency department, VA’s recommendation will resolve these issues and maintain emergency medical services, supporting tertiary inpatient care and complex outpatient care in the market.

1.2. Relocating CLC services at the Tampa VAMC to current or future VA facilities and discontinuing CLC services at the Tampa VAMC: A new stand-alone site of care for long-term

care services in the vicinity of Tampa, Florida will allow VA to decompress the VAMC campus that is focused on delivering acute care services and separately activate a new CLC that can be more flexible in its design to support elder care needs. In the Central Market, 45.9% (51,745) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase by 6.8% by FY 2029. The Tampa VAMC has 55 CLC beds. In FY 2019, there was an ADC of 41.0 and it is projected to increase to 42.0 by FY 2029. Long-term care services in the community are limited. As of FY 2019, community nursing homes within a 30-minute drive time of the Tampa VAMC were operating at an occupancy of 89.3% (97 available beds).

2. **Modernize by establishing a new stand-alone CLC in the vicinity of Tampa, Florida:** A new stand-alone site of care for CLC services in the vicinity of Tampa, Florida (Hillsborough County), with easy access to the Tampa VAMC will increase access to long-term care services in a contemporary environment of care. Although the Veteran enrollee population in the Central Market is projected to decrease 0.4% by FY 2029, there remains substantial Veteran enrollee population. Of those Veteran enrollees, 45.9% (51,745) are over the age of 65 and this is projected to increase by 6.8% through FY 2029. While the Tampa VAMC has 55 CLC beds, total demand for long-term care in the Central Market is projected to reach an ADC of 204.3 by FY 2029. In FY 2019, there were 142,078 Veteran enrollees within a 60-minute drive time of the proposed new site. This new stand-alone CLC will be placed in an area that is most convenient to the elderly Veteran population and have 96 beds.
3. **Relocate the Tampa RRTP to a new site in the vicinity of Tampa, Florida, and close the existing Tampa RRTP:** The current Tampa RRTP is located within a medical office building and does not meet the current VA design standards for modern health care. Shifting facility placement to a better market location and a larger site in the vicinity of Tampa, Florida, will improve access to inpatient mental health residential rehabilitation services across the Central Market in a more contemporary environment of care. The Tampa RRTP has 33 beds, with an FY 2019 ADC of 23.4. The Central Market is projected to have an RRTP bed need of 92 by FY 2028. The number of beds at the Tampa RRTP will be increased based on the projected demand and allocation of beds across the Central Market. This change will require that the Tampa RRTP increase the number of RRTP beds from 33 to 90. A relocated, modern RRTP facility will meet the demand for inpatient mental health residential rehabilitation services and will be placed in an area that is most convenient to the Veteran population in need of these services. In FY 2019, there were 145,641 Veteran enrollees within a 60-minute drive time of the proposed new site in Tampa, Florida.
4. **Modernize and realign outpatient facilities in the market by:**
 - 4.1. **Establishing a new MS CBOC in the vicinity of Tampa, Florida:** A new MS CBOC in the vicinity of Tampa, Florida (Hillsborough County), will improve access to primary care, outpatient mental health, and outpatient specialty care. In FY 2019, there were 24,154 Veteran enrollees within a 30-minute drive time and 129,238 Veteran enrollees within a 60-minute drive time of the proposed site. A new MS CBOC in Tampa, Florida, located 15 minutes from the Tampa VAMC, will allow the Tampa VAMC to decompress high-volume low-acuity outpatient services and increase access for Veterans in Hillsborough County.
 - 4.2. **Establishing a new CBOC in the vicinity of Winter Haven/Lake Wales, Florida:** A new CBOC in the vicinity of Winter Haven (Polk County)/Lake Wales, Florida (Polk County), will improve access to primary care and outpatient mental health care. Polk County is projected to have over

23,600 Veteran enrollees by FY 2029. In FY 2019, there were 15,127 Veteran enrollees within a 30-minute drive time of the proposed site.

- 4.3. Relocating the Lecanto CBOC to a new site in the vicinity of Lecanto, Florida, and closing the existing Lecanto CBOC:** Shifting facility placement to a better market location and larger site in the vicinity of Lecanto, Florida (Citrus County), will increase access to primary care, outpatient mental health, and specialty care services. By FY 2029, the enrollee population in Citrus County is projected to increase by 6.9%, from 10,290 enrollees to 10,997 enrollees. In FY 2019, there were 12,580 Veteran enrollees within a 30-minute drive time and 57,655 Veteran enrollees within a 60-minute drive time of the proposed new site. The new site will offer specialty care services, which may result in reclassification of the facility as an MS CBOC. Efforts to relocate and expand the CBOC are underway.
- 4.4. Relocating all services to the planned Zephyrhills MS CBOC and closing the Medical View Lane OOS:** Closing the Medical Lane OOS and relocating the clinic's services to the planned Zephyrhills MS CBOC in Pasco County will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Medical View Lane OOS had 1,338 core uniques⁴⁷. The planned Zephyrhills MS CBOC and the existing Medical View Lane OOS are located approximately one minute apart. Efforts to close the OOS are underway.
- 4.5. Relocating all services to the planned New Port Richey MS CBOC and closing the Deer Park OOS:** Closing the Deer Park OOS and relocating the clinic's services to the planned New Port Richey MS CBOC in Pasco County will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Deer Park OOS had 1,653 core uniques. The planned New Port Richey MS CBOC and the existing Deer Park OOS are located approximately 10 minutes (five miles) apart. Efforts to close the OOS are underway.
- 4.6. Relocating all services to the planned New Port Richey MS CBOC and closing the Little Road OOS:** Closing the Deer Park OOS and relocating the clinic's services to the planned New Port Richey MS CBOC in Pasco County will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Deer Park OOS had 1,653 core uniques. The planned New Port Richey MS CBOC and the existing Deer Park OOS are located approximately 10 minutes (five miles) apart. Efforts to close the OOS are underway.
- 4.7. Relocating all services at the Bruce B. Downs OOS and closing the Bruce B. Downs OOS:** Closing the Bruce B. Downs OOS and relocating the clinic's services to the proposed Tampa MS CBOC in Hillsborough County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Bruce B. Downs OOS had 14,826 core uniques. The Tampa MS CBOC and the existing Bruce B. Downs OOS are located approximately 15 minutes (seven miles) apart.

⁴⁷ VA core unique patients exclude Veterans who have used only VA telephone triage, pharmacy, and laboratory services.

4.8. Relocating all services at the 46th Street North OOS and closing the 46th Street North OOS:

Closing the 46th Street North OOS and relocating the clinic's services to the proposed new Tampa MS CBOC in Hillsborough County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the 46th Street North had 11,079 core uniques. The Tampa MS CBOC and the existing 46th Street North are located approximately 20 minutes (nine miles) apart.

4.9. Relocating all services at the 46th Street South OOS and closing the 46th Street South OOS:

Closing the 46th Street South OOS and relocating the clinic's services to the proposed new Tampa MS CBOC in Hillsborough County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the 46th Street South had 35,255 core uniques. The Tampa MS CBOC and the existing 46th Street South are located approximately 15 minutes (seven miles) apart.

4.10. Relocating all services at the Winner's Circle OOS and closing the Winner's Circle OOS:

Closing the Winner's Circle OOS and relocating the clinic's services to the proposed new Tampa MS CBOC in Hillsborough County, or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Winner's Circle OOS had 186 core uniques. The Tampa MS CBOC and the existing Winner's Circle OOS are located approximately 10 minutes (five miles) apart.

Complementary Strategy

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

Central Market

- Expand primary care, outpatient mental health, and outpatient specialty care services at the Zephyrhills OOS in a new VA-staffed/leased site, which may result in the classification of the facility as an MS CBOC (in progress):** Shifting facility placement to a better market location and larger site in the vicinity of Pasco County will increase access to primary care, outpatient mental health, and specialty care services and increase long-term sustainability of the facility. In FY 2019, there were 15,673 Veteran enrollees within a 30-minute drive time and 108,273 Veteran enrollees within a 60-minute drive time of the proposed site. The new site will integrate services from the Medical View Lane OOS.
- Relocate all services to the planned Lakeland MS CBOC and closing the West Lakeland OOS (in progress):** Closing the West Lakeland OOS and relocating the clinic's services to the planned Lakeland MS CBOC in Polk County will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the West Lakeland OOS had 8,496 core uniques. The planned Lakeland MS CBOC and the existing West Lakeland OOS are located approximately one minute apart.

