VA Recommendations to the

# ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

Market Recommendations

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# VISN 10 Central Ohio Market

The Veterans Integrated Service Network (VISN) 10 Central Ohio Market serves Veterans in the central Ohio area. 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 Central Ohio Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Central Ohio 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

Enrollment in the Central Ohio Market projected to decline. Demand for long-term care is decreasing while demand for inpatient medical, surgical, and mental health services, and outpatient care is increasing. There is a need to better distribute health care services closer to where Veterans live and move care out of aging infrastructure into modern facilities. The strategy for the Central Ohio Market to combine with the Western Ohio Market is intended to deliver a full continuum of care as well as 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 considers the increased demand for outpatient services in the market and improves access to care in modern facilities closer to where Veterans live by establishing a new multi-specialty community-based outpatient clinic (MS CBOC) to replace aging infrastructure and a new community-based outpatient clinic (CBOC) to assist in relieving some of the space constraints at the Columbus Health Care Center (HCC).

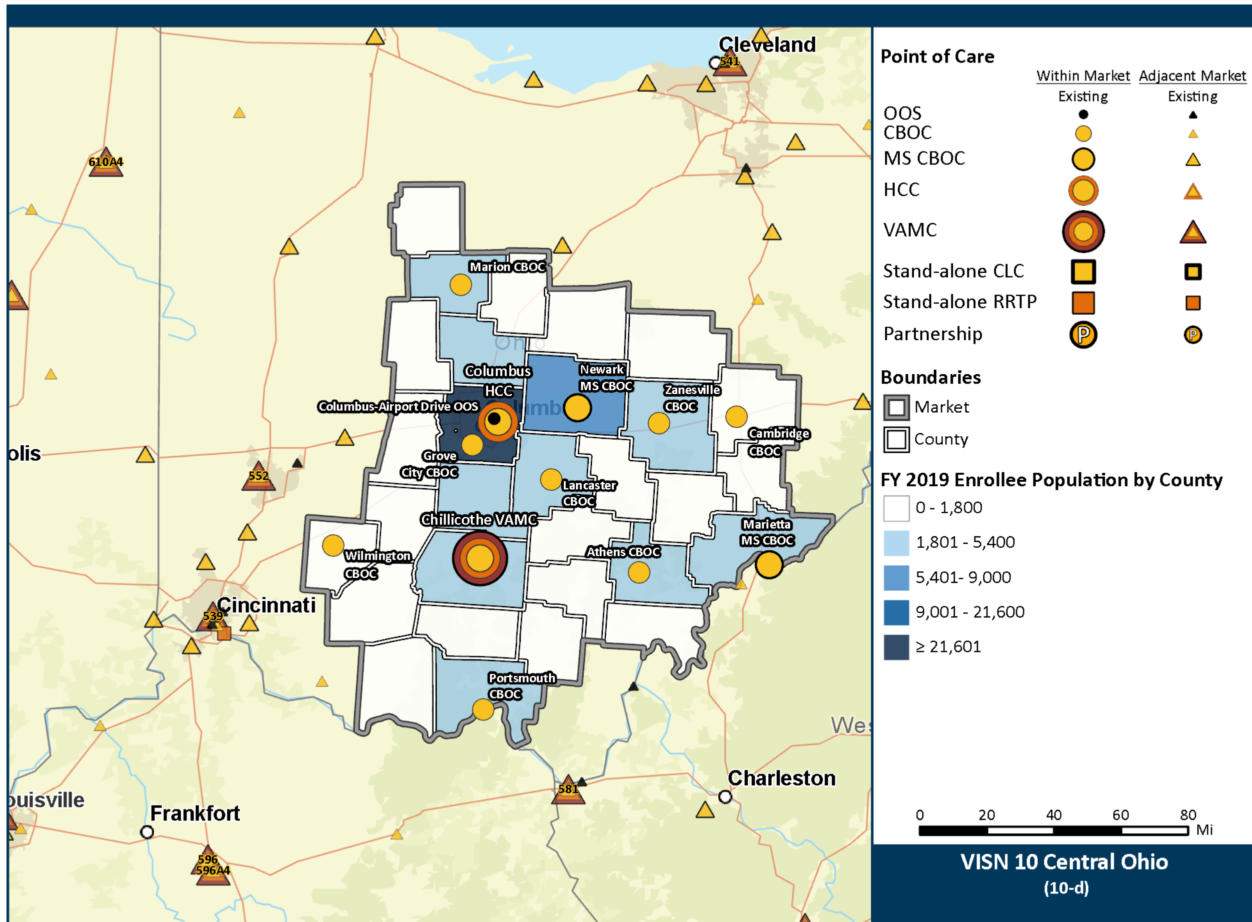
[1] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation invests in new community living center (CLC) infrastructure which places facilities closer to where the Veterans live in the Columbus, Ohio area. The recommendation also maintains other sustainable CLC programs and consolidates inpatient mental health and residential rehabilitation treatment program (RRTP) services at modern and updated VA facilities to ensure quality of care for Veterans. VA's recommendation maintains an inpatient spinal cord injuries and disorders (SCI/D) program at the SCI/D Hub at the Cleveland, Ohio VAMC in the VISN 10 Northeast Ohio Market. Inpatient blind rehabilitation services will be maintained at the Cleveland, Ohio VAMC in VISN 10, as well as facilities in the Northeast Region, including the West Haven, Connecticut VAMC in VISN 01 and the proposed King of Prussia, Pennsylvania VAMC in VISN 04.
- **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 will pursue a strategic collaboration with the Department of Defense (DoD) to provide Veterans with access to inpatient medical and surgical care.

# Market Overview

The market overview includes a map of the Central Ohio 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 (Chillicothe), one HCC (Columbus), two MS CBOCs, eight CBOCs, and one other outpatient services (OOS) site.

**Enrollees:** In fiscal year (FY) 2019, the market had 79,364 enrollees and is projected to experience a 5.8% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Franklin, Licking, and Fairfield, Ohio.

**Demand:** Demand[2] in the market for inpatient medical and surgical services is projected to increase by 10.1% and demand for inpatient mental health services is projected to increase by 1.0% between FY 2019 and FY 2029. Demand for long-term care[3] is projected to decrease by 6.1%. 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 services,[4] including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 53.4% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 84.5% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 82.4% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[5] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[6] of 58.1% (1,319 available beds)[7] and an inpatient mental health occupancy rate of 76.6% (15 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 86.3% (248 available beds). Community residential rehabilitation programs[8] 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 Adena Health System, Ohio University, The Ohio State University, and OhioHealth. The Chillicothe VAMC is ranked 111 out of 154 VA training sites based on the number of trainees. The Chillicothe VAMC conducts limited or no research. The Chillicothe VAMC holds no emergency designation.[9]

## Facility Overview

**Chillicothe VAMC:** The Chillicothe VAMC is located in Chillicothe, Ohio, and offers inpatient medical, inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Chillicothe VAMC had an inpatient medical average daily census (ADC) of 12.7, an inpatient mental health ADC of 16.0, a CLC ADC of 154.3, and an RRTP ADC of 63.4.

The Chillicothe VAMC was built in 1938 on 308 acres. The main hospital was most recently renovated in 2012. The Chillicothe VAMC totals 1.1M square feet and 93% of the campus square footage is listed as historic. Facility condition assessment (FCA) deficiencies are approximately $75.3M, and annual operations and maintenance costs are an estimated $10.9M.

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[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.

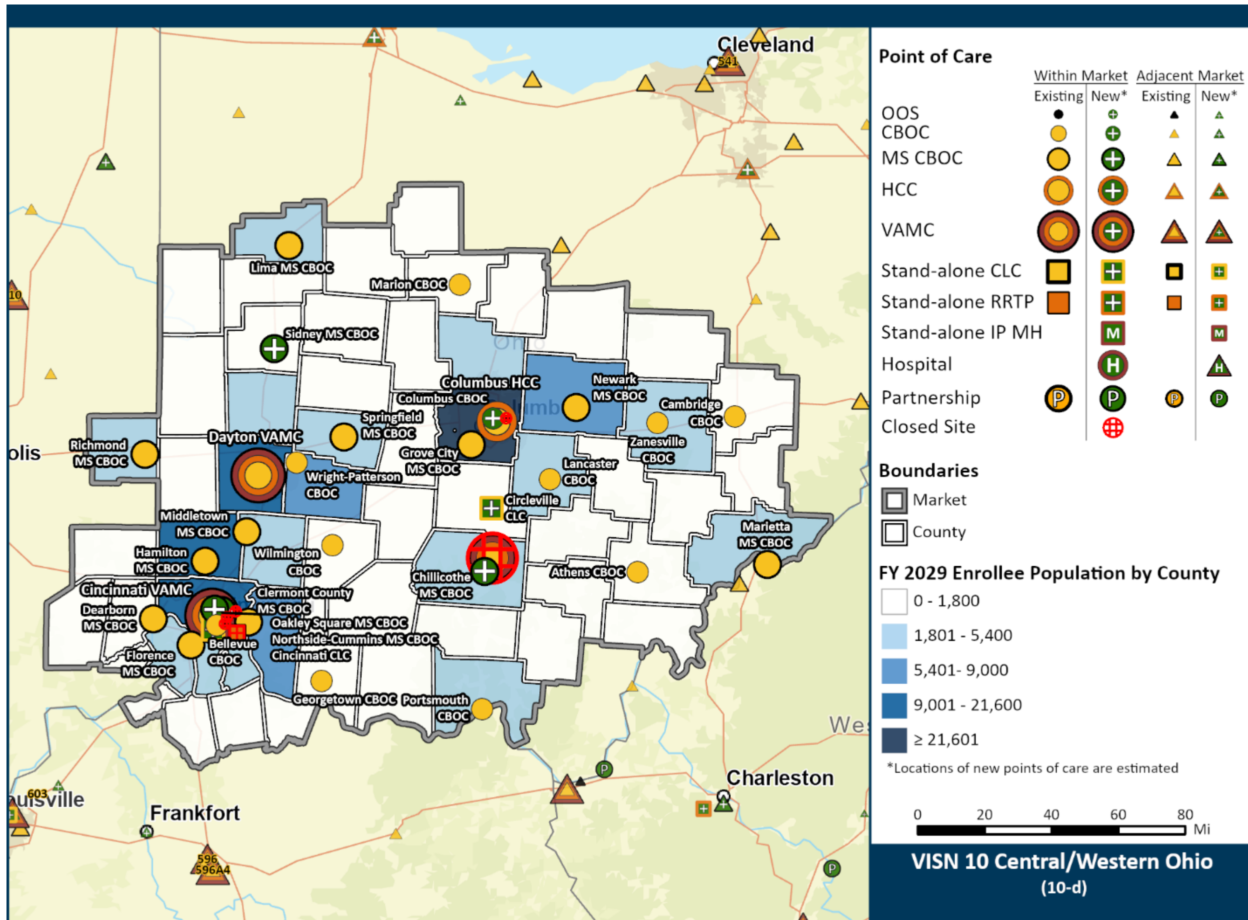
[8] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.

[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.

# Recommendation and Justification

This section details the VISN 10 Central Ohio Market recommendation and justification for each element of the recommendation.

## Future Market Map




1. ***Modernize and realign the Chillicothe VAMC by:***

   **1.1. Establishing a strategic collaboration to provide inpatient medical services and discontinuing those services at the Chillicothe VAMC. If unable to enter into a strategic collaboration, utilize community providers:** The Chillicothe VAMC offers inpatient medical and mental health services, as well as sub-acute services including CLC and RRTP. The VAMC does not have a surgical program. Although demand is sufficient to sustain inpatient mental health, CLC, and RRTP services, demand for inpatient medical services has been declining in recent years. In FY 2019, the inpatient medical program at the VAMC had an ADC of 12.7. Projections indicate bed demand for inpatient medical services at the Chillicothe VAMC will continue to decrease to a projected ADC of 10.8 in FY 2029. In addition, the enrollee population in the Chillicothe area (Ross County) is projected to decrease by 8.5% to 3,196 enrollees by FY 2029. VA will pursue a strategic collaboration with the DoD Wright-Patterson AFB Medical Center to provide Veterans

with access to inpatient medical services. VA's recommendation will maintain access to high-quality inpatient medical care for Veterans in the market.

1.2. **Relocating inpatient mental health, RRTP, CLC, and outpatient services currently provided at the Chillicothe VAMC to current or future VA facilities and discontinuing those services at the Chillicothe VAMC:** Although the VAMC has low demand for inpatient medical services, the VAMC had an inpatient mental health ADC of 16.0 in FY 2019, the CLC and RRTP had an ADC of 154.3 and 63.4, respectively. Many of these patients come from outside of the Chillicothe, Ohio area. FY 2029 in-house projections indicate sufficient demand in the future; inpatient mental health has a projected ADC of 16.4, CLC has a projected ADC of 113.5 ADC, and RRTP has a projected FY 2028 ADC of 49.5. Relocating inpatient mental health, RRTP, and half of Chillicothe's CLC program to the Dayton VAMC (Western Ohio Market), and the second half of Chillicothe's CLC to a new stand-alone site in Circleville, Ohio (Pickaway County), will allow VA to meet the future demand for these services closer to where Veterans live. The Dayton VAMC is located an estimated 90 minutes from the Chillicothe VAMC. Circleville, Ohio is an estimated 33 minutes south of the Columbus HCC. Additionally, a new MS CBOC in the vicinity of Chillicothe, Ohio (Ross County) will be constructed to maintain access to outpatient care in the area.

1.3. **Closing the Chillicothe VAMC:** The Chillicothe VAMC is not optimally located as it is an estimated 60 minutes south of Columbus, Ohio, the largest population center in the state. In addition to the projected decrease in bed need for inpatient acute care services at the VAMC, the enrollee population in the Chillicothe area (Ross County) is projected to decrease by 8.5% to 3,196 enrollees by FY 2029. Consolidating inpatient mental health and RRTP services to the Dayton VAMC and establishing a new stand-alone CLC in the Circleville, Ohio (Pickaway County) area will allow VA to continue to meet the demand for these services.

2. ***Modernize by establishing a new stand-alone CLC in the vicinity of Circleville, Ohio:*** Given the considerable current and projected demand for CLC in the market and proposed closure of the Chillicothe VAMC, CLC beds must be appropriately located in a new facility. Establishing a stand-alone CLC in Circleville, Ohio (Pickaway County) will allow VA to provide CLC services closer to a larger enrollee population in Columbus, Ohio, while continuing to serve the Chillicothe area. Circleville is an estimated 30 minutes from Chillicothe. The projected FY 2029 CLC demand in this market is 108.7 ADC, and 70% of this demand will be met through the new stand-alone CLC in Circleville, which will include 80 beds. The remaining beds will be transferred to the Dayton VAMC.