- Relocate the New Port Richey MS CBOC to a new site within New Port Richey, Florida and increase capacity to provide primary care, outpatient mental health, and outpatient specialty care services (in progress), including incorporating flexibility to potentially add outpatient surgical services in the future and reclassify as an HCC:** Shifting facility placement to a better market location and larger site in the vicinity of New Port Richey, Florida (Pasco County), will increase access for the enrollee population and capacity for primary care, outpatient mental health, and outpatient specialty care services. In FY 2019, there were 27,021 Veteran enrollees within a 30-minute drive time and 109,587 Veteran enrollees within a 60-minute drive time of the planned new site. In FY 2019, there were 16,689 core uniques at the New Port Richey MS CBOC. There is also flexibility to potentially add outpatient surgical services in the future and reclassify as an HCC.
- Relocate the Lakeland MS CBOC to a new site within Lakeland, Florida and increase capacity to provide primary care, outpatient mental health, and outpatient specialty care services (in progress):** Shifting facility placement to a better market location and larger site in the vicinity of Lakeland, Florida (Polk County) will increase access to outpatient services. In FY 2019, there were 21,664 Veteran enrollees within a 30-minute drive time and 100,271 Veteran enrollees within a 60-minute drive time of the planned new site in Lakeland, Florida. In FY 2019, there were 11,857 core uniques at the Lakeland MS CBOC.

Tampa VAMC

- Develop a Facility Master Plan for the Tampa VAMC:** The Tampa VAMC offers tertiary and quaternary health care services on a landlocked campus in the growing Central Market. With limited ability to expand or modernize, a Facility Master Plan incorporating short-term and long-term planning for the expansion of services and specialized programs such as SCI/D and Polytrauma, including the Post-Deployment Rehabilitation and Evaluation Program, will allow for consistent progress to meet Veterans' needs.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 Central Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- Costs:** The present value cost⁴⁸ over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care

⁴⁸ The present value cost is the current value of future costs discounted at the defined discount rate.

coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).

- **Benefits:** Benefits were evaluated based on five benefit domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Central Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 8 Central Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$29,032,712,234	\$31,377,678,819	\$31,640,433,605
Capital Cost	\$1,094,044,544	\$3,439,011,129	\$3,701,765,916
Operational Cost	\$27,938,667,690	\$27,938,667,690	\$27,938,667,690
Total Benefit Score	10	11	14
CBI (normalized in \$B)	2.90	2.85	2.26

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 11 VA points of care offering outpatient services, including the proposed new Tampa, Florida MS CBOC and Winter Haven/Lake Wales, Florida CBOC; proposed relocated and expanded Lecanto, Florida MS CBOC; planned relocated and expanded Zephyrhills, Florida MS CBOC; and planned relocated Lakeland, Florida MS CBOC and New Port Richey, Florida MS CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed new stand-alone CLC in Tampa, Florida, as well as community nursing homes.

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

Demand

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Tampa, Florida VAMC.
- **RRTP:** RRTP demand will be met through the proposed new stand-alone RRTP in Tampa, Florida and the other facilities within VISN 08 offering RRTP services, including the Bay Pines, Florida VAMC; West Palm Beach, Florida VAMC; Orlando, Florida VAMC; Lake City, Florida VAMC; and new stand-alone RRTPs in Gainesville, Florida; Miami, Florida; Jacksonville, Florida; and San Juan, Puerto Rico.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Tampa, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 115,191 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following the implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 115,265 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with the University of South Florida.
- **Research:** This recommendation does not impact the research mission in the market and allows the Tampa, Florida VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Tampa, Florida VAMC will maintain its status as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Tampa, Florida MS CBOC; Winter Haven/Lake Wales Florida CBOC; and stand-alone CLC in Tampa, Florida; the proposed relocated and expanded Lecanto, Florida MS CBOC; planned relocated and expanded Zephyrhills, Florida MS CBOC; planned relocated Lakeland, Florida MS CBOC and New Port Richey, Florida MS CBOC; and planned stand-alone RRTP in Tampa, Florida. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (2.26 for VA Recommendation versus 2.90 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Tampa, Florida MS CBOC; Winter Haven/Lake Wales, Florida CBOC; and stand-alone CLC in Tampa, Florida; proposed relocated and expanded Lecanto, Florida MS CBOC; planned relocated and expanded Zephyrhills, Florida MS CBOC; planned relocated Lakeland, Florida MS CBOC and New Port Richey, Florida MS CBOC; and planned stand-alone RRTP in Tampa, Florida. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$31.6B for VA Recommendation versus \$31.4B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (2.26 for VA Recommendation versus 2.85 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 Puerto Rico Virgin Islands Market

The Veterans Integrated Service Network (VISN) 08 Puerto Rico Virgin Islands Market serves Veterans in Puerto Rico and U.S. Virgin Islands in the northeast Caribbean. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.⁴⁹

VA's Commitment to Veterans in the Puerto Rico Virgin Islands Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Puerto Rico Virgin Islands Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

Facing a substantial decrease in market enrollment between fiscal year (FY) 2019 and FY 2029, demand for inpatient medical and surgical services, inpatient mental health, and long-term care is projected to decrease. Demand for most outpatient services, is projected to increase. The strategy for the Puerto Rico Virgin Islands Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increase in demand for outpatient services by retaining all sustainable outpatient points of care in the Puerto Rico Virgin Islands Market and expanding partnerships with Federally Qualified Health Centers (FQHCs) and community providers.
- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation maintains inpatient mental health and inpatient spinal cord injuries and disorders (SCI/D) programs at the current San Juan VAMC. Additionally, the recommendation relocates community living center (CLC) services to a new stand-alone site, establishes a new,

⁴⁹ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

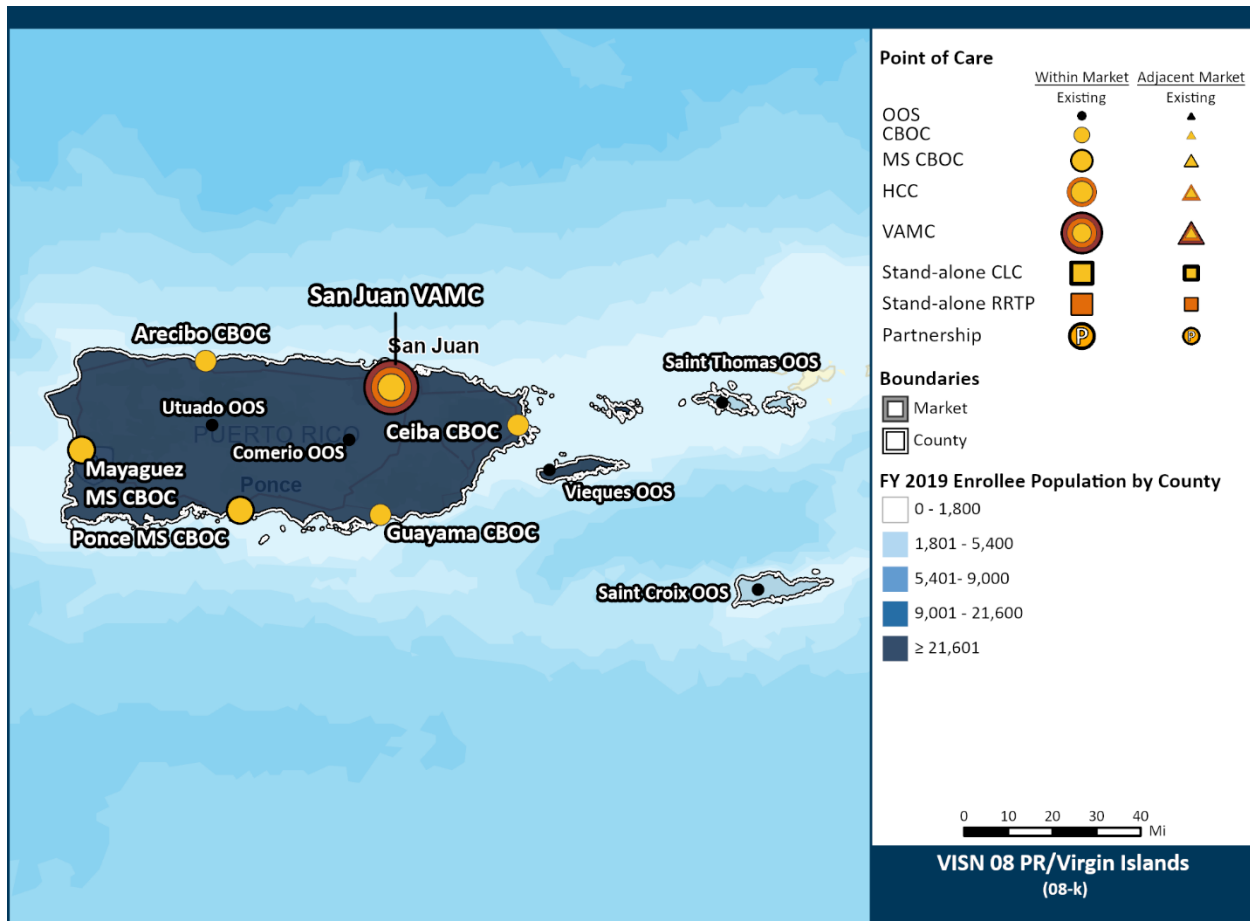
modern stand-alone residential rehabilitation treatment program (RRTP) site to provide comprehensive care that may not be readily available in the community, and relocates and consolidates inpatient blind rehabilitation services to the West Palm Beach VAMC within the VISN.

- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA’s recommendation maintains inpatient medical and surgical services within the San Juan VAMC and expands collaboration with community providers and existing academic affiliates.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (San Juan), two multi-specialty community-based outpatient clinics (MS CBOCs), three community-based outpatient clinics (CBOCs), and five other outpatient services (OOS) sites.

Enrollees: In FY 2019, the market had 64,749 enrollees and is projected to experience a 33.9% decrease in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in the San Juan and bordering municipalities in Puerto Rico.

Demand: Demand⁵⁰ in the market for inpatient medical and surgical services is projected to decrease by 49.4% and demand for inpatient mental health services is projected to decrease by 43.7% between FY 2019 and FY 2029. Demand for long-term care⁵¹ is projected to decrease by 50.1%. Demand for most outpatient services⁵², including mental health, specialty care, dental, and rehabilitation therapies, is projected to increase. Primary care is projected to decrease by 3.0%.

Rurality: 8.3% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 73.7% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 61.6% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers⁵³ in the market within a 60-minute drive time of the San Juan VAMC had an inpatient medical and surgical occupancy rate⁵⁴ of 62.9% (860 available beds)⁵⁵ and an inpatient mental health occupancy rate of 78.4% (one available bed). There are limited to no community nursing homes within a 30-minute drive time of the San Juan VAMC. Community residential rehabilitation programs⁵⁶ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has academic affiliations in the market that include the University of Puerto Rico, Universidad Central Del Caribe, and Ponce Health Sciences University. The San Juan VAMC is ranked 42 out of 154 VA training sites based on the number of trainees and is ranked 85 out of 103 VAMCs with research funding. The San Juan VAMC holds no emergency designation.⁵⁷

Facility Overview

San Juan VAMC: The San Juan VAMC is located in San Juan, Puerto Rico, and offers inpatient medical and surgical, inpatient mental health, CLC, SCI/D services, rehabilitation medicine, blind rehabilitation

⁵⁰ Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC.)

⁵¹ Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

⁵² Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

⁵³ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

⁵⁴ Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

⁵⁵ Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

⁵⁶ Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

⁵⁷ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

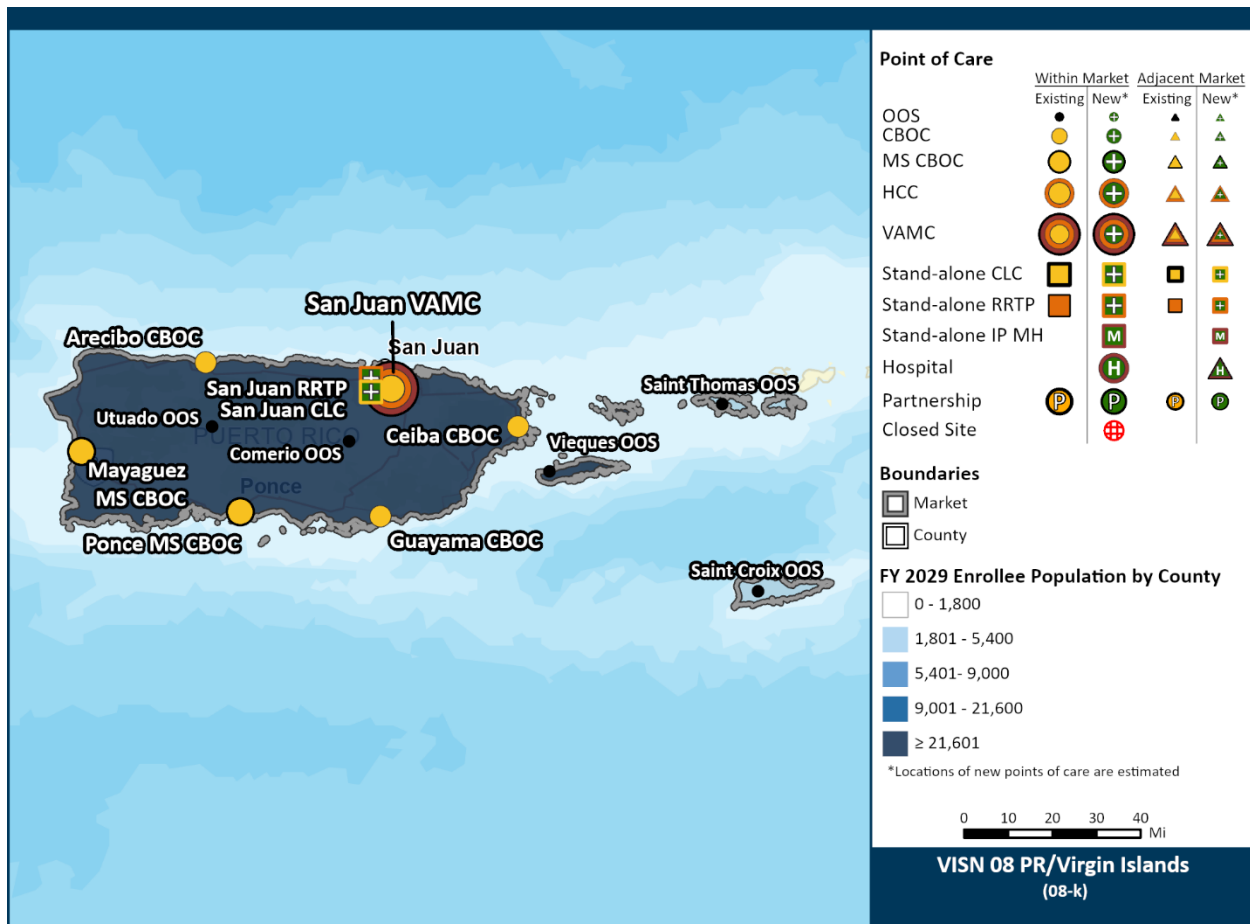
services, and outpatient services. In FY 2019, the San Juan VAMC had an inpatient medical and surgical average daily census (ADC) of 127.1, an inpatient mental health ADC of 28.1, a CLC ADC of 88.0, an SCI/D ADC of 16.8, a blind rehabilitation ADC of 5.8, and a rehabilitation medicine ADC of 12.3.

The San Juan VAMC was built in 1969 on 25.8 acres and does not meet current VA design standards for modern health care.⁵⁸ Facility condition assessment (FCA) deficiencies are approximately \$212.5M, and annual operations and maintenance costs are an estimated \$26.8M.

Recommendation and Justification

This section details the VISN 08 Puerto Rico Virgin Islands recommendation and justification for each element of the recommendation.

Future Market Map



⁵⁸ Beginning in the late 1970s, modern health care design principles began to emerge and become more standard. While some buildings prior to this era can be in good condition, they may not be well-suited for the delivery of modern health care.

1. Modernize and realign the San Juan VAMC by:

1.1. Establishing a strategic collaboration to allow VA to provide and expand inpatient medical and surgical services, outpatient services, outpatient surgery, and emergency services: VA recommends maintaining the San Juan VAMC in San Juan or the vicinity. In future years, VA's Enrollee Health Care Projection Model (EHCPM) projections suggest that there will be excess capacity at the San Juan VAMC across inpatient medical and surgical services, including additional capacity for outpatient services, outpatient surgery, and emergency services. The San Juan VAMC has 193 inpatient medical and surgical beds. In FY 2019, there was an inpatient medical and surgical ADC of 127.1 and it is projected to decrease to 70.3 by FY 2029. Future efforts will be required to ensure that the excess capacity is used productively for VA, the Department of Defense (DoD), or other health care purposes. A clinical services partnership to retain and expand inpatient medical and surgical services, outpatient services, outpatient surgery, and emergency services is the strongest option to maintain a long-term VA presence in Puerto Rico and the Virgin Islands. Creating a strong health care safety net and sustainable long-term presence through a strategic partnership in the Puerto Rico Virgin Islands Market will support continued Veteran access to quality care.

1.2. Relocating CLC services at the San Juan VAMC to current or future VA facilities and discontinuing CLC services at the San Juan VAMC: The current CLC building has an outdated design, with majority of rooms being double occupancy. The San Juan VAMC has 119 CLC beds. In FY 2019, the San Juan CLC had an ADC of 88.0 and it is projected to decrease to an ADC of 44.7 by FY 2029. There is limited community capacity for long-term care within the Puerto Rico Virgin Islands Market. A new, stand-alone site of care for CLC services will be more flexible in its design to support elder care needs.