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

3.1. **Establishing a new MS CBOC in the vicinity of Chillicothe, Ohio:** Although market demand for select inpatient services including long-term care, residential rehabilitation, and SCI/D services is projected to decrease, demand for outpatient care is projected to increase. A new MS CBOC in the vicinity of Chillicothe, Ohio (Ross County) will maintain access to outpatient care in the county and surrounding area. The MS CBOC is proposed to be located in a more accessible location away from the existing Chillicothe VAMC campus proximate to community providers. As of FY 2019, there were 29,137 enrollees within 60 minutes of the proposed MS CBOC site.

3.2. **Establishing a new CBOC in the vicinity of Columbus, Ohio:** A new CBOC near Columbus, Ohio (Franklin County) will improve access to primary care and outpatient mental health in the

county by relocating a portion of primary care and outpatient mental health workload from the Columbus HCC. The vacated primary care and outpatient mental health space at the Columbus HCC will then be used to expand specialty care clinical space. Franklin County has a projected FY 2029 population of 26,480 Veteran enrollees. In FY 2019, there were 32,821 enrollees within 30 minutes of the proposed CBOC site.

3.3. **Relocating all services to the Columbus HCC and closing the Columbus-Airport OOS:** The Columbus-Airport OOS offers outpatient mental health services and is located an estimated 10 minutes from the Columbus HCC, which includes more space for outpatient mental health and specialty care services, and an estimated six minutes from the proposed Columbus CBOC. Closing and relocating the clinic's services to the Columbus HCC will allow VA to continue to provide access and meet demand for this service in an area with 57,286 enrollees within 60 minutes.

# 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 Ohio Market

- **Combine the Central Ohio and Western Ohio markets into a single market:** By combining the Western Ohio and Central Ohio markets, the entire continuum of care will be present within this single market. Access to care will be enhanced by facilities in a single market working together to improve the scope, level, and cost effectiveness of services available to the Veterans in the market.

## Chillicothe VAMC and Columbus HCC

- **Add geriatric psychiatry services to the Columbus HCC:** There is a gap in geriatric psychiatry services in the Central Ohio Market, indicating a need to add VA-provided outpatient geriatric psychiatry services.
- **Realign the Athens CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Athens CBOC is located in the Columbus hospital referral region (HRR)[10] and the Columbus HCC will serve as the only parent facility in the Central Ohio Market. VA will realign the Cambridge CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.
- **Realign the Cambridge CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Cambridge CBOC is located in the Columbus HRR and the Columbus HCC will serve as the only parent facility in the Central Ohio Market. VA will realign the Cambridge CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.
- **Realign the Marietta MS CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Marietta MS CBOC is located in the Columbus HRR and the Columbus HCC will serve as the only

[10] Hospital referral regions (HRRs) represent regional health care markets for tertiary medical care.

parent facility in the Central Ohio Market. VA will realign the Marietta MS CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.

- **Realign the Lancaster CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Lancaster CBOC is located in the Columbus HRR and the Columbus HCC will serve as the only parent facility in the Central Ohio Market. VA will realign the Lancaster CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.
- **Realign the Portsmouth CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Portsmouth CBOC is located in the Columbus HRR and the Columbus HCC will serve as the only parent facility in the Central Ohio Market. VA will realign the Portsmouth CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.
- **Realign the Wilmington CBOC to the Columbus HCC in the VISN 10 Central Ohio Market:** The Columbus HCC will serve as the only parent facility in Central Ohio. VA will realign the Wilmington CBOC to ensure all points of care in the current Central Ohio Market are aligned under the Columbus HCC.
- **Expand outpatient specialty care services at the Grove City CBOC, which may result in the classification of the facility as an MS CBOC:** Demand for outpatient specialty care services is projected to increase at the Grove City CBOC (Franklin County) through FY 2029. In FY 2019, the Grove City CBOC had 3,443 core uniques[11] and 30,077 enrollees whose closest point of care within a 30-minute drive time is the Grove City CBOC. VA will expand outpatient specialty care services at the Grove City CBOC to increase Veteran access to these services.

# Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 10 combined Central Ohio and Western Ohio markets: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[12] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).

[11] VA core unique patients exclude Veterans who have used only VA telephone triage, pharmacy, and laboratory services.
[12] The present value cost is the current value of future costs discounted at the defined discount rate.

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

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 10 combined Central Ohio and Western Ohio markets are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

| VISN 10 combined Central Ohio and Western Ohio markets | Status Quo | Modernization | VA Recommendation |
|---|---|---|---|
| **Total Cost** | $41,804,808,911 | $45,332,321,479 | $45,000,700,888 |
| Capital Cost | $1,615,747,199 | $5,143,259,767 | $4,941,320,455 |
| Operational Cost | $40,189,061,712 | $40,189,061,712 | $40,059,380,433 |
| **Total Benefit Score** | 7 | 10 | 12 |
| **CBI (normalized in $B)** | **5.97** | **4.53** | **3.75** |

**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. The Section 203 criteria analysis was conducted on the combined Central Ohio and Western Ohio markets. 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.*<br>• **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.<br>• **Outpatient:** Outpatient demand will be met through 29 VA points of care offering outpatient services, including the proposed new Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; and Columbus, Ohio CBOC; and the proposed expanded Grove City, Ohio MS CBOC; as well as community providers in the market.<br>• **CLC:** Long-term care demand will be met through the Dayton, Ohio VAMC and the proposed new stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as other VA facilities and community nursing homes. |

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D hub at the Cleveland, Ohio VAMC (VISN 10).
- **RRTP:** RRTP demand will be met through the RRTP at the Dayton, Ohio VAMC and the other facilities within VISN 10 offering RRTP, including the Cleveland, Ohio VAMC; the Marion, Indiana VAMC; the proposed new RRTP at the Saginaw, Michigan VAMC; the proposed new Wyoming, Michigan VAMC; stand-alone RRTPs in Indianapolis, Indiana and Detroit, Michigan; and the proposed new stand-alone RRTP in Toledo, Ohio.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC (VISN 10) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Cincinnati, Ohio and Dayton, Ohio VAMCs, 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 173,810 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 173,812 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 10. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with Wright State University, University of Cincinnati, Adena Health System, Ohio University, and The Ohio State University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Dayton, Ohio and Cincinnati, Ohio VAMCs to maintain its current research mission; the Chillicothe, Ohio VAMC does not currently have a research program.[13]

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

- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; no VAMCs in this market are 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 also 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 improved through new infrastructure:** Quality is improved through the proposed new Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; Columbus, Ohio CBOC; and stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as the modernization of the inpatient medical, surgical, and mental health rooms at the Cincinnati, Ohio VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

## Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (3.75 for VA Recommendation versus 5.97 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 new Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; Columbus, Ohio CBOC; and stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as the modernization of the inpatient medical, surgical, and mental health rooms at the Cincinnati, Ohio VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($45.0B for VA Recommendation versus $45.3B 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 (3.75 for VA Recommendation versus 4.53 for Modernization), reflecting effective stewardship of taxpayer dollars.

# VISN 10 Western Ohio Market

The Veterans Integrated Service Network (VISN) 10 Western Ohio Market serves Veterans in western Ohio. 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.[14]

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

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Western Ohio 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

Enrollment in the Western Ohio Market is projected to decline slightly. Demand for inpatient medical and surgical services is projected to remain stable, while demand for long-term care and outpatient care is projected to increase. There is a need to maintain and improve access to outpatient services by distributing them throughout the Cincinnati, Ohio metropolitan area to appropriately relieve space constraints at the Cincinnati VAMC. There is also a need to expand the subacute capacity of the Dayton VAMC to absorb demand from the Central Ohio Market. The strategy for the Western Ohio Market to combine with the Central Ohio Market is intended to deliver a full continuum of care as well as 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 all sustainable points of care in the market, consolidates three other outpatient services (OOS) sites that do not have sustainable volumes, and establishes three new multi-specialty community-based outpatient

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

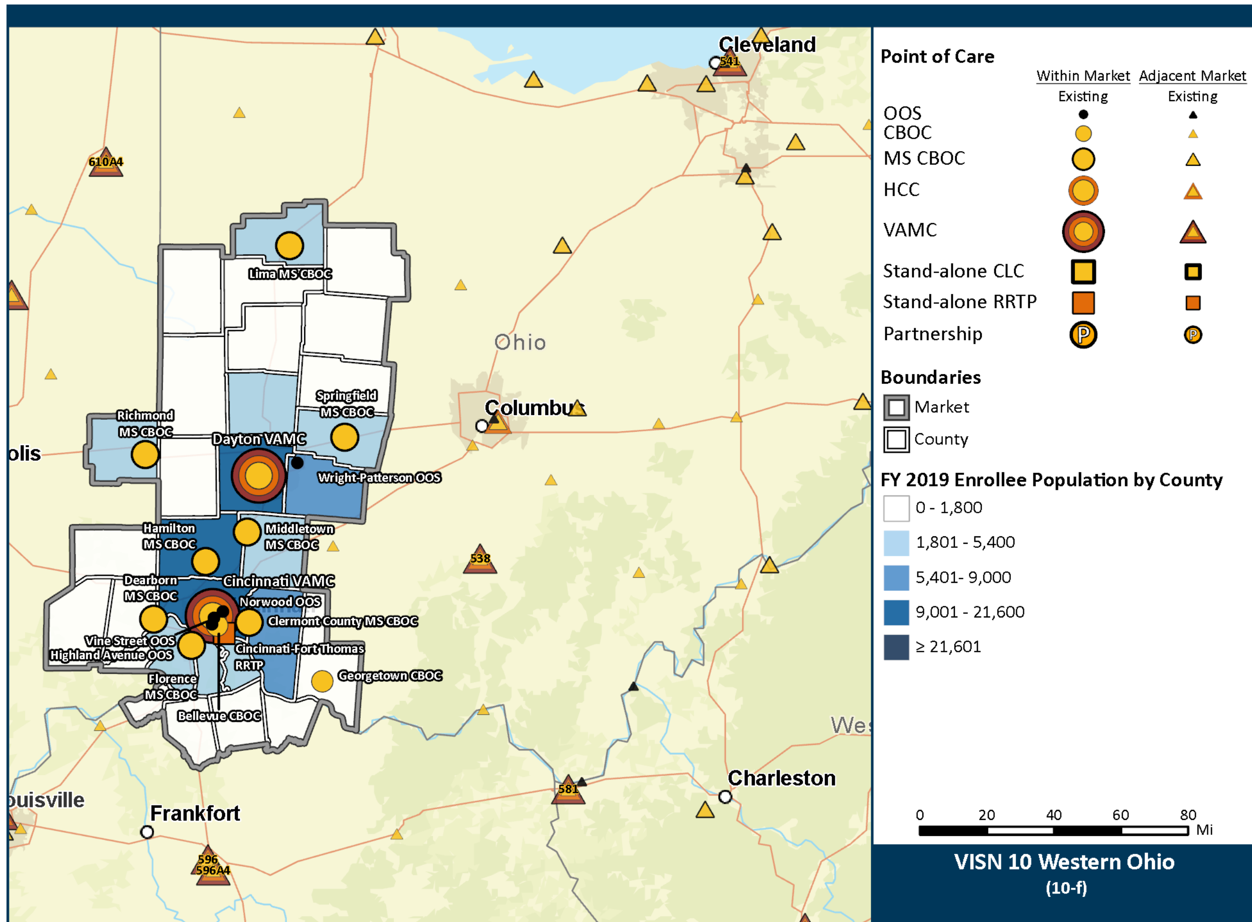
clinics (MS CBOCs) to better distribute modern primary care, outpatient mental health, and outpatient specialty care services in the Cincinnati, Ohio metropolitan area.

- **Enhance VA's unique strengths in caring for Veterans with complex needs**: VA's recommendation invests in the expansion of the community living center (CLC) at the Dayton VAMC as well as a new stand-alone CLC in Cincinnati. The Dayton VAMC will expand its residential rehabilitation treatment program (RRTP) and inpatient mental health services. These services will become more sustainable and provide better access within the combined Western Ohio and Central Ohio markets. VA's recommendation maintains an inpatient spinal cord injuries and disorders (SCI/D) program at the SCI/D Hubs at the Cleveland, Ohio VAMC in the VISN 10 Northeast Ohio Market and the Hines, Illinois VAMC in the VISN 12 Southern Market. Inpatient blind rehabilitation services will be maintained at facilities in the Northeast Region, including the West Haven, Connecticut VAMC in VISN 01; the proposed King of Prussia, Pennsylvania VAMC in VISN 04; and the Cleveland, Ohio VAMC in VISN 10.
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation maintains programs within the Cincinnati VAMC and the Dayton VAMC to provide inpatient medical and surgical care and expands Federal partnerships to deliver inpatient medical and surgical care.

# Market Overview

The market overview includes a map of the Western Ohio 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 includes two VAMCs (Cincinnati and Dayton), one stand-alone RRTP (Fort Thomas), eight MS CBOCs, two community-based outpatient clinics (CBOCs), and four OOS sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 104,898 enrollees and is projected to experience a 3.1% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Montgomery, Hamilton, and Butler, Ohio.

**Demand:** Demand[15] in the market for inpatient medical and surgical services is projected to increase by 1.2% and demand for inpatient mental health services is projected to decrease by 4.8% between FY 2019 and FY 2029. Demand for long-term care[16] is projected to increase by 27.6%. Demand for all

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

outpatient services,[17] including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 27.5% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 90.6% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 92.7% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[18] in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate[19] of 64.6% (1,305 available beds)[20] and an inpatient mental health occupancy rate of 68.0% (35 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 83.8% (947 available beds). Community residential rehabilitation programs[21] 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 Cincinnati and Wright State University. The Cincinnati VAMC is ranked 58 out of 154 VA training sites based on number of trainees and the Dayton VAMC is ranked 70 out of 154. The Cincinnati VAMC is ranked 51 out of 103 VAMCs with research funding and the Dayton VAMC is ranked 83 out of 103. The Cincinnati VAMC is designated as a Federal Coordinating Center and the Dayton VAMC holds no emergency designation.[22]

## Facility Overviews

**Cincinnati VAMC:** The Cincinnati VAMC is located in Cincinnati, Ohio, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Cincinnati VAMC had an inpatient medical and surgical average daily census (ADC) of 51.5, an inpatient mental health ADC of 15.1, a CLC ADC of 45.1, an RRTP ADC of 28.1 at the VAMC, and an RRTP ADC of 56.4 at the Fort Thomas stand-alone RRTP.

The Cincinnati VAMC was built in 1951 on 18 acres. The main hospital was most recently renovated in 1982. Facility condition assessment (FCA) deficiencies are approximately $47.8M, and annual operations and maintenance costs are an estimated $12.8M.