1.3. Relocating inpatient blind rehabilitation services to current or future VA facilities and discontinuing inpatient blind rehabilitation services at the San Juan VAMC: Inpatient blind rehabilitation is a highly specialized service, providing a long-term care environment for Veterans to focus on rehabilitation needs. Relocating these services from the San Juan VAMC to the existing program at the West Palm Beach VAMC will allow for consolidation of services and the operation of a more sustainable program. The San Juan VAMC has 12 Blind Rehabilitation beds. In FY 2019, the San Juan VAMC had a blind rehabilitation ADC of 5.8, and demand is projected to decrease to an ADC of 3.4 by FY 2029. The San Juan VAMC will retain outpatient blind rehabilitation services.

2. Modernize by establishing a new stand-alone CLC in the vicinity of San Juan, Puerto Rico: In the Puerto Rico Virgin Islands Market, 59.9% (38,787) of Veteran enrollees are over the age of 65. The enrollee population in the Puerto Rico Virgin Islands Market is projected to decrease by 33.9%, from 64,749 Veteran enrollees to 42,781 Veteran enrollees by FY 2029. Given the projected decrease in enrollees across the Puerto Rico Virgin Islands Market and the projected decrease in demand for long-term care services, the number of beds at the San Juan CLC will be reduced from 119 to 56. In FY 2019, there were 36,198 Veteran enrollees within a 60-minute drive time of the proposed new site. This new stand-alone CLC will be placed in an area that is most convenient to the elderly Veteran population and have 56 beds.

3. **Modernize by establishing a new stand-alone RRTP in the vicinity of San Juan, Puerto Rico:** The Puerto Rico Virgin Islands Market does not currently offer RRTP services. In FY 2019, there were 36,198 Veteran enrollees within a 60-minute drive time of the proposed new site in San Juan, Puerto Rico. The Puerto Rico Virgin Islands Market is projected to have an RRTP bed need of 15 by FY 2028. The facility will be a stand-alone site with 20 beds, providing a contemporary environment of care in an area that is most convenient to the Veteran population in need of these services.

Complementary Strategy

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

Puerto Rico Virgin Islands Market

- **Strengthen partnerships between FQHCs, the Comerio OOS, and the Utuado OOS to improve access to care for Veterans:** In the Puerto Rico Virgin Islands Market, there are 17,755 Veteran enrollees outside of a 30-minute drive time of primary care. While rural areas in the islands may not have the population to support placement of a VA outpatient facility, there are a number of FQHCs. Expanding partnerships with local FQHCs can fill service gaps and increase access for Veterans in the market.
- **Maintain support to the St. Croix OOS, St. Thomas OOS, and Vieques OOS; strengthen relationships with community providers in St. Croix and St. Thomas, Virgin Islands, and Vieques, Puerto Rico:** Although Veteran enrollees around the areas of the St. Croix, St. Thomas, and Vieques OOSs are relatively low, there are limited options for care. In addition, these clinics are located on smaller islands with substantial travel times to the next closest VA site of care. Strengthening relationships with community providers in St. Croix, Virgin Islands; St. Thomas, Virgin Islands; and Vieques, Puerto Rico, will strengthen the long-term sustainability of these locations.
- **Establish an emergent response mobile mental health team to respond to emergent and/or suicidal Veterans; integrate virtual response capabilities:** The Puerto Rico Virgin Islands Market has recently had multiple natural disasters, and, with current socioeconomics and most currently the COVID-19 pandemic, there is a strong need to support mental health services in the market. In addition, there are limited emergency medical services on the island of Puerto Rico, impacting the ability to reach Veterans experiencing a mental health crisis (e.g., an individual threatening immediate harm to themselves or others). Establishing a mobile mental health team that responds to emergent situations and suicidal Veterans will improve overall quality and timeliness of care.
- **Expand home-based primary care (HBPC) to the Arecibo CBOC and the Ceiba CBOC:** The expansion of the HBPC program will benefit Veterans by decreasing Veteran travel requirements to receive care, reducing overall readmission rates, and reducing ambulatory care sensitive condition hospitalizations. The HBPC program will also contribute to shorter length of stay of required admissions, leading to improved quality of care and patient satisfaction for Veterans.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three of courses of action (COAs) for the VISN 08 Puerto Rico Virgin Islands Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- Costs:** The present value cost⁵⁹ over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Puerto Rico Virgin Islands Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 8 Puerto Rico Virgin Islands Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$12,124,892,001	\$12,048,469,469	\$12,162,677,928
Capital Cost	\$1,410,441,758	\$1,334,019,226	\$1,448,227,685
Operational Cost	\$10,714,450,243	\$10,714,450,243	\$10,714,450,243
Total Benefit Score	8	11	13
CBI (normalized in \$B)	1.52	1.10	0.94

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

⁵⁹ The present value cost is the current value of future costs discounted at the defined discount rate.

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 11 VA points of care offering outpatient services, including community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed new stand-alone CLC in San Juan, Puerto Rico, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the San Juan, Puerto Rico VAMC.
- **RRTP:** RRTP demand will be met through the proposed new stand-alone RRTP in San Juan, Puerto Rico and the other facilities within VISN 08 offering RRTP, including the Bay Pines, Florida VAMC; West Palm Beach, Florida VAMC; Orlando, Florida VAMC; Lake City, Florida VAMC; and new stand-alone RRTPs in Gainesville, Florida; Tampa, Florida; Jacksonville, Florida; and Miami, Florida.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the San Juan, Puerto Rico VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 64,786 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following the implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 64,708 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with the University of Puerto Rico, Universidad Central Del Caribe, and Ponce Health Sciences University.
- **Research:** This recommendation does not impact the research mission in the market and allows the San Juan, Puerto Rico VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the San Juan, Puerto Rico VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new stand-alone CLC and stand-alone RRTP in San Juan, Puerto Rico. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost-Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (0.94 for VA Recommendation versus 1.52 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability Improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new stand-alone CLC and stand-alone RRTP in San Juan, Puerto Rico. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$12.2B for VA Recommendation versus \$12.0B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (0.94 for VA Recommendation versus 1.10 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 Gulf Market

The Veterans Integrated Service Network (VISN) 08 Gulf Market serves Veterans in central and southern Florida. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.⁶⁰

VA's Commitment to Veterans in the Gulf Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Gulf Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the Gulf Market is projected to decrease between fiscal year (FY) 2019 and FY 2029. Demand for inpatient medical and surgical services, long-term care, and outpatient services is projected to increase, while demand for inpatient mental health is projected to decrease. There is a need to invest in new outpatient facilities to meet the existing and projected Veteran demand. The strategy for the Gulf Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increased demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the market, relocates one community-based outpatient clinic (CBOC), and relocates and expands services at one CBOC and two multi-specialty outpatient clinics (MS CBOCs) closer to where Veterans reside.

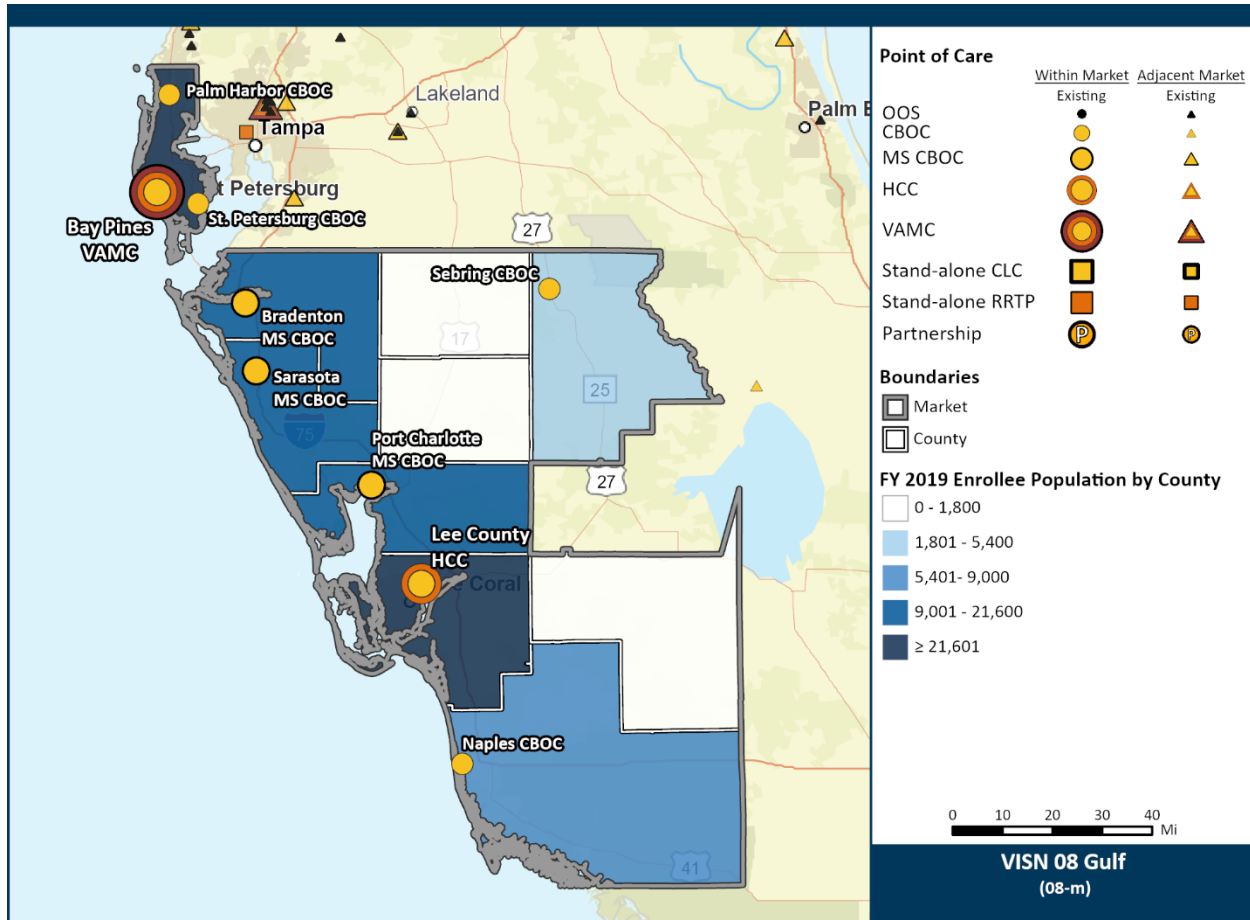
⁶⁰ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA’s unique strengths in caring for Veterans with complex needs:** VA’s recommendation maintains inpatient mental health and residential rehabilitation treatment program (RRTP) services within VA-owned facilities and invests in a new stand-alone community living center (CLC) to increase access to long-term care for Veterans with the most complex needs. Demand for inpatient blind rehabilitation will be met through the regional centers in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07). Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Tampa, Florida VAMC.
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** Currently, VA does not deliver inpatient medical and surgical services in the north Fort Myers and Lee County areas. The closest VA site of care that provides these services is the Bay Pines VAMC, located two hours away. VA’s recommendation establishes a strategic collaboration with a local community provider for VA to provide inpatient medical and surgical care.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Bay Pines), one health care center (HCC), three MS CBOCs, and four CBOCs.

Enrollees: In FY 2019, the market had 120,287 enrollees and is projected to experience a 5.3% decrease in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in Pinellas, Lee, and Sarasota counties in Florida.

Demand: Demand⁶¹ in the market for inpatient medical and surgical services is projected to increase by 2.4% and demand for inpatient mental health services is projected to decrease by 10.8% between FY 2019 and FY 2029. Demand for long-term care⁶² is projected to increase by 30.9%. Demand for all

⁶¹ Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

⁶² Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

outpatient services⁶³, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 5.6% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 91.9% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 89.3% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers⁶⁴ in the market within a 60-minute drive time of the Bay Pines VAMC had an inpatient acute occupancy rate⁶⁵ of 64.5% (1,809 available beds)⁶⁶ and an inpatient mental health occupancy rate of 75.2% (24 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 88.6% (225 available beds). Community residential rehabilitation programs⁶⁷ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has academic affiliations in the market that include the University of South Florida, University of Central Florida, and Largo Medical Center. The Bay Pines VAMC is ranked 69 out of 154 VA training sites based on the number of trainees and is ranked 74 out of 103 VAMCs with research funding. The Bay Pines VAMC holds no emergency designation.⁶⁸

Facility Overview

Bay Pines VAMC: The Bay Pines VAMC is located in Bay Pines, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, residential rehabilitation treatment program (RRTP), rehabilitation medicine, and outpatient services. In FY 2019, the Bay Pines VAMC had an inpatient medical and surgical average daily census (ADC) of 106.4, an inpatient mental health ADC of 25.3, a CLC ADC of 82.1, an RRTP ADC of 76.5, and a rehabilitation medicine ADC of 7.0.

The Bay Pines VAMC was built in 1983 on 307.7 acres. Facility condition assessment (FCA) deficiencies are approximately \$143.5M, and annual operations and maintenance costs are an estimated \$26.3M.

⁶³ Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

⁶⁴ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

⁶⁵ Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

⁶⁶ Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

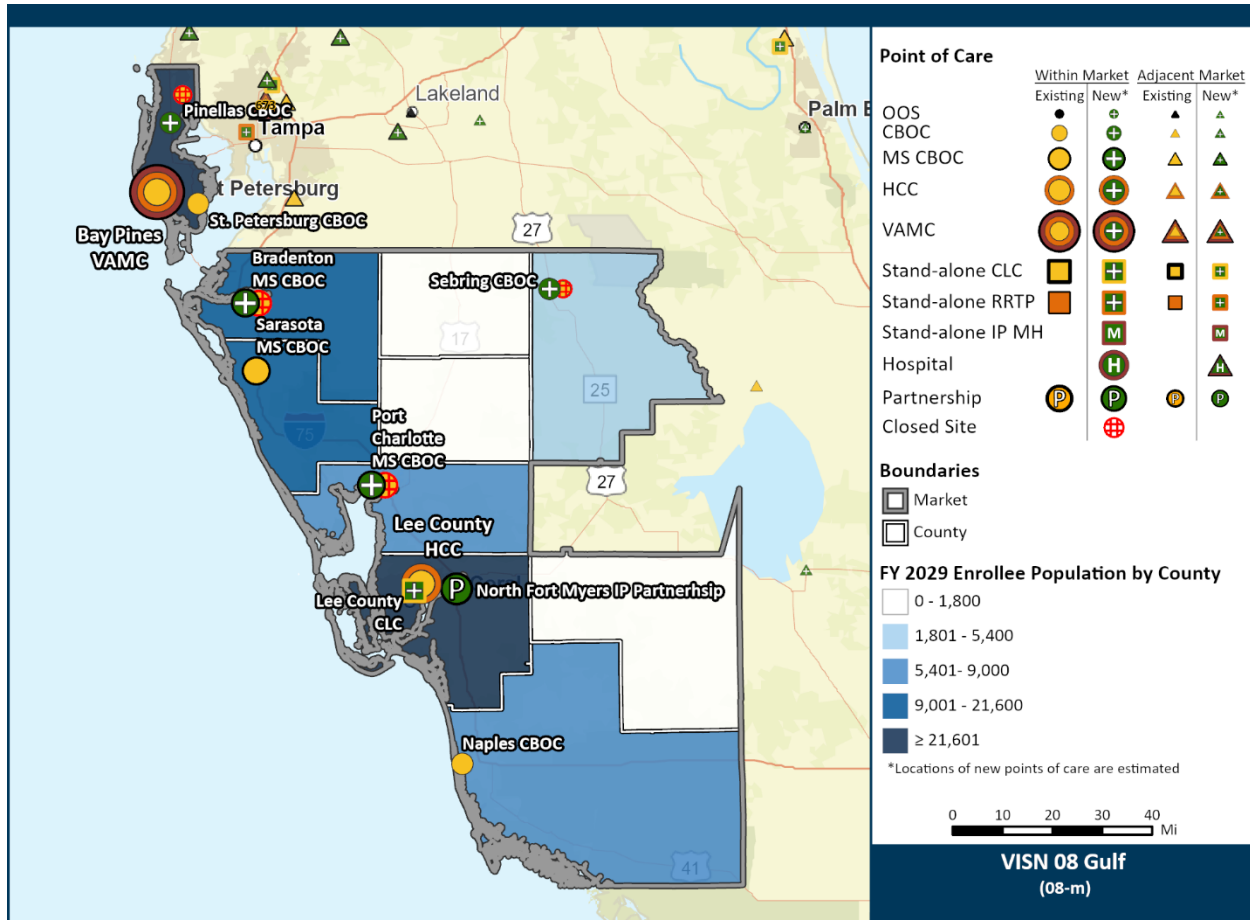
⁶⁷ Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

⁶⁸ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

Recommendation and Justification

This section details the VISN 08 Gulf Market recommendation and justification for each element of the recommendation.

Future Market Map



- 1. Modernize and realign the market by establishing a strategic collaboration to provide inpatient medical and surgical services in the vicinity of Lee County, Florida. If unable to enter into a strategic collaboration for inpatient medical and surgical services, utilize community providers:**

The Lee County HCC is located two hours (115 miles) from the closest VAMC (Bay Pines VAMC). In FY 2019, there were 47,179 Veteran enrollees within a 60-minute drive time of the Lee County HCC. To partner, VA will consider establishing a sharing arrangement or lease in the north Fort Myers area to allow VA providers to deliver inpatient medical and surgical services in a community partner space. This will reduce the burden of long drive times for Veterans and improve access. There is adequate community capacity for acute inpatient medical and surgical services in the Gulf Market. As of FY 2019, community providers within a 60-minute drive time of the Lee County HCC had an acute inpatient medical and surgical occupancy rate of 67.1% (405 available beds).
- 2. Modernize by establishing a new stand-alone CLC in the vicinity of Lee County, Florida:** Currently, the Lee County HCC in Lee County, Florida does not provide CLC services. The closest VA CLC is

currently located at the Bay Pines VAMC which is approximately two hours (115 miles) away from the proposed CLC in Lee County, Florida. A new stand-alone site of care for CLC services in the vicinity of Lee County, Florida will increase access to long-term care services in a contemporary environment of care. In FY 2019, there were 42,644 Veteran enrollees within a 60-minute drive time of the proposed site. Total demand for long-term care in the Gulf Market is projected to reach an ADC of 264.5 by FY 2029. In the Gulf Market, 61.0% (73,398) of Veteran enrollees are over the age of 65. The facility will be placed in an area of Lee County, Florida that is most convenient to the elderly Veteran population in need of these services. Demand for long-term care services in the Gulf Market will be met by the 48 CLC beds at the proposed new Lee County CLC and the 112 CLC beds at the Bay Pines VAMC.