**Dayton VAMC:** The Dayton VAMC is located in Dayton, Ohio, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, rehabilitation medicine, and outpatient services. In FY 2019, the Dayton VAMC had an inpatient medical and surgical ADC of 35.4, an inpatient mental health ADC of 9.7, a CLC ADC of 107.8, an RRTP ADC of 67.8, and a rehabilitation medicine ADC of 0.0.

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

[18] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

[19] 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.

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

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

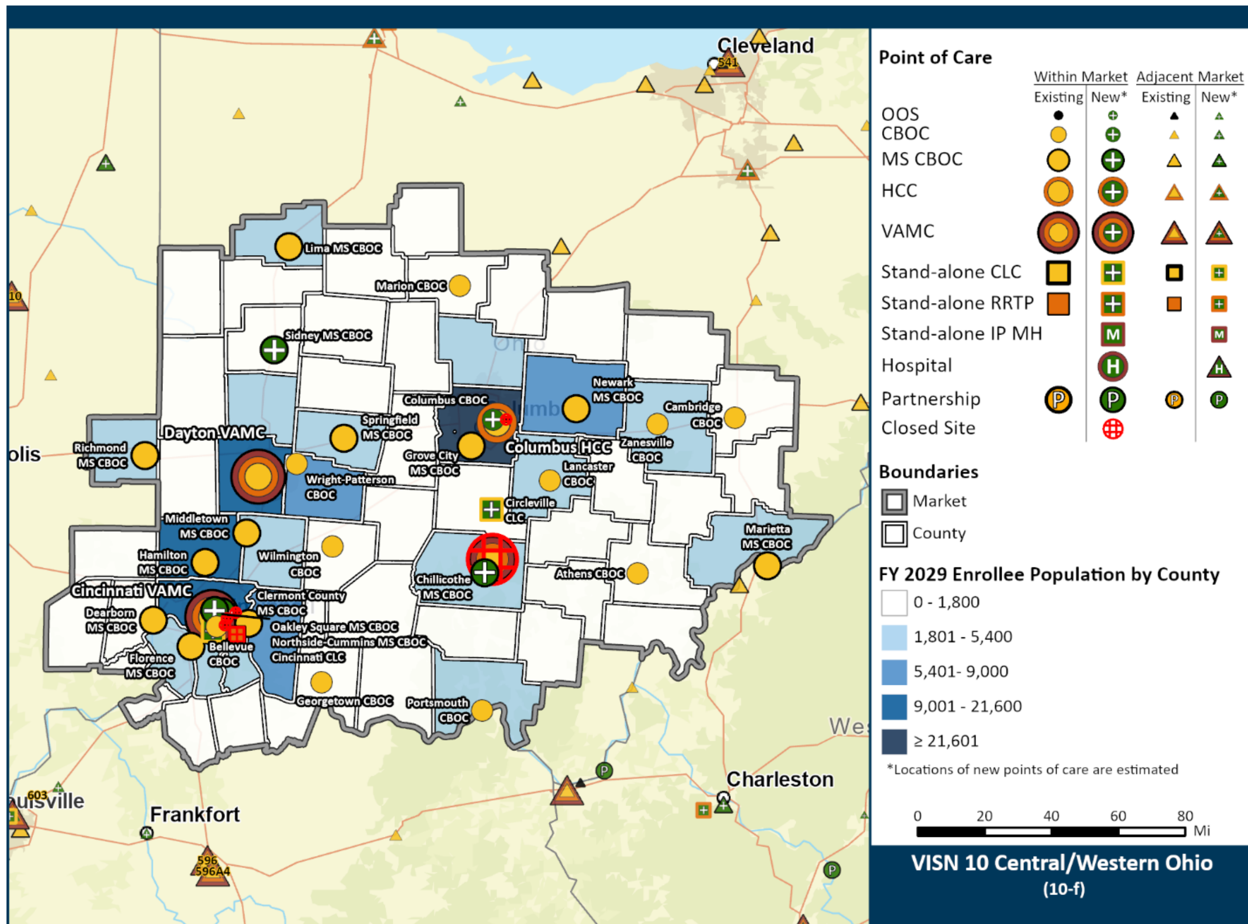
[22] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

The Dayton VAMC was built in 1991 with 207 acres. The Dayton VAMC has not undergone a major renovation since its construction. FCA deficiencies are approximately $106.8M, and annual operations and maintenance costs are an estimated $14.3M.

# Recommendation and Justification

This section details the VISN 10 Western Ohio Market recommendation and justification for each element of the recommendation.

## Future Market Map




1. ***Modernize patient rooms at the Cincinnati VAMC:*** The Cincinnati VAMC has 94 inpatient medical and surgical beds and 20 inpatient mental health beds. In FY 2019, the Cincinnati VAMC had an inpatient medical and surgical ADC of 51.5 (an occupancy rate of 54.8%) that is projected to increase to 52.2 by FY 2029. Additionally, in FY 2019, there was an inpatient mental health ADC of 15.1 (an occupancy rate of 75.5%), which is projected to decrease to 13.0 by FY 2029. The modernization would decrease inpatient medical and surgical beds to 64 and inpatient mental health beds to 14, which will accommodate projected demand while meeting the current standard of care to include private rooms.

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

    2.1. **Modernizing inpatient mental health services:** The Dayton VAMC will expand capacity and become the new centralized location for inpatient mental health services for the combined Western Ohio and Central Ohio markets and will accommodate the demand from the Chillicothe VAMC, which is proposed to be closed. This change will require the Dayton VAMC to increase the number of inpatient mental health beds from 25 to 35. This increased capacity will ensure there is sufficient space to maintain the relocated services from the Chillicothe VAMC and provide for the needs of Wright-Patterson Air Force Base.

    2.2. **Modernizing the RRTP:** With the proposed closure of the Chillicothe VAMC and the Fort Thomas RRTP, this expansion of the Dayton VAMC RRTP services will meet local demand and the Dayton VAMC will become the new centralized location for RRTP services for the combined Western Ohio and Central Ohio markets. The change will require the Dayton VAMC to increase the number of RRTP beds from 95 to 150.

    2.3. **Modernizing the CLC:** With the proposed closure of the Chillicothe VAMC, the Dayton VAMC will become the new centralized location for CLC services for the combined Western Ohio and Central Ohio markets. This change will require the Dayton VAMC to increase the number of CLC beds from 153 to 220, which will meet Western Ohio Market demand and half of the projected demand coming from the proposed closure of the Chillicothe VAMC.

3. ***Modernize by establishing a new stand-alone CLC in the vicinity of Cincinnati, Ohio:*** The Cincinnati VAMC has 48 CLC beds. Total demand for long-term care at the Cincinnati VAMC is projected to increase from an ADC of 137.9 to 175.1 between FY 2019 and FY 2029. Given space limitations on the campus, VA recommends relocating all the Cincinnati VAMC CLC beds to a nearby off-site location to create an opportunity to expand the number of CLC beds, increasing access to long-term care in a location convenient to Veterans and their families. This will provide the Cincinnati VAMC with future clinical expansion space on campus.

4. ***Relocate RRTP services currently provided at the Fort Thomas RRTP to current or future VA facilities and closing the Fort Thomas RRTP:*** Fort Thomas currently provides only RRTP services. The age of the facility, built in 1935, limits the ability to modernize to provide Veterans with RRTP services that meet modern health care standards. The Dayton VAMC campus has 17 acres of undeveloped property that will accommodate construction of additional RRTP beds to absorb the demand from the Fort Thomas RRTP. The two facilities are located 55 minutes apart, and the Dayton VAMC affords more convenient access to Veterans and staff. In FY 2019, 71,145 enrollees were within a 60-minute drive time of the Dayton VAMC compared to 56,181 enrollees within a 60-minute drive time of the Fort Thomas RRTP. Distributing services to a more modern and conveniently located facility for Veterans and their families will allow for closure of the existing Fort Thomas RRTP.

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

    5.1. **Establishing a new MS CBOC in the vicinity of northwest Cincinnati, Ohio:** A new MS CBOC in Northwest Cincinnati, Ohio (Northside-Cummins area) in Hamilton County will provide access to primary care, outpatient mental health, and outpatient specialty care services. The Cincinnati VAMC has limited space for expansion of outpatient services. Current specialty care clinics are

space-constrained, with insufficient exam rooms to effectively support specialty care services, thus limiting efficiency. Given the projected FY 2029 demand increases in the market for primary care and outpatient mental health of 46.7% and 45.4%, respectively, VA recommends establishing two new MS CBOCs in the vicinity of Cincinnati, Ohio to decompress primary care, outpatient mental health, and specialty care services from the constrained VAMC campus.

**5.2. Establishing a new MS CBOC in the vicinity of northeast Cincinnati, Ohio:** A new MS CBOC in Northeast Cincinnati, Ohio (Oakley Square area) in Hamilton County will provide access to primary care, outpatient mental health, and outpatient specialty care services. The Cincinnati VAMC has limited space for expansion of outpatient services. Current specialty care clinics are space-constrained, with insufficient exam rooms to effectively support specialty care services, thus limiting efficiency. Given the projected FY 2029 demand increases for primary care and outpatient mental health in the market of 46.7% and 45.4%, respectively, VA recommends establishing two new MS CBOCs in the vicinity of Cincinnati, Ohio to decompress primary care, outpatient mental health, and specialty care services from the constrained VAMC campus.

**5.3. Establishing a new MS CBOC in the vicinity of Sidney, Ohio:** A new MS CBOC in the vicinity of Sidney, Ohio (Shelby County) will provide access to primary care, outpatient mental health, and outpatient specialty care services for Veterans in Shelby and Miami counties. In FY 2019, there were 46,233 enrollees within a 60-minute drive time the proposed MS CBOC location.

**5.4. Relocating all services to the proposed Northwest and Northeast Cincinnati MS CBOCs and closing the Norwood OOS:** The proposed Oakley Square and Northside-Cummins MS CBOCs are within 20 minutes of the Norwood OOS. Given the proposed two new MS CBOCs' proximity to the existing Norwood OOS, VA recommends relocating outpatient mental health services from the OOS to the proposed new Northside-Cummins and Oakley Square MS CBOCs, or to other VA points of care, and closing the Norwood OOS.

**5.5. Relocating all services to the proposed Northwest and Northeast Cincinnati MS CBOCs and closing the Vine Street OOS:** The proposed new Oakley Square and Northside-Cummins MS CBOCs are within 20 minutes of the Vine Street OOS. Given the proposed two new MS CBOCs' proximity to the existing Vine Street OOS, VA recommends relocating outpatient mental health services from the OOS to the proposed new Northside-Cummins and Oakley Square MS CBOCs, or to other VA points of care, and closing the Vine Street OOS.

**5.6. Relocating all services to the proposed Northwest and Northeast Cincinnati MS CBOCs and closing the Highland Avenue OOS:** The proposed new Oakley Square and Northside-Cummins MS CBOCs are within 20 minutes of the Highland Avenue OOS. Given the proposed two new MS CBOCs' proximity to the existing Highland Avenue OOS, VA recommends relocating outpatient specialty care services from the OOS to the proposed new Northside-Cummins and Oakley Square MS CBOCs, or to other VA points of care, and closing the Highland Avenue 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:

## Western Ohio Market

- **Combine the Central Ohio and Western Ohio markets into a single market:** By combining the Western Ohio and Central Ohio markets, the entire continuum of care will be present within this single market with the exception of inpatient blind rehabilitation and SCI/D services. Access to care will be enhanced by facilities in a single market working together to improve the scope, level, and cost effectiveness of services available to the Veterans in the market.
- **Expand all existing MS CBOCs to include additional space for rehabilitation (physical therapy and occupational therapy) services:** The demand for rehabilitation services is projected to increase at the Cincinnati VAMC. VA will expand all existing MS CBOCs to include additional space for rehabilitation services, which will help decompress the increasing demand for those services at the Cincinnati VAMC.

## Cincinnati VAMC

- **Relocate the oncology radiation services currently provided at the Cincinnati VAMC to community providers in Cincinnati:** VA will relocate radiation oncology services to the community, which will provide Veterans with access while easing the difficulties VA has recruiting these providers.
- **Implement valet parking:** The existing Cincinnati VAMC, built in 1951, has parking challenges, including a 554 gap of required parking spaces despite already leasing parking at three off-site locations. VA will implement valet parking to provide short-term relief and improve the Veteran experience.

## Dayton VAMC

- **Create a Veteran transportation network to transport Veterans between the Chillicothe, Ohio area in the VISN 10 Central Ohio Market, the Cincinnati VAMC, and the Dayton VAMC:** Based on VA's recommendation that the Chillicothe VAMC be closed and the Dayton VAMC become the new centralized location for inpatient mental health, RRTP, and CLC capabilities for the combined Western Ohio and Central Ohio markets, VA will create a Veteran transportation network between the Chillicothe MS CBOC and the Dayton and Cincinnati VAMCs. This will facilitate access to these services for Veterans.
- **Strengthening the relationship with the Department of Defense's (DoD) Wright-Patterson AFB Medical Center through joint planning and educational opportunities. Explore opportunities to share specialty care providers:** There is an opportunity for physicians to cross collaborate between the Dayton VAMC and DoD's Wright-Patterson AFB Medical Center. Currently, Wright-Patterson is using VA and community resources to provide inpatient mental health care to active duty service members and their beneficiaries. Wright-Patterson has excess capacity across 24 specialties, which could fill the gap for under-resourced and inefficient specialties at the Dayton VAMC. The Dayton VAMC is located an estimated 25 minutes from DoD's Wright-Patterson AFB Medical Center.

# Cost Benefit Analysis

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

- **Costs:** The present value cost[23] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 10 combined Western Ohio and Central Ohio markets are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

| VISN 10 combined Western Ohio and Central Ohio markets | Status Quo | Modernization | VA Recommendation |
|---|---|---|---|
| **Total Cost** | $41,804,808,911 | $45,332,321,479 | $45,000,700,888 |
| Capital Cost | $1,615,747,199 | $5,143,259,767 | $4,941,320,455 |
| Operational Cost | $40,189,061,712 | $40,189,061,712 | $40,059,380,433 |
| **Total Benefit Score** | 7 | 10 | 12 |
| **CBI (normalized in $B)** | **5.97** | **4.53** | **3.75** |

**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.

[23] 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. The Section 203 criteria analysis was conducted on the combined Central Ohio and Western Ohio markets. 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 29 VA points of care offering outpatient services, including the proposed new Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; Columbus, Ohio CBOC; and the proposed expanded Grove City, Ohio MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Dayton, Ohio VAMC and the proposed new stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as other VA facilities and community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D hub at the Cleveland, Ohio VAMC (VISN 10).
- **RRTP:** RRTP demand will be met through the RRTP at the Dayton, Ohio VAMC and the other facilities within VISN 10 offering RRTP, including the Cleveland, Ohio VAMC; Marion, Indiana VAMC; the proposed new RRTP at the Saginaw, Michigan VAMC; the proposed new Wyoming, Michigan VAMC; stand-alone RRTPs in Indianapolis, Indiana and Detroit, Michigan; and the proposed new stand-alone RRTP in Toledo, Ohio.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC (VISN 10) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Cincinnati, Ohio and Dayton, Ohio VAMCs, 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 outpatient 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 173,810 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 173,812 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 10. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with Wright State University, University of Cincinnati, Adena Health System, Ohio University, and The Ohio State University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Dayton, Ohio and Cincinnati, Ohio VAMCs to maintain the current research mission. The Chillicothe, Ohio VAMC does not currently have a research program. [24]
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the VAMCs are 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 Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; Columbus, Ohio CBOC; and stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as the modernization of the inpatient medical, surgical, and mental health rooms at the Cincinnati, Ohio

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

VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.

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

## Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (3.75 for VA Recommendation versus 5.97 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 new Chillicothe, Ohio MS CBOC; Sidney, Ohio MS CBOC; Oakley Square, Ohio MS CBOC; Northside-Cummins, Ohio MS CBOC; Columbus, Ohio CBOC; and stand-alone CLCs in Circleville, Ohio and Cincinnati, Ohio; as well as the modernization of the inpatient medical, surgical, and mental health rooms at the Cincinnati, Ohio VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.

- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($45.0B for VA Recommendation versus $45.3B 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 (3.75 for VA Recommendation versus 4.53 for Modernization), reflecting effective stewardship of taxpayer dollars.

# VISN 10 Northeast Ohio Market

The Veterans Integrated Service Network (VISN) 10 Northeast Ohio Market serves Veterans centered around the Cleveland, Ohio area. 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.[25]

## VA's Commitment to Veterans in the Northeast Ohio Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Northeast Ohio 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 Northeast Ohio Market faces decreasing market enrollment. Demand for inpatient medical and surgical services is projected to decrease while demand for long-term care and outpatient care is projected to increase. There is a need to better distribute outpatient specialty and outpatient surgical services to improve access for Veterans who live outside of the Cleveland, Ohio metropolitan area. The strategy for the Northeast Ohio 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 invests in modernized outpatient sites offering primary care, outpatient mental health, and outpatient specialty care services by establishing a new health care center (HCC) in Akron, Ohio and relocates outpatient surgical services to a more proximate location to where Veterans live in the vicinity of Akron, Ohio.

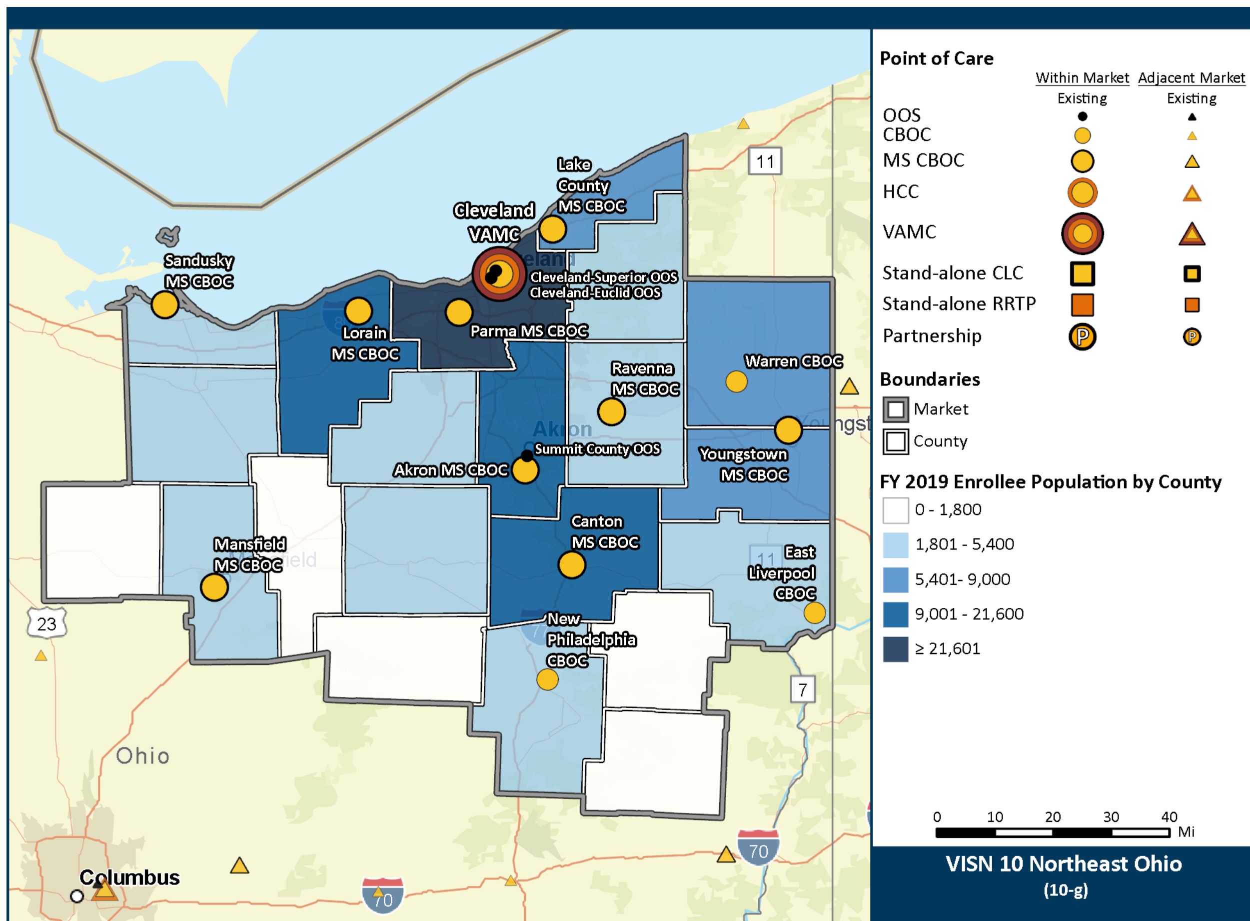
[25] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation invests in modern community living center (CLC) facilities to maintain care for Veterans with the most complex needs and maintains inpatient mental health services at the Cleveland VAMC. VA's recommendation also maintains modern, distributed residential rehabilitation treatment program (RRTP) facilities to provide comprehensive care at the Cleveland VAMC. It also maintains inpatient blind rehabilitation services and inpatient spinal cord injuries and disorders (SCI/D) inpatient programs at the Cleveland 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:** VA's recommendation maintains sustainable medical and surgical programs at the Cleveland VAMC.

# Market Overview

The market overview includes a map of the Northeast Ohio 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 (Cleveland), nine multi-specialty community-based outpatient clinics (MS CBOCs), four community-based outpatient clinics (CBOCs), and three other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 124,464 enrollees and is projected to experience an 8.0% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Cuyahoga, Summit, and Stark, Ohio.

**Demand:** Demand[26] in the market for inpatient medical and surgical services is projected to decrease by 6.3% and demand for inpatient mental health services is projected to decrease by 5.7% between FY 2019 and FY 2029. Demand for long-term care[27] is projected to increase by 29.5%. Demand for all outpatient services,[28] including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 24.7% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 93.6% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 59.5% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[29] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[30] of 63.6% (1,400 available beds)[31] and an inpatient mental health occupancy rate of 70.7% (60 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 81.7% (972 available beds). Community residential rehabilitation programs[32] 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 Case Western Reserve University, Cleveland Clinic, and University Hospitals. The Cleveland VAMC is ranked 10 out of 154 VA training sites based on the number of trainees and is ranked 26 out of 103 VAMCs with research funding. The Cleveland VAMC is designated as a Primary Receiving Center.[33]

## Facility Overview

**Cleveland VAMC:** The Cleveland VAMC is located in Cleveland, Ohio, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP services, SCI/D care, inpatient blind rehabilitation, rehabilitation medicine, and outpatient services. In FY 2019, the Cleveland VAMC had an inpatient

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[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.

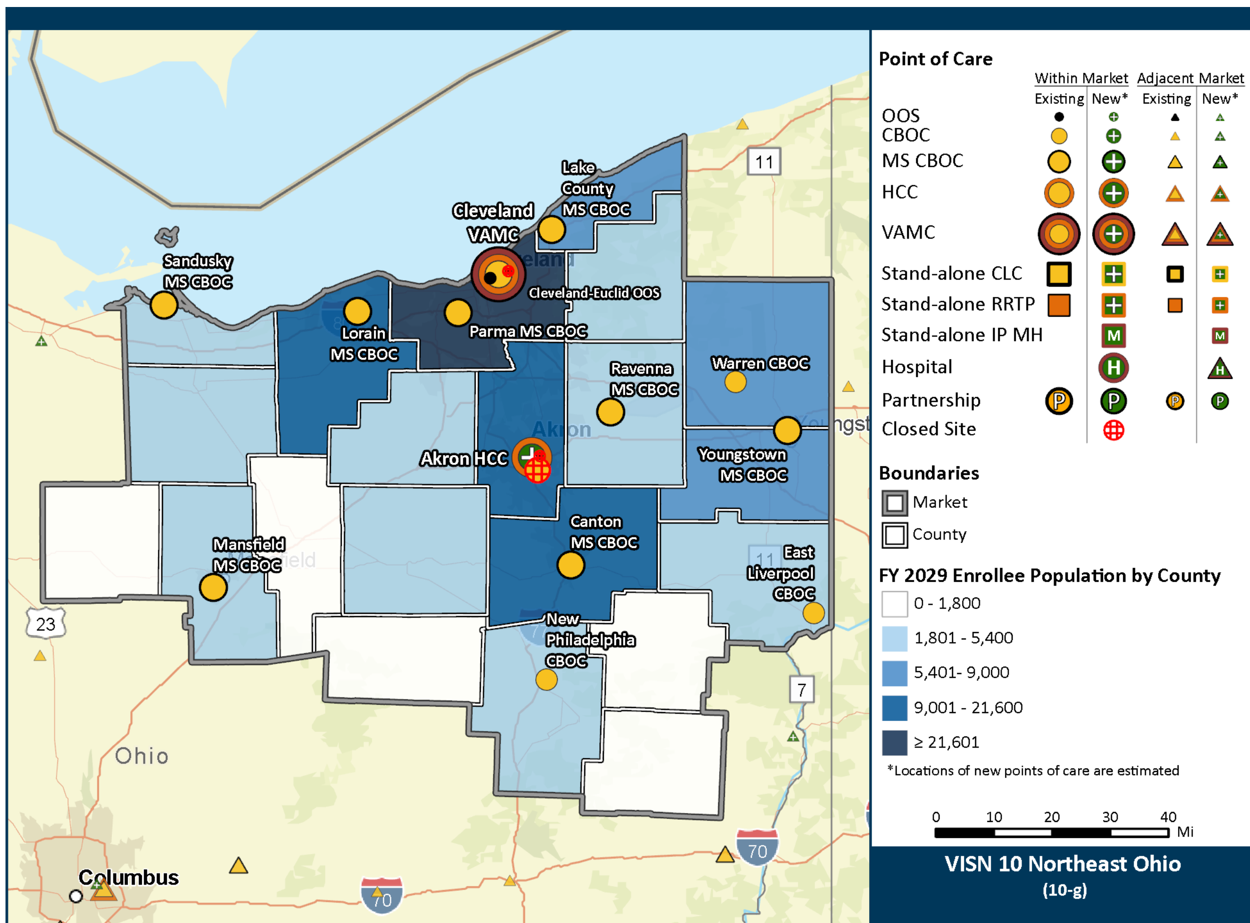
medical and surgical average daily census (ADC) of 109.8, an inpatient mental health ADC of 22.9, a CLC ADC of 129.3, an RRTP ADC of 147.6, an SCI/D ADC of 42.8, an inpatient blind rehabilitation ADC of 12.4, and a rehabilitation medicine ADC of 9.1.

The Cleveland VAMC was built in 1964 on 18.0 acres. The main hospital was most recently renovated in 1989. The facility is larger than the average VAMC and the facility had a planned parking expansion project design awarded in 2018. Facility condition assessment (FCA) deficiencies are approximately $48.2M, and annual operations and maintenance costs are an estimated $15.6M.

# Recommendation and Justification

This section details the VISN 10 Northeast Ohio Market recommendation and justification for each element of the recommendation.

## Future Market Map




1. ***Modernize the primary care clinic at the Cleveland VAMC:*** The primary care clinic at the Cleveland VAMC does not follow the patient aligned care team (PACT) model guidelines. The space needs to expand to allow for PACT model implementation. As of FY 2019, there were 31,963 enrollees within 30 minutes of the Cleveland VAMC. In that same year, the Cleveland VAMC reported 65,291 primary care encounters. By FY 2029, primary care demand in the market is projected to increase by 41.2%.

2. ***Modernize and realign outpatient facilities in the market by:***

   2.1. **Relocating the Akron MS CBOC to a new HCC site in the vicinity of Akron, Ohio and closing the existing Akron MS CBOC:** A new HCC in Akron, Ohio (Summit County) will expand access to outpatient surgical services for Veterans in the vicinity of Akron, Ohio and Canton, Ohio. In FY 2019, the Akron MS CBOC had 18,036 core uniques.[34] Establishing an HCC in Akron, Ohio, which is a 45-minute drive from the Cleveland VAMC, will place outpatient surgical services closer to Veterans and their families in the southern part of the Northeast Ohio Market. As of FY 2019, there were 24,773 enrollees within 30 minutes and 98,513 enrollees within 60 minutes of the proposed Akron HCC.

   2.2. **Relocating all services to the Cleveland VAMC and the proposed Akron HCC closing the Cleveland VAMC satellite ambulatory surgical center:** Currently, the Cleveland VAMC has ten operating rooms, of which seven are staffed and operating. Closing the Cleveland ambulatory surgical center will improve the utilization of existing operating room space in modern surgical suites at the Cleveland VAMC (1.3 miles away) and new operating room suites at the proposed Akron HCC. Relocating surgical services to the Cleveland VAMC and the proposed Akron HCC will provide Veterans with improved access to sustainable outpatient surgical care in modern facilities.

   2.3. **Relocating all services to the proposed Akron HCC and closing the Summit County OOS:** A new HCC in Akron, Ohio (Summit County) will expand services for enrollees in the Canton and Akron areas. Relocating primary care services from the Summit County OOS to the proposed Akron HCC will maintain access while increasing system sustainability. In FY 2019, there were 959 core uniques accessing services at the Summit County OOS. Summit County OOS is an estimated 13-minute drive time from the existing Akron MS CBOC.