3. Modernize and realign outpatient facilities in the market by:

3.1. Relocating the Sebring CBOC to a new site in the vicinity of Sebring, Florida, and closing the existing Sebring CBOC:

Shifting facility placement to a better market location, adjacent to Interstate 27, in the vicinity of Sebring, Florida (Highlands County) will allow VA to provide care proximate to greater projected enrollee population and growth. In FY 2019, there were 5,254 Veteran enrollees within a 30-minute drive time of the proposed new site in Sebring, Florida. In FY 2019, there were 4,166 core uniques⁶⁹ at the Sebring CBOC. The new site will maintain capacity to provide primary care and outpatient mental health services.

3.2. Relocating the Bradenton MS CBOC to a new site in the vicinity of Bradenton, Florida, and closing the existing Bradenton MS CBOC:

Shifting facility placement to a better market location, adjacent to major highways, and larger site in the vicinity of Bradenton, Florida (Manatee County) will expand access to primary care, outpatient mental health, and select outpatient specialty care services. In FY 2019, there were 26,152 Veteran enrollees within a 30-minute drive time and 119,248 Veteran enrollees within a 60-minute drive time of the proposed new site in Bradenton, Florida. In FY 2019, there were 14,409 core uniques at the existing Bradenton MS CBOC.

3.3. Relocating the Port Charlotte MS CBOC to a new site in the vicinity of Port Charlotte, Florida, and closing the existing Port Charlotte MS CBOC:

Shifting facility placement to a better market location and larger site in the vicinity of Port Charlotte, Florida (Charlotte County) will expand access to primary care, outpatient mental health, and select outpatient specialty care services. In FY 2019, there were 12,309 Veteran enrollees within a 30-minute drive time and 51,234 Veteran enrollees within a 60-minute drive time of the proposed new site in Port Charlotte, Florida. In FY 2019, there were 9,394 core uniques at the existing Port Charlotte MS CBOC. Efforts to relocate the MS CBOC are underway.

⁶⁹ VA core unique patients exclude Veterans who have used only VA telephone triage, pharmacy, and laboratory services.

Complementary Strategy

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

Gulf Market

- Increase the complexity level of the Lee County HCC from an “Ambulatory Basic” to an “Ambulatory Advanced” designation to allow the expansion of outpatient surgical services:** The Lee County HCC opened in 2012 and currently operates at an ambulatory basic designation. The expansion of the surgical services program will allow additional, more complex surgical procedures to be performed under the higher designation, improving VA’s ability to recruit and retain providers and increase access to ambulatory procedures for Veterans in the southern and central part of the market.
- Collaborate and coordinate with the Tampa VAMC (VISN 08 Central Market) to provide inpatient substance abuse mental health services:** The Bay Pines VAMC (Gulf Market) is located approximately 50 minutes from the Tampa VAMC (Central Market). The Bay Pines VAMC mental health center offers specialized programs including substance abuse treatment and mental health intensive case management. Demand for inpatient mental health services is projected to increase across the Central Market and cause a shortage of beds at the Tampa VAMC and in the surrounding community. To remedy this, the Bay Pines VAMC has capacity to support additional inpatient mental health admissions. By collaborating and coordinating with the Tampa VAMC to provide inpatient substance abuse treatment at Bay Pines VAMC, the Tampa VAMC may be able to meet future needs for other inpatient mental health services without the need to increase bed capacity.
- Develop a CLC collaborative strategy with the Tampa VAMC (VISN 08 Central Market) in order to appropriately share bed resources:** Total market demand for long-term care services is projected to increase in both the Gulf and Central Markets. The Bay Pines VAMC (Gulf Market) is located approximately 50 minutes from the Tampa VAMC (Central Market). A collaborative strategy to share and distribute CLC bed resources across service types (e.g., neurocognitive/dementia, rehabilitation, behavioral health) will meet the needs of both markets, improve care competencies and capabilities, and improve access to support Veteran needs.
- Develop an RRTP collaborative strategy with the Tampa VAMC (VISN 08 Central Market) in order to appropriately share bed resources:** The VA RRTP is a highly individualized treatment model tailored to the unique needs of Veterans based on their diagnoses. Community providers do not have a comparative program to service enrollee needs. The Bay Pines VAMC (Gulf Market) is located approximately 50 minutes from the Tampa VAMC (Central Market). A collaborative strategy to share and distribute RRTP bed resources across service types (e.g., general domiciliary, substance use disorder, posttraumatic stress disorder) will meet the needs of both markets, improve care and competencies, increases capabilities, and improve access to support Veteran needs.

- **Relocate the Palm Harbor CBOC to new site in Clearwater, Florida (Pinellas County), and increase capacity to provide primary care and outpatient mental health services (in progress):** Shifting facility placement to a better market location and larger site in the vicinity of Clearwater, Florida (Pinellas County), adjacent to Interstate 19, will increase access to primary care and outpatient mental health services. In FY 2019, there were 48,705 Veteran enrollees within a 30-minute drive time of the planned new site in Clearwater, Florida. In FY 2019, the existing Palm Harbor CBOC had 7,648 core uniques. The new site will be named Pinellas CBOC.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 Gulf Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost⁷⁰ over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Gulf Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 8 Gulf Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$24,628,489,790	\$26,555,897,269	\$26,944,531,499
Capital Cost	\$975,020,600	\$2,902,428,079	\$3,291,062,309
Operational Cost	\$23,653,469,190	\$23,653,469,190	\$23,653,469,190
Total Benefit Score	9	11	14
CBI (normalized in \$B)	2.74	2.41	1.92

⁷⁰ The present value cost is the current value of future costs discounted at the defined discount rate.

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through nine VA points of care offering outpatient services, including the planned new Pinellas, Florida CBOC; and proposed relocated Bradenton, Florida MS CBOC; Port Charlotte, Florida MS CBOC; and Sebring, Florida CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Bay Pines, Florida VAMC and the proposed new Lee County, Florida stand-alone CLC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Tampa, Florida VAMC.
- **RRTP:** RRTP demand will be met through the Bay Pines, Florida VAMC and the other facilities within VISN 08 offering RRTP services, including the Orlando, Florida VAMC; Lake City, Florida VAMC; West Palm Beach, Florida VAMC; and new stand-alone RRTPs in Tampa, Florida; Gainesville, Florida; Jacksonville, Florida; Miami, Florida; and San Juan, Puerto Rico.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the Bay Pines, Florida VAMC and the proposed new North Fort Myers, Florida partnership, as well as through community providers. Inpatient mental health demand will be met through the Bay Pines, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 106,626 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 106,815 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with the University of South Florida, University of Central Florida, and Largo Medical Center.
- **Research:** This recommendation does not impact the research mission in the market and allows the Bay Pines, Florida VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Bay Pines, Florida VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the planned new Pinellas, Florida CBOC; proposed relocated Bradenton, Florida MS CBOC; Port Charlotte, Florida MS CBOC; and Sebring, Florida CBOC; and proposed new stand-alone CLC in Lee County, Florida; and North Fort Myers, Florida partnership. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.92 for VA Recommendation versus 2.74 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investments in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the planned new Pinellas, Florida CBOC; proposed relocated Bradenton, Florida MS CBOC; Port Charlotte, Florida MS CBOC; and Sebring, Florida CBOC; and proposed new stand-alone CLC in Lee County, Florida; and North Fort Myers, Florida partnership. This new infrastructure modernizes VA facilities to include state of the art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in community partner space.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today (\$26.9B for VA Recommendation versus \$26.6B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.92 for VA Recommendation versus 2.41 for Modernization), reflecting effective stewardship of taxpayer dollars.