# Complementary Strategy

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

## Northeast Ohio Market

- **Increase availability of physical medicine and rehabilitation across the Northeast Ohio Market to address the potential lack of high-quality physical medicine and rehabilitation specialists:** As identified in the Section 203 criteria analysis, there is a potential lack of high-quality physical medicine and rehabilitation specialists Increased availability may be achieved through a variety of tactics, such as telehealth, recruitment of providers to the Veterans Community Care Program, and hiring additional VA providers, as appropriate.

## Cleveland VAMC

- **Explore a strategic collaboration with a community provider to deliver outpatient surgical and outpatient specialty services in the vicinity of Parma, Ohio. To collaborate, develop sharing**

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

**agreements with community providers near the Parma MS CBOC for VA physicians to provide outpatient surgical and endoscopy services:** VA will explore a strategic collaboration if there is a need for additional capacity after the opening of the proposed Akron HCC, closing of the Cleveland satellite ambulatory surgical center, and utilization of all the operating rooms at full capacity at the Cleveland VAMC. There are two viable community providers near the Parma MS CBOC that could be leveraged to provide space for VA physicians to provide outpatient surgical and endoscopy services.

- **Reduce the RRTP capacity at the Cleveland VAMC to align with Veteran demand:** The Cleveland VAMC is projected to experience a decrease in demand for RRTP services and currently has an excess of RRTP beds.
- **Add additional parking to the planned parking expansion:** VA will add additional parking to the planned parking expansion project design awarded in September 2018. The Cleveland VAMC is larger in square footage than the average VAMC, covering 1.4M square feet, and 52.0% of the square footage is dedicated to direct patient care. The staff and patient population exceeds most other medical centers, creating a pressing need for additional parking.

# Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 10 Northeast Ohio Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[35] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

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

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

| VISN 10 Northeast Ohio Market | Status Quo | Modernization | VA Recommendation |
|---|---|---|---|
| **Total Cost** | $26,119,901,668 | $29,775,506,574 | $29,836,263,142 |
| Capital Cost | $599,069,404 | $4,254,674,310 | $4,315,430,879 |
| Operational Cost | $25,520,832,264 | $25,520,832,264 | $25,520,832,264 |
| **Total Benefit Score** | 8 | 11 | 12 |
| **CBI (normalized in $B)** | **3.26** | **2.71** | **2.49** |

**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 14 VA points of care offering outpatient services, including the proposed new Akron, Ohio HCC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Cleveland, Ohio 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 Cleveland, Ohio VAMC.
- **RRTP:** RRTP demand will be met through the Cleveland, Ohio VAMC and the other facilities within VISN 10 offering RRTP, including the Dayton, Ohio VAMC; Marion, Indiana VAMC; the stand-alone RRTPs in Indianapolis, Indiana and Detroit, Michigan; and the proposed new Wyoming, Michigan VAMC; RRTP at the Saginaw, Michigan VAMC; and stand-alone RRTP in Toledo, Ohio.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Cleveland, Ohio 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 111,280 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 111,291 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 10. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Case Western University, University Hospitals, and the Cleveland Clinic.
- **Research:** This recommendation does not impact the research mission in the market and allows the Cleveland, Ohio VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Cleveland, Ohio 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 also 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 Akron, Ohio HCC. 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 (2.49 for VA Recommendation versus 3.26 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 meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Akron, Ohio HCC. 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 ($29.84B for VA Recommendation versus $29.78B 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 indicates the VA Recommendation COA is lower than the Modernization COA (2.49 for VA Recommendation versus 2.71 for Modernization), reflecting effective stewardship of taxpayer dollars.

# VISN 10 Indiana Market

The Veterans Integrated Service Network (VISN) 10 Indiana Market serves Veterans in Indiana, northwest Ohio, and southwest Michigan. 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.[36]

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

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Indiana 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 Indiana Market faces slightly decreasing enrollment. Demand for inpatient medical and surgical services is projected to remain stable while demand for long-term care and outpatient care is projected to increase. There is a need to modernize facilities to meet current health care delivery standards and expand access for Veterans to receive care in a new and efficient environment. Demand for acute inpatient and ambulatory services will be met at a replacement Indianapolis VAMC in a new, modern facility with a strong academic affiliation. The strategy for the Indiana 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 considers the increased demand for services in the market and improves access to care in modern facilities closer to where Veterans live by establishing a new multi-specialty community-based outpatient clinic (MS CBOC) in Noblesville, Indiana, and a new MS CBOC in Fort Wayne, Indiana.
- **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 Indianapolis VAMC and the Marion VAMC and expands access to

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

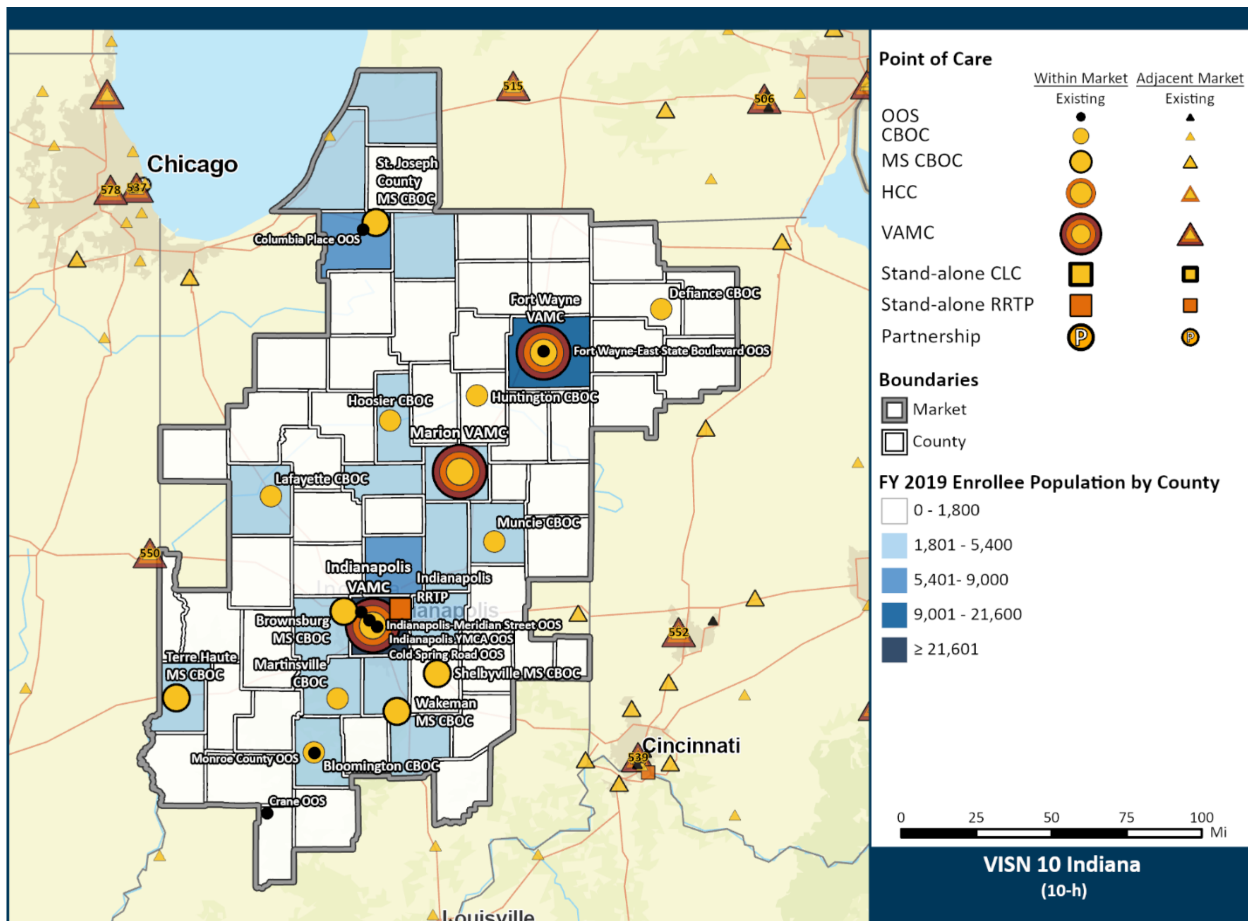
community living center (CLC) programs in a new stand-alone facility in Indianapolis, Indiana. VA's recommendation maintains an inpatient spinal cord injuries and disorders (SCI/D) program at the SCI/D Hubs at the Cleveland, Ohio VAMC in the VISN 10 Northeast Ohio Market and the Hines, Illinois VAMC in the VISN 12 Southern Market. Inpatient blind rehabilitation services will be maintained at facilities in the Northeast Region, including the West Haven, Connecticut VAMC in VISN 01; the proposed King of Prussia, Pennsylvania VAMC in VISN 04; and the Cleveland, Ohio VAMC in VISN 10.

- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation invests in a replacement Indianapolis VAMC and expands utilization of community providers to provide Veterans inpatient care in their local communities.

# Market Overview

The market overview includes a map of the Indiana 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 three VAMCs (Indianapolis, Marion, and Fort Wayne), one stand-alone RRTP, five MS CBOCs, seven community-based outpatient clinics (CBOCs), and seven other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 137,308 enrollees and is projected to experience a 2.0% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Marion, Allen, and St. Joseph, Indiana.

**Demand:** Demand[37] in the market for inpatient medical and surgical services is projected to increase by 3.5% and demand for inpatient mental health services is projected to increase by 9.4% between FY 2019 and FY 2029. Demand for long-term care[38] is projected to increase by 50.0% during the same period. Demand for all outpatient services,[39] including primary care, mental health, specialty care, dental care, and rehabilitation therapies, is projected to increase.

**Rurality:** 40.2% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 71.4% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 70.3% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[40] in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate[41] of 60.4% (1,756 available beds)[42] and an inpatient mental health occupancy rate of 69.2% (31 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 75.5% (1,743 available beds). Community residential rehabilitation programs[43] 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 Indiana University. The Indianapolis VAMC is ranked 6 out of 154 VA training sites based on the number of trainees and the Marion VAMC is ranked 104 out of 154.14 out of 103 VAMCs with research funding. The Marion VAMC and Fort Wayne VAMC conduct limited or no research. The Indianapolis VAMC is designated as a Primary Receiving Center. The Marion VAMC and the Fort Wayne VAMC hold no emergency designation.[44]

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[37] 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).

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

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

[40] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

[41] 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.

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

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

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

## Facility Overviews

**Indianapolis VAMC:** The Indianapolis VAMC is located in Indianapolis, Indiana, and offers inpatient medical and surgical, inpatient mental health, rehabilitation medicine, RRTP (off-site), and outpatient services. In FY 2019, the Indianapolis VAMC had an inpatient medical and surgical care average daily census (ADC) of 79.3, an inpatient mental health ADC of 12.6, a rehabilitation medicine ADC of 5.0, and an RRTP ADC of 42.7.

The Indianapolis VAMC was built in 1952 on 18.0 acres. The main hospital was most recently renovated in 1993. The Indianapolis VAMC has no available expansion space and has functional and structural issues that cannot be resolved in the existing facility. Facility condition assessment (FCA) deficiencies are approximately $99.8M, and annual operations and maintenance costs are an estimated $20.6M.

**Marion VAMC:** The Marion VAMC is located in Marion, Indiana, and offers inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Marion VAMC had an inpatient mental health ADC of 19.7, a CLC ADC of 96.9, and an RRTP ADC of 24.6.

The Marion VAMC main facility was constructed in 1995 on 105.0 acres and has chronic infrastructure problems. FCA deficiencies are approximately $111.2M, and annual operations and maintenance costs are an estimated $10.9M. There are current plans in place to demolish 20 historic buildings on the site after negotiation with state historic authorities.

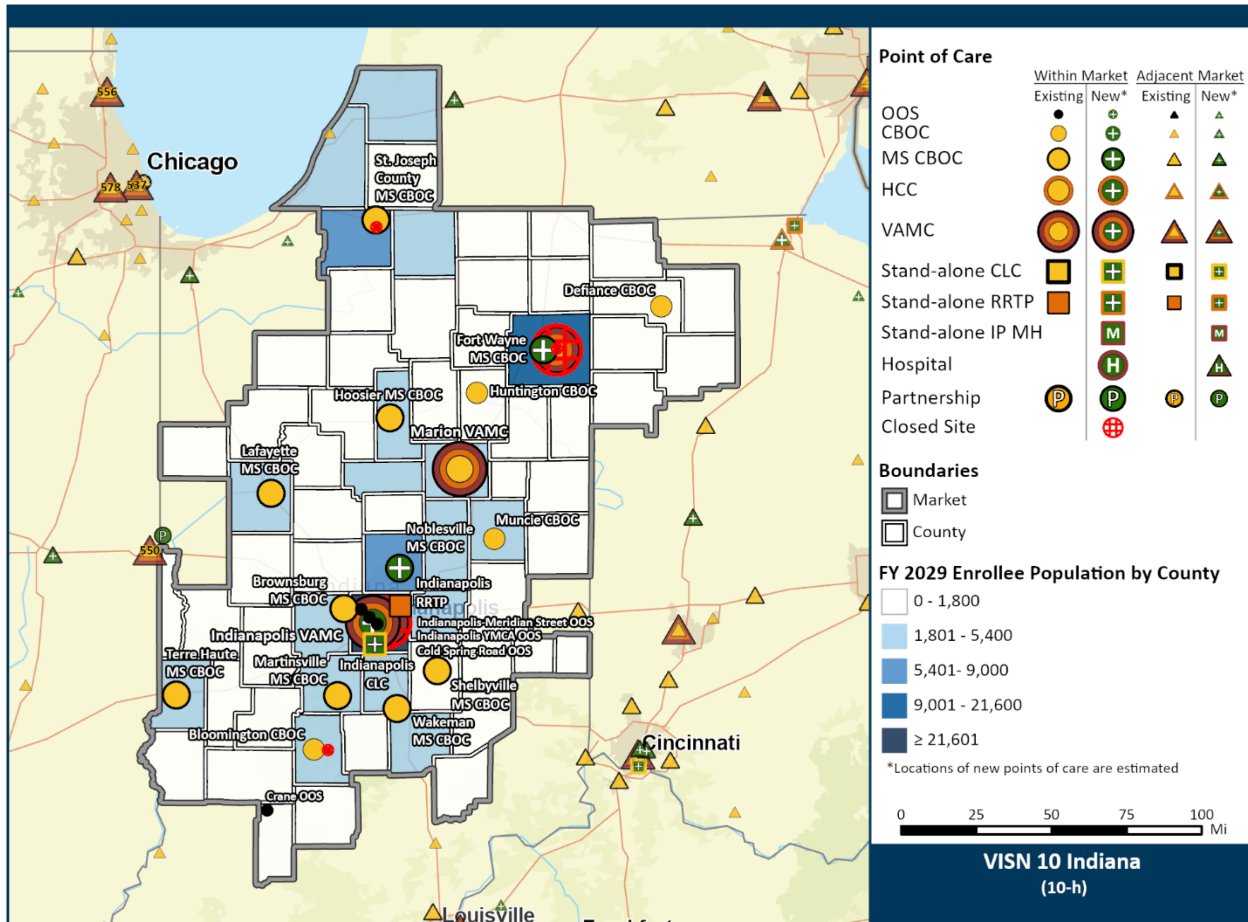
**Fort Wayne VAMC:** The Fort Wayne VAMC is located in Fort Wayne, Indiana, and offers inpatient medical and outpatient services. In FY 2019, the Fort Wayne VAMC had an inpatient medical ADC of 13.3.