VISN 08 Atlantic Market

The Veterans Integrated Service Network (VISN) 08 Atlantic Market serves Veterans in southeast Florida. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the Section 203 selection criteria.⁷¹

VA's Commitment to Veterans in the Atlantic Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 08's Atlantic Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The Veteran enrollee population in the Atlantic Market is projected to decrease between fiscal year (FY) 2019 and FY 2029. While demand for inpatient medical and surgical services, inpatient mental health, and long-term care is projected to decrease, demand for outpatient services is projected to increase. There is a need to invest in new outpatient facilities to meet the existing and projected Veteran demand. The strategy for the Atlantic Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation addresses the increased demand for outpatient services and improves access to care by investing in modern facilities close to where Veterans live. The recommendation maintains sustainable outpatient points of care in the market, invests in one new community-based outpatient clinic (CBOC), relocates and expands two CBOCs to multi-specialty community-based outpatient clinics (MS CBOCs), and closes one CBOC to consolidate services to a location where a greater population of Veteran enrollees reside.

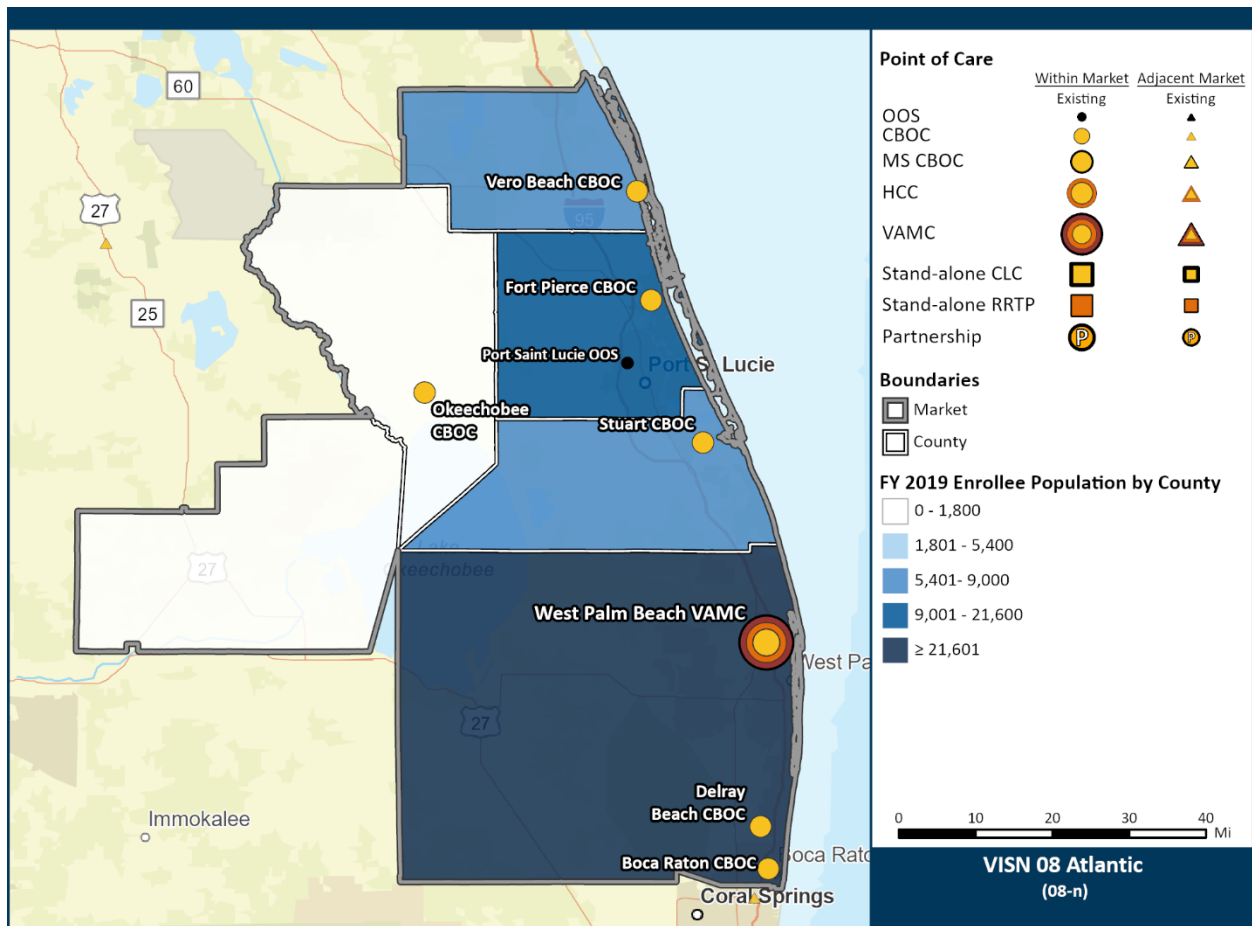
⁷¹ Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- Enhance VA’s unique strengths in caring for Veterans with complex needs:** Demand for inpatient mental health services, long-term care, and residential rehabilitation treatment programs (RRTP) is projected to decrease but remain sufficient to support sustainable programs. VA’s recommendation maintains inpatient mental health, community living center (CLC), RRTP, and inpatient blind rehabilitation services at the West Palm Beach VAMC to ensure quality of care for Veterans. Demand for inpatient spinal cord injuries and disorders (SCI/D) will be met through the SCI/D Hub at the Miami, Florida VAMC.
- Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** Demand for inpatient medical and surgical care is projected to decrease; however, there is still sufficient need for these services to be provided by VA. VA’s recommendation maintains inpatient medical and surgical care at the West Palm Beach VAMC.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (West Palm Beach), six CBOCs, and one other outpatient services (OOS) site.

Enrollees: In FY 2019, the market had 63,938 enrollees and is projected to experience a 18.1% decrease in enrolled Veterans by FY 2029. The largest enrollee populations within the market reside in Palm Beach, Saint Lucie, and Indian River counties in Florida.

Demand: Demand⁷² in the market for inpatient medical and surgical services is projected to decrease by 4.1% and demand for inpatient mental health services is projected to decrease by 5.3% between FY 2019 and FY 2029. Demand for long-term care⁷³ is projected to decrease by 6.9%. Demand for all outpatient services⁷⁴, including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 5.3% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 98.5% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 93.9% of enrollees live within a 60-minute drive time of a VA secondary care site.

Community Capacity: As of 2019, community providers⁷⁵ in the market within a 60-minute drive time of the West Palm Beach VAMC had an inpatient acute occupancy rate⁷⁶ of 60.6% (1,785 available beds)⁷⁷ and an inpatient mental health occupancy rate of 74.8% (32 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 86.0% (275 available beds). Community residential rehabilitation programs⁷⁸ that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with the University of Miami. The West Palm Beach VAMC is ranked 81 out of 154 VA training sites based on the number of trainees and conducts limited or no research. The West Palm Beach VAMC holds no emergency designation.⁷⁹

Facility Overview

West Palm Beach VAMC: The West Palm Beach VAMC is located in West Palm Beach, Florida, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, blind rehabilitation, and outpatient services. In FY 2019, the West Palm Beach VAMC had an inpatient medical and surgical average daily

⁷² Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).

⁷³ Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

⁷⁴ Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).

⁷⁵ Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

⁷⁶ Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.

⁷⁷ Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.

⁷⁸ Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services

⁷⁹ VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

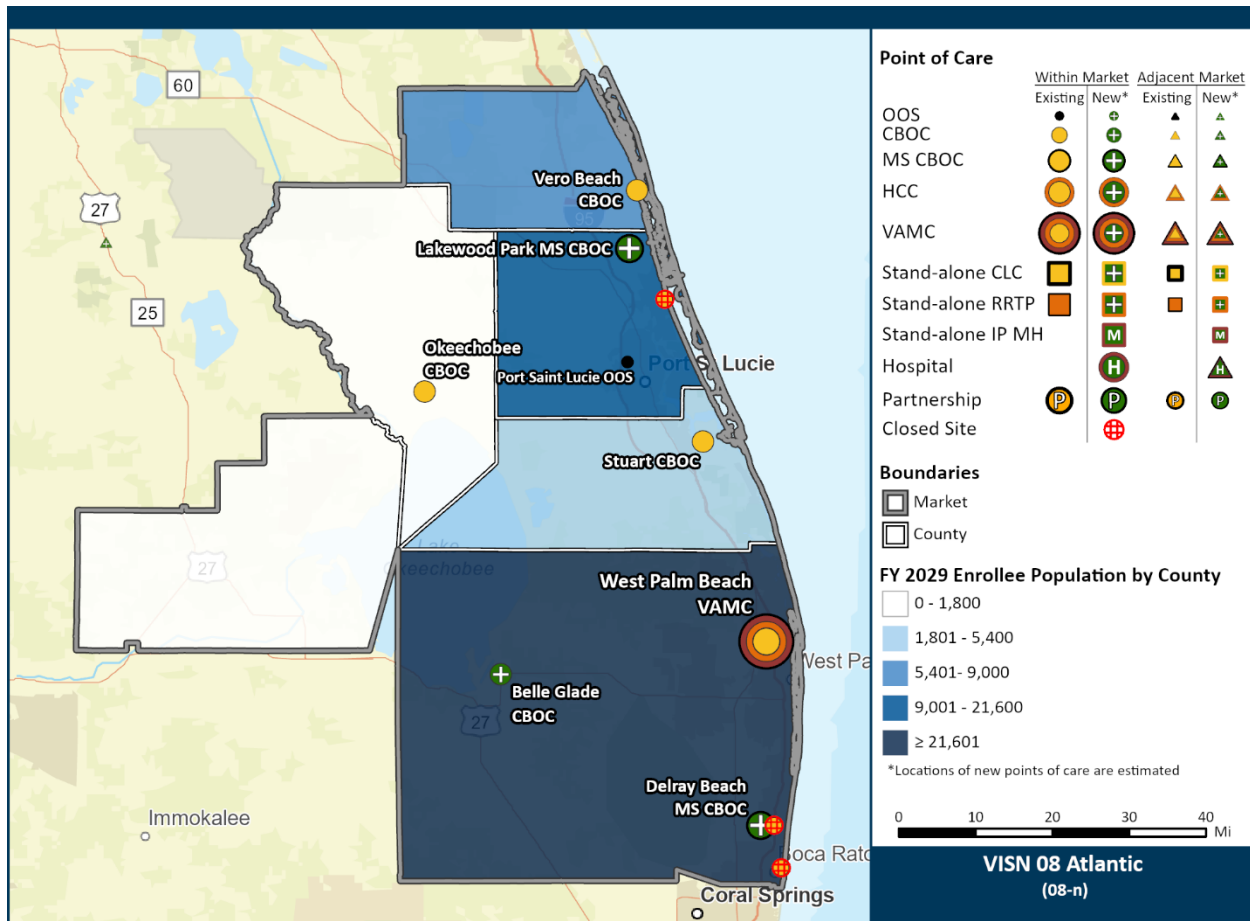
census (ADC) of 57.6, a mental health ADC of 19.4, a CLC ADC of 88.9, an RRTP ADC of 0.0,⁸⁰ and a blind rehabilitation ADC of 10.0.

The West Palm Beach VAMC was built in 1995 on 69.0 acres. Facility condition assessment (FCA) deficiencies are approximately \$34.5M, and annual operations and maintenance costs are an estimated \$12.6M.

Recommendation and Justification

This section details the VISN 08 Atlantic Market recommendation and justification for each element of the recommendation.

Future Market Map



1. Modernize and realign outpatient facilities in the market by:

1.1. Establishing a new CBOC in the vicinity of Belle Glade, Florida: A new CBOC in the vicinity of Belle Glade, Florida (Palm Beach County), will improve access to primary care, outpatient mental health, and select outpatient specialty care services. In FY 2019, there were 28,941 Veteran enrollees within a 30-minute drive time of the proposed site. The West Palm Beach VAMC has

⁸⁰ RRTP was activated in March 2020.

multiple service lines that are constrained for space and expansion. Establishing a new CBOC will allow for the decompression of primary care and outpatient mental health services from the West Palm Beach VAMC. The proposed new CBOC in Belle Glade, Florida, and the West Palm Beach VAMC are approximately 50 minutes (45 miles) apart.

1.2. Relocating the Fort Pierce CBOC to a new site in the vicinity of Lakewood Park, Florida, and closing the existing Fort Pierce CBOC: Shifting facility placement to a better market location and larger site in the vicinity of Lakewood Park, Florida (St. Lucie County), will increase access to primary care, outpatient mental health, and specialty care services. In FY 2019, there were 17,024 Veteran enrollees within a 30-minute drive time and 47,846 Veteran enrollees within a 60-minute drive time of the proposed new site. In FY 2019, there were 6,340 core uniques⁸¹ at the existing Fort Pierce CBOC. The new site, to be named Lakewood Park MS CBOC, will shift from a contract site to a VA-staffed site and offer specialty care services, including dermatology and optometry, which may result in reclassification of the facility as an MS CBOC.

1.3. Relocating all services to the planned Delray Beach MS CBOC and closing the Boca Raton CBOC: Closing the Boca Raton CBOC and relocating the clinic's services to a planned expanded facility in Delray Beach, Florida will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site and improve operational efficiency. In FY 2019, the Boca Raton CBOC had 3,696 core uniques. The proposed Delray Beach MS CBOC and the Boca Raton CBOC are located approximately 20 minutes (10 miles) apart.

Complementary Strategy

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

Atlantic Market

- **Relocating the Delray Beach CBOC to a new site in the vicinity of Delray Beach, Florida, and closing the existing Delray Beach CBOC (in progress):** Shifting facility placement to a better market location and larger site in the vicinity of Delray Beach, Florida (Palm Beach County), will increase access to primary care, outpatient mental health, and select specialty care services. In FY 2019, there were 33,435 Veteran enrollees within a 30-minute drive time and 82,617 Veteran enrollees within a 60-minute drive time of the planned new site. In FY 2019, there were 7,422 core uniques at the existing Delray Beach CBOC. The new site will shift from a contract site to a VA-staffed site, integrating services from the Boca Raton CBOC and the Deerfield Beach CBOC (located in VISN 08 Miami Market), which may result in reclassification of the facility as an MS CBOC.
- **Rightsize inpatient medical services at the West Palm Beach VAMC and decrease inpatient medical beds:** The West Palm Beach VAMC currently operates 104 inpatient medical and surgical beds. In FY 2019, there was an ADC of 57.6 which is projected to decrease to an ADC of

⁸¹ VA core unique patients exclude Veterans who have used only VA telephone triage, pharmacy, and laboratory services.

54.8 by FY 2029. Rightsizing inpatient medical and surgical beds from 104 to 70 will allow VA to operate and staff beds accordingly, ensuring future demand will be met.

- **Rightsize the existing blind rehabilitation unit at the West Palm Beach VAMC and absorb demand from the San Juan VAMC:** Inpatient blind rehabilitation is a highly specialized service, providing a long-term care environment for Veterans to focus on rehabilitation needs. Consolidating inpatient blind rehabilitation services to the West Palm Beach VAMC and absorbing demand from the San Juan VAMC will ensure higher quality care and long-term sustainability of the program. The modernization will increase the blind rehabilitation beds from 13 to 15.
- **Reduce the RRTP services at the West Palm Beach VAMC:** The Atlantic Market is projected to have an RRTP bed need of 49 by FY 2028. The number of beds at the West Palm Beach RRTP will be reduced based on the projected demand and allocation of beds across the Atlantic Market. This change will require that the West Palm Beach VAMC decrease the number of RRTP beds.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 08 Atlantic Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost⁸² over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of Community Care).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 08 Atlantic Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

⁸² The present value cost is the current value of future costs discounted at the defined discount rate.

VISN 8 Atlantic Market	Status Quo	Modernization	VA Recommendation
Total Cost	\$13,171,726,818	\$14,267,504,398	\$14,574,319,078
Capital Cost	\$223,239,838	\$1,319,017,417	\$1,625,832,098
Operational Cost	\$12,948,486,980	\$12,948,486,980	\$12,948,486,980
Total Benefit Score	10	11	13
CBI (normalized in \$B)	1.32	1.30	1.12

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through eight VA points of care offering outpatient services, including the proposed new Lakewood Park, Florida MS CBOC; Belle Glade, Florida CBOC; and planned relocated and expanded Delray Beach, Florida MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the West Palm Beach, Florida VAMC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Miami, Florida VAMC.
- **RRTP:** RRTP demand will be met through the West Palm Beach, Florida VAMC and the other facilities within VISN 08 offering RRTP services, including the Bay Pines, Florida VAMC; Orlando, Florida VAMC; Lake City, Florida VAMC; and new stand-alone RRTPs in Miami, Florida; Gainesville, Florida; Tampa, Florida; Jacksonville, Florida; and San Juan, Puerto Rico.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Southeast Region, including the West Palm Beach, Florida VAMC and the Augusta, Georgia VAMC (VISN 07).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the West Palm Beach, Florida VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 48,514 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 48,551 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 08. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with the University of Miami.
- **Research:** This recommendation does not impact the research mission in the market; the West Palm Beach, Florida VAMC does not have a research mission.⁸³
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the West Palm Beach, Florida VAMC is not designated as a Primary Receiving Center.

⁸³ Research programs were determined by FY 2021 total VA-funded research dollars per the Research and Development Information System (RDIS).

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Within this recommendation, quality is improved through the proposed new Lakewood Park, Florida MS CBOC; Belle Glade, Florida CBOC; and planned relocated and expanded Delray Beach, Florida MS CBOC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.12 for VA Recommendation versus 1.32 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Lakewood Park, Florida MS CBOC; Belle Glade, Florida CBOC; and planned relocated and expanded Delray Beach, Florida MS CBOC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today (\$14.6B for VA Recommendation versus \$14.3B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.12 for VA Recommendation versus 1.30 for Modernization), reflecting effective stewardship of taxpayer dollars.