The Fort Wayne VAMC was constructed in 1949 on 27.0 acres and was last renovated in 1998. The age and layout of the facility are not conducive to modern health care delivery, and the VAMC has space and structural constraints. FCA deficiencies are approximately $39.5M, and annual operations and maintenance costs are an estimated $2.3M.

# Recommendation and Justification

This section details the VISN 10 Indiana Market recommendation and justification for each element of the recommendation.

## Future Market Map




1. ***Modernize and realign the Indianapolis VAMC by:***

    1.1. **Constructing a replacement VAMC with inpatient medical and surgical care, inpatient mental health, and outpatient services in the vicinity of Indianapolis, Indiana:** The Indianapolis VAMC offers inpatient medical and surgical care, inpatient mental health, outpatient services, and emergency department services. The existing Indianapolis VAMC was constructed in 1952, faces high operating and maintenance costs and over $99.8M in FCA deficiencies, and has functional and structural issues that cannot be resolved in the existing facility. The VAMC currently has adequate demand, and projections indicate future demand will be substantial. The in-house FY 2029 projected ADC is 80.6 for inpatient medical and surgical care and 13.1 for inpatient mental health. The new VAMC will provide access to sustainable acute inpatient services, outpatient surgical, and emergency department services in a modern health care environment to Veterans in the market.

1.2. **Closing the Indianapolis VAMC:** Opening a replacement VAMC will provide access to sustainable acute inpatient services in a modern health care environment to Veterans in the Indiana Market, while reducing ongoing maintenance costs. Relocation of services to the new VAMC will allow for closure of the existing Indianapolis VAMC.

2. ***Modernize the Marion VAMC by:***

2.1. **Modernizing the CLC:** The existing CLC at the Marion VAMC is the only CLC in the Indiana Market. Most rooms have four patients to a room and two rooms per bathroom. To improve CLC services, VA recommends renovating the current space to single patient rooms using the latest design standards to allow for 180 beds.

2.2. **Modernizing the RRTP:** The Marion VAMC currently operates 30 RRTP beds in shared rooms. The Indiana Market has a total of 80 RRTP beds, as the stand-alone Indianapolis RRTP has 50 RRTP beds. The projected FY 2028 RRTP bed need in the Indiana Market is 86 beds. There is enough space to convert the RRTP rooms to private rooms while expanding the current RRTP from 30 to 40 beds. There will be a collaborative strategy between the Marion VAMC and the Indianapolis VAMC to share and distribute RRTP bed resources across service types, such as general domiciliary, substance use disorder, and posttraumatic stress disorder. The strategy will meet the need of the market and improve care competencies, capabilities, and access.

3. ***Realign the Fort Wayne VAMC by:***

3.1. **Relocating all inpatient services from the Fort Wayne VAMC to community providers and discontinuing those services at the Fort Wayne VAMC:** The Fort Wayne VAMC offers inpatient medical and outpatient care. The configuration of the Fort Wayne VAMC is not conducive to providing efficient patient care, and there is little space for specialty care providers. Outpatient mental health is provided off-campus and the configuration of the Fort Wayne VAMC is not conducive to support the patient aligned care team (PACT) model. In FY 2019, the Fort Wayne VAMC had 22,785 enrollees within 60 minutes of the site. VA recommends relocating primary care, outpatient mental health, and outpatient specialty care services to a new MS CBOC on the existing Fort Wayne VAMC property. VA recommends relocating inpatient medical, outpatient surgical, and emergency department services to community providers. The Fort Wayne VAMC had 19 inpatient medical beds. In FY 2019, it had an inpatient medical ADC of 13.3, which is not adequate to sustain acute care services. In-house demand for inpatient medical and surgical care services at the Fort Wayne VAMC is projected to decrease to 11.8 ADC. There is quality capacity in the community with the ability to meet projected Veteran demand. Acute inpatient services will use community providers which will allow Veterans to access VA-coordinated care in modern facilities close to home.

3.2. **Establishing a new MS CBOC at the Fort Wayne VAMC site and relocating all outpatient services from the existing Fort Wayne VAMC to the new MS CBOC:** This will allow VA to meet future demand for primary care, outpatient mental health, outpatient specialty care, and urgent care services in a modern environment. The Fort Wayne VAMC purchased additional property in 2019 adjacent to the existing Fort Wayne VAMC campus, which will allow for placement of the MS CBOC on the existing campus. As of FY 2019, there were 22,785 enrollees within 60 minutes of the existing Fort Wayne VAMC campus. Relocating outpatient services to a new MS CBOC to be established on the Fort Wayne campus.

3.3. **Closing the Fort Wayne VAMC:** After the relocation of inpatient services to community providers and outpatient services to the new Fort Wayne MS CBOC, the Fort Wayne VAMC will close.

4. ***Modernize by establishing a new stand-alone CLC in the vicinity of Indianapolis, Indiana:*** The Indianapolis VAMC does not offer CLC services, and total demand for long-term care in the Indiana Market is projected to increase by 50.0% from FY 2019 to FY 2029, with a projected in-house FY 2029 ADC of 124.0. Currently, Veterans in Indianapolis are traveling an estimated 90 minutes to the Marion VAMC for CLC care. The proposed CLC will be located in a more accessible location for Veterans and their families in the southern section of the Indianapolis metropolitan area to expand access to CLC services in the Shelbyville, Martinsville, Bloomington, and Crane areas and will allow VA to meet the future increase in CLC demand.

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

5.1. **Establishing a new MS CBOC in the vicinity of Noblesville, Indiana:** A new MS CBOC in the vicinity of Noblesville, Indiana (Hamilton County) will allow VA to expand access to primary care, outpatient mental health, and specialty care services as well as alleviate space constraints at the Indianapolis VAMC. As of FY 2019, there were 16,273 enrollees within 30 minutes and 58,704 enrollees within 60 minutes of the proposed Noblesville MS CBOC site.

5.2. **Relocating all services to the Bloomington CBOC and closing the Monroe County OOS:** The existing Monroe County OOS is located an estimated 15 minutes from the Bloomington CBOC. In FY 2019, the Monroe OOS had 855 core uniques.[45] Relocating outpatient mental health services to the Bloomington CBOC will provide access to outpatient mental health services for Veterans in Monroe County and the surrounding area.

5.3. **Relocating all services to the St. Joseph MS CBOC and closing the Columbia Place OOS:** The Columbia Place OOS has insufficient demand and is located within 20 minutes of the St. Joseph MS CBOC. In FY 2019, the Columbia Place OOS had 685 core uniques. Relocating outpatient mental health services to the St. Joseph MS CBOC will provide access to outpatient mental health services for Veterans in St. Joseph County and the surrounding area. As of FY 2019, there were 10,653 enrollees within 30 minutes and 23,060 enrollees within 60 minutes of the St. Joseph MS CBOC. The St. Joseph MS CBOC has an affiliation with Notre Dame University, which assists with provider recruitment and retention.

5.4. **Relocating all services to the proposed Fort Wayne MS CBOC and closing the Fort Wayne-East State Boulevard OOS:** The Fort Wayne-East State Boulevard OOS offers outpatient mental health care, some specialty care services, and limited primary care. Relocating services to the proposed MS CBOC in Fort Wayne, Indiana will allow VA to meet increased future demand for primary care, outpatient mental health, outpatient specialty care, and urgent care services in a single facility. The proposed MS CBOC is located within five minutes of the existing Fort Wayne-East State Boulevard OOS.

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[45] 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:

## Indiana Market

- **Combine senior leadership between the Marion VAMC and Indianapolis VAMC to improve joint facility planning and coordination:** The Marion and Fort Wayne VAMCs currently share senior leadership. VA will combine the senior facility leadership teams into a single market leadership team for the VA facilities in the Indiana Market. This combined market leadership team will oversee the full continuum of care for Veterans in the Indiana Market.

## Indianapolis VAMC

- **Reallocate some existing Domiciliary Care for Homeless Veterans (DCHV) RRTP beds at the stand-alone Indianapolis RRTP to general domiciliary beds and substance use disorder (SUD) beds:** VA's recommended RRTP expansion at the Marion VAMC will allow for the reallocation of the existing 50 beds at the stand-alone Indianapolis RRTP to specific programs based on Veteran demand.
- **Ensure there is adequate space to support the research initiative at the proposed new replacement Indianapolis VAMC to maintain all existing programs:** The existing Indianapolis VAMC has a strong academic affiliation and research program with Indiana University. Ensuring there is adequate research space at the proposed new replacement Indianapolis VAMC will enable the research program to be successful in the replacement facility. The Office of Research and Development will be consulted in the planning for the proposed replacement Indianapolis VAMC to ensure there is space to maintain existing research programs.
- **Add specialty care services to the Lafayette CBOC, which may result in the classification of the facility as an MS CBOC:** The Lafayette CBOC (Tippecanoe County) serves Veterans in Tippecanoe, Benton, Carroll, and Clinton counties. Enrollees in Tippecanoe County are projected to remain stable from FY 2019 to FY 2029, with 3,038 enrollees in FY 2029. Adding audiology, optometry, physical therapy, and podiatry services to the Lafayette CBOC will expand access to outpatient specialty care services for Veterans in the area. As of FY 2019, there were 24,230 enrollees within 60 minutes of the Lafayette CBOC.
- **Add specialty care services to the Martinsville CBOC, which may result in the classification of the facility as an MS CBOC:** The Martinsville CBOC (Johnson County) also serves Veterans in the adjacent county of Bartholomew County. Enrollees in Johnson County are projected to increase by 4.1% from 4,786 to 4,984 enrollees between FY 2019 to FY 2029. Adding audiology, optometry, physical therapy, and podiatry services to the Martinsville CBOC will expand access to outpatient specialty care services to Veterans in the area. As of FY 2019, there were 47,166 enrollees within 60 minutes of the Martinsville CBOC.

## Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 10 Indiana Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[46] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 10 Indiana Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

| VISN 10 Indiana Market | Status Quo | Modernization | VA Recommendation |
|---:|---:|---:|---:|
| **Total Cost** | $27,704,027,230 | $29,751,033,748 | $29,498,416,822 |
| Capital Cost | $1,768,116,403 | $3,815,122,921 | $3,898,903,148 |
| Operational Cost | $25,935,910,826 | $25,935,910,826 | $25,599,513,674 |
| **Total Benefit Score** | 7 | 10 | 14 |
| **CBI (normalized in $B)** | **3.96** | **2.98** | **2.11** |

**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.

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

# Section 203 Criteria Analysis

This section provides an overview of how this market recommendation is consistent with the Section 203 decision criteria as required by the MISSION Act. For more detailed information, 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 20 VA points of care offering outpatient services, including the proposed replacement Indianapolis, Indiana VAMC; the proposed new Noblesville, Indiana MS CBOC; and Fort Wayne, Indiana MS CBOC; and the proposed expanded Hoosier, Indiana MS CBOC; Martinsville, Indiana MS CBOC; and Lafayette, Indiana MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Marion, Indiana VAMC and the proposed new stand-alone CLC in Indianapolis, Indiana, 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 proposed new Hines, Illinois VAMC (VISN 12).
- **RRTP:** RRTP demand will be met through the Marion, Indiana VAMC; the Indianapolis, Indiana stand-alone RRTP; and the other facilities within VISN 10 offering RRTP, including the Dayton, Ohio VAMC; the Cleveland, Ohio VAMC; and the stand-alone RRTP in Detroit, Michigan; and the proposed new Wyoming, Michigan VAMC; RRTP at the Saginaw, Michigan VAMC; stand-alone RRTP in Toledo, Ohio.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC (VISN 10) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the proposed replacement Indianapolis, Indiana VAMC, as well as through community providers; inpatient mental health demand will be met through the Marion, Indiana VAMC and the proposed replacement Indianapolis, Indiana 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 128,747 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 128,748 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 10. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Indiana University.
- **Research:** This recommendation does not impact the research mission in the market and allows the proposed replacement Indianapolis, Indiana VAMC to maintain its current research mission by ensuring there is adequate space to support research to maintain all existing programs.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the proposed replacement Indianapolis 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 replacement Indianapolis, Indiana VAMC; and the proposed new Noblesville, Indiana MS CBOC; Fort Wayne, Indiana MS CBOC; and stand-alone CLC in Indianapolis, Indiana; as well as the modernization of the CLC and RRTP at the Marion, Indiana 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 (2.11 for VA Recommendation versus 3.96 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 Indianapolis, Indiana VAMC; and the proposed new Noblesville, Indiana MS CBOC; Fort Wayne, Indiana MS CBOC; and stand-alone CLC in Indianapolis, Indiana; as well as the modernization of the CLC and RRTP at the Marion, Indiana VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($29.5B for VA Recommendation versus $29.8B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (2.11 for VA Recommendation versus 2.98 for Modernization), reflecting effective stewardship of taxpayer dollars.

# VISN 10 Michigan Erie Market

The Veterans Integrated Service Network (VISN) 10 Michigan Erie Market serves Veterans in the lower peninsula of Michigan and northern Ohio. 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.[47]

## VA's Commitment to Veterans in the Michigan Erie Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Michigan Erie 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

Enrollment in the Michigan Erie Market is projected to decrease slightly. Demand for inpatient medical and surgical services, long-term care, and outpatient services is increasing, while demand for inpatient mental health services remains stable. The Veteran population in the Michigan Erie Market is shifting from rural to urban areas, resulting in high Veteran population growth in the Grand Rapids and Lansing, Michigan areas. There is a need to redistribute services into communities with more concentrated Veteran populations, relocate inpatient and outpatient services out of outdated infrastructure to more modern facilities, and meet the existing and projected Veteran demand. There is also a need to expand access to outpatient services across the market. The strategy for the Michigan Erie 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 considers the increased demand for these services in the market and improves access to care in modern facilities closer to where Veterans live by establishing one new VAMC, one new health care center (HCC), two

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

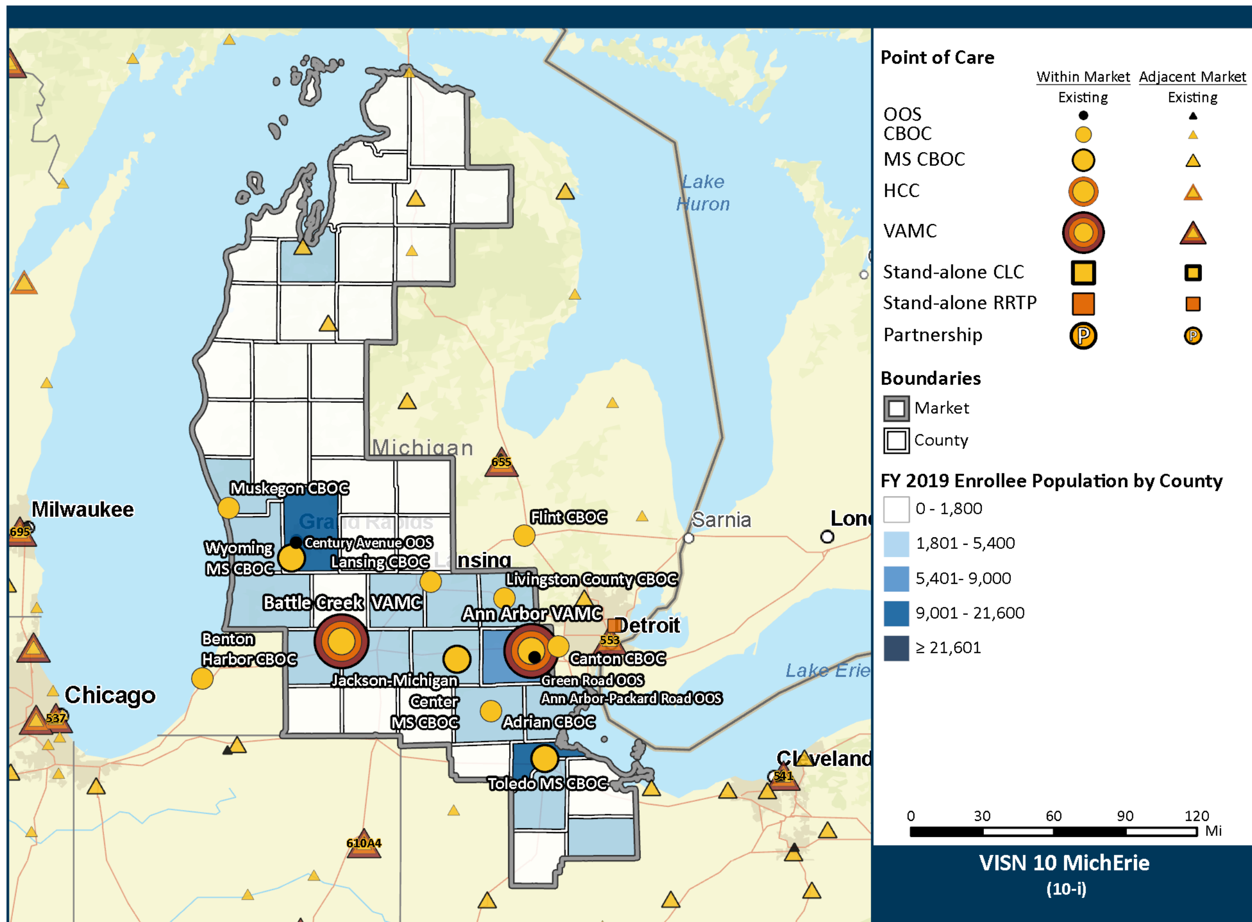
new multi-specialty community-based outpatient clinics (MS CBOCs), and one new community-based outpatient clinic (CBOC).

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation maintains sustainable inpatient mental health and community living center (CLC) programs and expands residential rehabilitation treatment program (RRTP) services in a new VAMC in Wyoming, Michigan to provide quality, comprehensive care that may not readily be available in the community. VA's recommendation maintains an inpatient spinal cord injuries and disorders (SCI/D) program at the SCI/D Hubs at the Cleveland, Ohio VAMC in the VISN 10 Northeast Ohio Market and the Hines, Illinois VAMC in the VISN 12 Southern Market. VA's recommendation relocates inpatient blind rehabilitation services from the Battle Creek VAMC to the Cleveland VAMC in the VISN 10 Northeast Ohio Market.
- **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 programs within the Ann Arbor VAMC, establishes an academic affiliation with Michigan State University, and establishes a strategic collaboration to deliver inpatient medical and surgical care for Veterans closer to where they live in the vicinity of Grand Rapids and Wyoming, Michigan.

# Market Overview

The market overview includes a map of the Michigan Erie 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 (Ann Arbor and Battle Creek), three MS CBOCs, seven CBOCs, and three other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 109,567 enrollees and is projected to experience a 3.0% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Kent, Michigan; Lucas, Ohio; and Washtenaw, Michigan.

**Demand:** Demand[48] in the market for inpatient medical and surgical services is projected to increase by 5.4% and demand for inpatient mental health services is projected to remain stable between FY 2019 and FY 2029. Demand for long-term care[49] is projected to increase by 57.6%. Demand for all outpatient

[48] 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).
[49] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

services,[50] including primary care, mental health, specialty care, dental, and rehabilitation therapies is projected to increase.

**Rurality:** 53.5% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 62.7% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 44.6% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[51] in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate[52] of 67.9% (2,212 available beds)[53] and an inpatient mental health occupancy rate of 66.8% (145 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 83.6% (326 available beds). Community residential rehabilitation programs[54] 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 Western Michigan University, the University of Toledo, and the University of Michigan. The Ann Arbor VAMC is ranked 22 out of 154 VA training sites based on the number of trainees and the Battle Creek VAMC is ranked 95 out of 154. The Ann Arbor VAMC is ranked 15 out of 103 VAMCs with research funding, the Battle Creek VAMC conducts limited or no research. The Ann Arbor VAMC and the Battle Creek VAMC hold no emergency designation.[55]

## Facility Overviews

**Ann Arbor VAMC:** The Ann Arbor VAMC is located in Ann Arbor, Michigan, an estimated 40 miles west of Detroit, and offers inpatient medical and surgical, inpatient mental health, CLC, and outpatient services. In FY 2019, the Ann Arbor VAMC had an inpatient medical and surgical average daily census (ADC) of 61.8, an inpatient mental health ADC of 15.3, and a CLC ADC of 37.4.

The Ann Arbor VAMC was built in 1950 on 31.0 acres. The main hospital was most recently renovated in 2002. Facility condition assessment (FCA) deficiencies are approximately $85.8M, and annual operations and maintenance costs are an estimated $16.8M.

**Battle Creek VAMC:** The Battle Creek VAMC is located in Battle Creek, Michigan, in the southwestern part of the state and offers inpatient medical, inpatient mental health, CLC, RRTP, inpatient blind rehabilitation, and outpatient services. In FY 2019, the Battle Creek VAMC had an inpatient medical ADC

[50] Projected market demand for outpatient services is based on VA’s EHCPM in relative value units (RVUs).

[51] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

[52] 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.

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

[54] Includes community residential rehabilitation programs similar to VA’s RRTP, blind rehabilitation, and rehabilitative SCI/D services.

[55] 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.

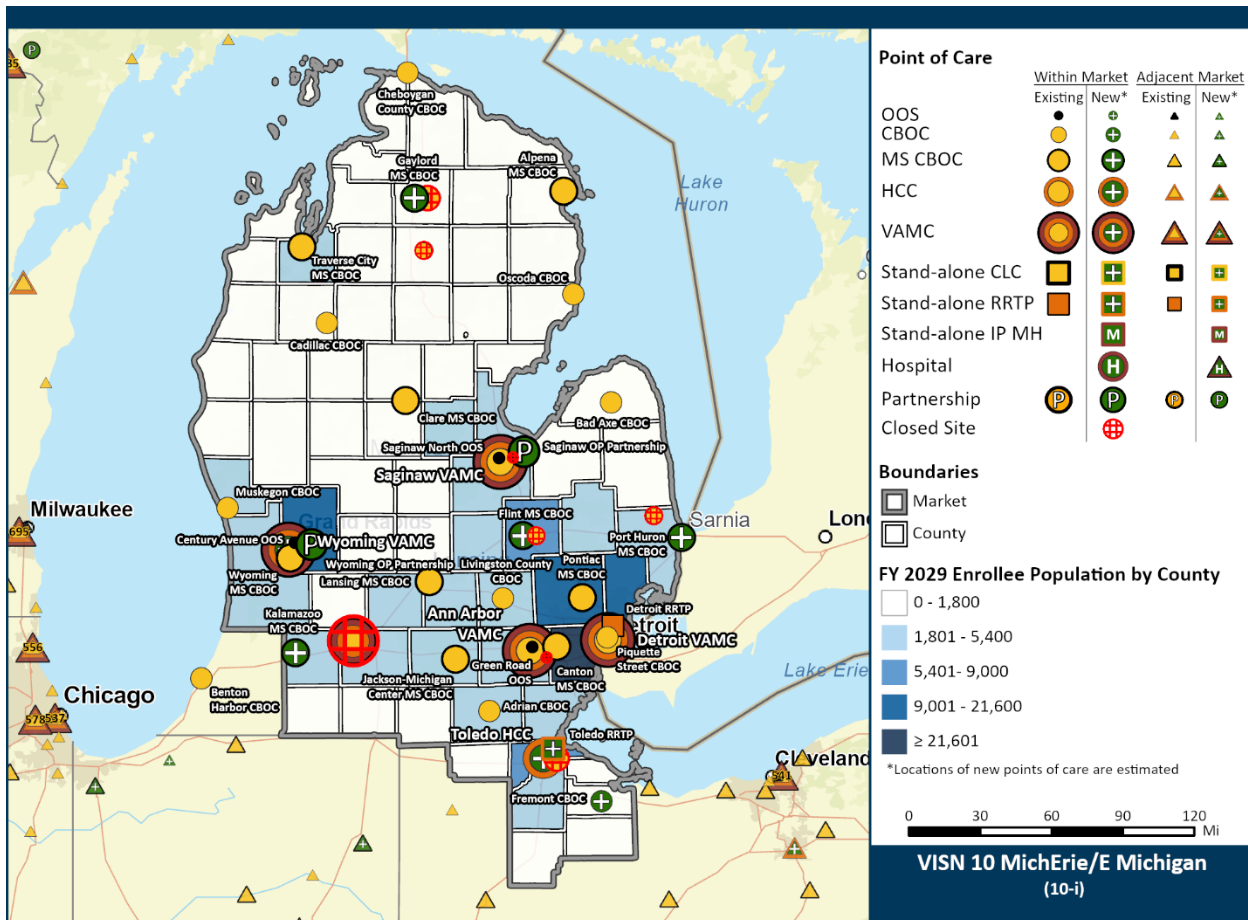
of 2.6, a mental health ADC of 41.9, an RRTP ADC of 71.6, a CLC ADC of 74.6, and an inpatient blind rehabilitation ADC of 0.0.

The Battle Creek VAMC was built in 1931 on 213.0 acres. The main hospital was most recently renovated in 1993. The infrastructure does not meet current design standards[56] for modern health care, and historic buildings make it costly to maintain. FCA deficiencies are approximately $90.9M, and annual operations and maintenance costs are an estimated $13.7M.

# Recommendation and Justification

This section details the VISN 10 Michigan Erie Market recommendation and justification for each element of the recommendation.

## Future Market Map




[56] 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.

1. ***Modernize and realign the Battle Creek VAMC by:***

   1.1. **Constructing a new VAMC with inpatient mental health, CLC, and RRTP in the vicinity of Wyoming, Michigan:** The Grand Rapids and Wyoming, Michigan area in Kent County is the referral center for higher levels of care in western Michigan. Relocating the VAMC from Battle Creek to Wyoming, Michigan will allow VA to expand access to care, provide care closer to where Veterans live, and allow for greater recruitment and retention of staff through a location proximal to a Michigan State University Medical School campus in the "Medical Mile" of Grand Rapids, Michigan. In FY 2019, there were 34,963 enrollees within a 60-minute drive time of the Wyoming MS CBOC compared to 23,560 enrollees within the 60-minute drive time of the Battle Creek VAMC. The new VAMC will provide inpatient mental health, CLC, and RRTP services on-site. Outpatient surgical services will be provided in a community provider facility.

   1.2. **Relocating all inpatient and outpatient services currently provided at the Battle Creek VAMC to current or future VA facilities or community providers and discontinuing those services at the existing Battle Creek VAMC:** There are several facilities maintenance issues, investment requirements, and architectural and engineering challenges at the existing Battle Creek VAMC. The VAMC is facing recruitment and retention challenges, and much of the Battle Creek enrollee population has migrated to the Grand Rapids and Wyoming area in Kent County. The Battle Creek VAMC provides inpatient medical, inpatient mental health, CLC, RRTP, inpatient blind rehabilitation, primary care, outpatient mental health, outpatient specialty care, and urgent care services. Inpatient mental health, CLC, and a portion of RRTP services will relocate to the proposed new Wyoming VAMC. A portion of the RRTP services will relocate to the proposed new stand-alone RRTP in the vicinity of Toledo, Ohio to better distribute RRTP care across the region. Inpatient blind rehabilitation will relocate to the Cleveland, Ohio VAMC. Primary care, outpatient mental health, outpatient specialty care, and urgent care services will relocate to the new Kalamazoo MS CBOC, which is near a larger enrollee population than the Battle Creek, Michigan area. Relocating inpatient medical services and expanding inpatient surgical services with academic and community providers in the Wyoming area improves Veteran access and minimizes quality risks associated with low ADC. The Battle Creek VAMC had an inpatient medical ADC of 2.6 in FY 2019 and is projected to have an in-house ADC of 2.8 in FY 2029, which is not sustainable to maintain inpatient medical services. The VAMC provides no surgical services. This realignment of services will place services in modern facilities closer to where Veterans live.

   1.3. **Establishing a strategic collaboration with a community provider to deliver outpatient surgical services:** Currently, the Battle Creek VAMC provides no outpatient surgical services. Total demand in the market for outpatient surgical specialties is projected to increase by 86.0% between FY 2019 and FY 2029. VA's recommendation creates a strategic collaboration through a sharing agreement for VA providers to deliver outpatient surgical services in a community provider space affiliated with Michigan State University in the Wyoming/Grand Rapids, Michigan area, which will help meet future demand and locate this service closer to Veterans.

   1.4. **Closing the Battle Creek VAMC:** With the new replacement VAMC in the vicinity of Wyoming/Grand Rapids, the existing Battle Creek VAMC will close.

2. ***Modernize by establishing a new stand-alone RRTP in the vicinity of Toledo, Ohio:*** A new stand-alone RRTP in the vicinity of Toledo, Ohio (Lucas County) will expand access to RRTP services for Veterans in Lucas, Fulton, Hancock, Monroe, Ottawa, Sandusky, Seneca, and Wood counties. The new 60-bed RRTP in Toledo will absorb a portion of the RRTP relocated from the Battle Creek VAMC and provide services in the southern sectors of the combined Michigan Erie and Eastern Michigan markets. There is enough current and future population to warrant the addition of VA RRTP services in Lucas County, with 40,108 enrollees residing within 60 minutes of the Toledo MS CBOC in FY 2019.

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

    **3.1. Establishing a new MS CBOC in the vicinity of Kalamazoo, Michigan:** With the proposed closure of the Battle Creek VAMC, outpatient services will be relocated to a new MS CBOC in the vicinity of Kalamazoo, Michigan (Kalamazoo County). This will expand access to primary care, outpatient mental health, outpatient specialty care, and urgent care services for Veterans in the most sustainable location in the Kalamazoo area. Kalamazoo County is projected to have 4,764 enrollees in FY 2029, and Calhoun County, the neighboring county, is projected to have 4,565 enrollees in FY 2029. As of FY 2019, there were 7,056 enrollees within 30 minutes and 31,264 enrollees within 60 minutes of the proposed Kalamazoo MS CBOC site. Kalamazoo is closer to a higher population of enrollees than Battle Creek, resulting in expanded access in a location more convenient for Veterans.

    **3.2. Establishing a new CBOC in the vicinity of Fremont, Ohio:** A new CBOC in the vicinity of Fremont, Ohio (Sandusky County) will expand access to primary care and outpatient mental health services in the most sustainable location in the Fremont area. Fremont is outside of a 30-minute drive time to an existing VA point of care. As of FY 2019, there were 4,633 enrollees within 30 minutes of the proposed Fremont CBOC site.

    **3.3. Relocating the Flint CBOC to a new site in the vicinity of Flint, Michigan and closing the existing Flint CBOC:** Relocating the Flint CBOC and expanding it to a new MS CBOC in the vicinity of Flint, Michigan (Genesee County) will allow for appropriate clinic expansion to align to Veteran demand in the most sustainable location in Genesee, Lapeer, and Shiawassee counties. The existing Flint CBOC is the only point of care for Veterans living in Genesee, Lapeer, and Shiawassee counties. In FY 2019, the proposed MS CBOC in the Flint metropolitan area was the closest VA point of care for 12,018 enrollees within a 30-minute drive time and 59,494 enrollees within a 60-minute drive time.

    **3.4. Relocating all services to a new site in in the vicinity of Toledo, Ohio and closing the existing Toledo MS CBOC:** Relocating the existing Toledo MS CBOC and expanding it to an HCC in the vicinity Toledo, Ohio (Lucas County) will expand access to care for Veterans in Monroe County in Michigan and Lucas, Fulton, Hancock, Ottawa, Sandusky, Seneca, and Wood counties in Ohio, where there were collectively 23,683 enrollees in FY 2019. The proposed Toledo HCC had 40,108 enrollees within a 60-minute drive time in FY 2019. The relocation of the Toledo MS CBOC and expansion to an HCC will address the increasing demand for primary care, outpatient mental health, outpatient specialty care, and outpatient surgical services in the sector and strengthen the academic affiliation with the University of Toledo. An expanded outpatient site will also allow for the expansion of women’s health services to serve the increasing women

Veteran population, which is projected to increase by 37.6% to a total of 10,304 women enrollees in the market by FY 2029.

**3.5. Relocating all services to the proposed Canton MS CBOC and closing the Packard Road OOS:** Primary care and outpatient mental health services provided at the Packard Road OOS (Washtenaw County) will be relocated to the proposed new Canton MS CBOC (Wayne County), or to other VA points of care, to expand access to care for Veterans in the most sustainable location in southern Wayne County. The proposed new Canton MS CBOC will be located an estimated 25 minutes from the Packard Road OOS. In FY 2019, there were 5,449 Veteran enrollees in Washtenaw County compared to 34,464 Veteran enrollees in Wayne County. The Packard Road OOS had 17,284 enrollees within a 30-minute drive time in FY 2019. The Packard Road OOS lease was scheduled to terminate in September 2021. The relocation of these services will consolidate points of care and move care towards the population centers where most enrollees reside, which would result in the closure of the Packard Road 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:

## Michigan Erie Market

- **Combine the Michigan Erie and Eastern Michigan markets into a single market**: Enrollees in different areas of the state of Michigan – North, East, and West – have distinct needs which require a cohesive strategy to address. VA will combine the two markets to enhance joint planning of services, avoid duplication of services, and create a single standard of care for the market.

## Ann Arbor VAMC

- **Add outpatient specialty care services to the planned Canton CBOC, which may result in the classification of the facility as an MS CBOC (in progress):** Access to outpatient specialty care in Wayne County is currently limited to the Detroit VAMC in the downtown Detroit area. For Veterans living in the Detroit suburbs, Canton is a more accessible location, where there is enough current and future population to sustain primary care, outpatient mental health, and outpatient specialty care services in Wayne County. In FY 2019, the Canton CBOC had 87,141 enrollees within a 60-minute drive time of the planned site.
- **Expand specialty care services at the Jackson MS CBOC:** Access to primary care, outpatient mental health, and outpatient specialty care in Jackson County is limited to the Jackson MS CBOC. There is enough current and future population to sustain primary care, outpatient mental health, and outpatient specialty care services in Jackson County. In FY 2019, there were 6,019 enrollees within a 30-minute drive time and 38,325 enrollees within a 60-minute drive time of the Jackson MS CBOC.
- **Establish relationships with area universities to provide inpatient medical and surgical services, supplement clinical staff, and expand education mission via affiliated hospitals in**

**Flint, Michigan:** There is an opportunity to establish and strengthen academic collaborations in the market to provide inpatient medical and surgical care services, supplement clinical staff, and expand the education mission via affiliated hospitals. For example, the Michigan State University has capacity to provide inpatient medical and surgical care services to Veterans in the Flint area, and it is also affiliated with three teaching hospitals.

- **Develop telehealth connections to deliver services to all clinics throughout Michigan and northern Ohio**: The Ann Arbor VAMC telehealth utilization is below the national average. The category furthest below the national average is clinical video telehealth, suggesting an opportunity to expand access to patients via clinical video telehealth exams.

### Battle Creek VAMC

- **Add outpatient specialty care service to the Lansing CBOC, which may result in the classification of the facility as an MS CBOC**: There is a need to expand outpatient specialty care services at the Lansing CBOC, which would expand access to audiology, cardiology, optometry, physical therapy, podiatry, and urgent care services. As of FY 2019, the Lansing CBOC had 8,058 enrollees within a 30-minute drive time and 34,632 enrollees within a 60-minute drive time.

## Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 10 combined Eastern Michigan and Michigan Erie markets: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[57] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 10 combined Eastern Michigan and Michigan Erie markets are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

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

| VISN 10 combined Eastern Michigan and Michigan Erie markets | Status Quo | Modernization | VA Recommendation |
|---|---|---|---|
| **Total Cost** | $39,569,031,496 | $42,444,537,277 | $42,175,746,521 |
| Capital Cost | $2,226,751,661 | $5,102,257,442 | $5,093,396,838 |
| Operational Cost | $37,342,279,835 | $37,342,279,835 | $37,082,349,683 |
| **Total Benefit Score** | 7 | 10 | 14 |
| **CBI (normalized in $B)** | **5.65** | **4.24** | **3.01** |

**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. The Section 203 criteria analysis was conducted on the combined Michigan Erie and Eastern Michigan markets. 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 31 VA points of care offering outpatient services, including the proposed new Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont, Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS CBOC; and Gaylord, Michigan MS CBOC; and the proposed expanded Lansing, Michigan MS CBOC; and Canton, Michigan MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Ann Arbor, Michigan VAMC; Detroit, Michigan VAMC; Saginaw, Michigan VAMC; and the proposed new Wyoming, Michigan 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 Cleveland, Ohio VAMC (VISN 10) and the Hines, Illinois VAMC (VISN 12).

- **RRTP:** RRTP demand will be met through the Saginaw, Michigan VAMC; stand-alone RRTPs in Detroit, Michigan and Toledo, Ohio; proposed new Wyoming, Michigan VAMC; and the other facilities within VISN 10 offering RRTP, including the Dayton, Ohio VAMC; Cleveland, Ohio VAMC; Marion, Indiana VAMC; and the stand-alone RRTP in Indianapolis, Indiana.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC (VISN 10) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the Ann Arbor, Michigan VAMC and Detroit, Michigan VAMC, as well as through community providers. Inpatient mental health demand will be met through the Ann Arbor, Michigan VAMC; Detroit, Michigan VAMC; and proposed new Wyoming, Michigan 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 196,161 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 196,319 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 10. The recommendation allows for continued relationships with key academic partners, including but not limited to, the University of Michigan and Western Michigan University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Ann Arbor, Michigan VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Ann Arbor, Michigan and Battle Creek, Michigan 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 also 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 Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont, Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS CBOC; and Gaylord, Michigan MS CBOC; and RRTP at the Saginaw, Michigan VAMC; as well as the modernization of the inpatient mental health rooms at the Detroit, Michigan VAMC and the CLC at the Saginaw, Michigan VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

## Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (3.01 for VA Recommendation versus 5.65 for Status Quo), indicating that VA Recommendation is more cost-effective than the Status Quo.

## Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont, Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS CBOC; and Gaylord, Michigan MS CBOC; and RRTP at the Saginaw, Michigan VAMC; as well as the modernization of the inpatient mental health rooms at the Detroit, Michigan VAMC and the CLC at the Saginaw, Michigan VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnership also helps VA in recruiting and retaining staff by embedding providers in community partner space.

- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($42.2B for VA Recommendation versus $42.4B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (3.01 for VA Recommendation versus 4.24 for Modernization), reflecting effective stewardship of taxpayer dollars.

# VISN 10 Eastern Michigan Market

The Veterans Integrated Service Network (VISN) 10 Eastern Michigan Market serves Veterans in the eastern portion of the lower peninsula of Michigan. 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.[58]

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

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 10's Eastern Michigan 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

Veteran enrollment in the Eastern Michigan Market is projected to decrease. Demand for inpatient medical and surgical services is projected to decrease, while demand for long-term care and outpatient care is projected to increase. The Veteran population in the Eastern Michigan Market is shifting from rural to urban areas. There is a need to expand access to health care services for those Veterans who live in rural areas of the market and to modernize the Detroit and Saginaw VAMCs to meet future demand. The strategy for the Eastern Michigan 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 considers the increased demand for these services in the market and improves access to care in modern facilities closer to where Veterans live by establishing a new outpatient facility on an existing VAMC campus and two new multi-specialty community-based outpatient clinics (MS CBOCs).
- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation maintains sustainable inpatient mental health and community living center

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

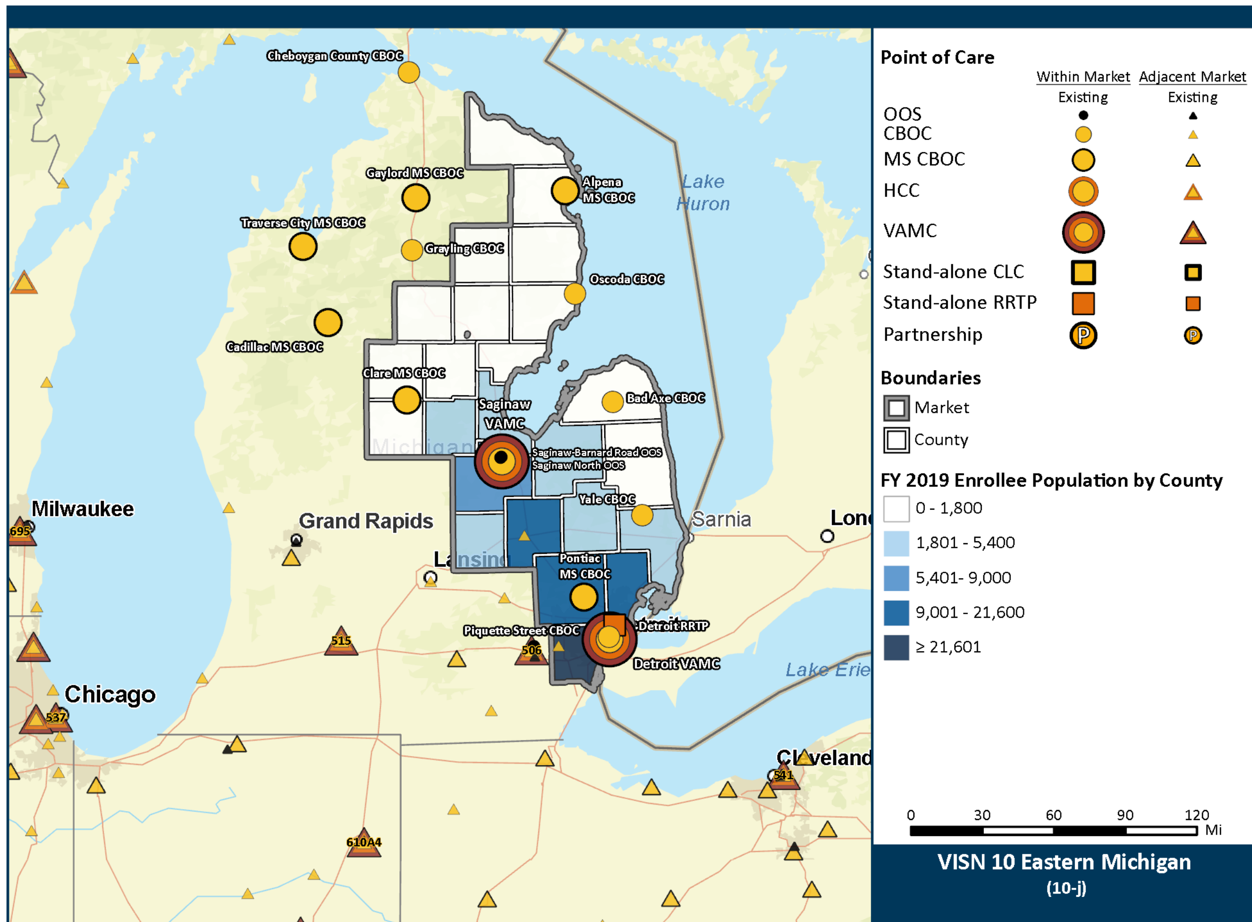
(CLC) programs and expands residential rehabilitation treatment program (RRTP) services at the Detroit and Saginaw VAMCs to ensure quality care for Veterans. VA's recommendation maintains an inpatient spinal cord injuries and disorders (SCI/D) program at the SCI/D Hubs at the Cleveland, Ohio VAMC in the VISN 10 Northeast Ohio Market and the Hines, Illinois VAMC in the VISN 12 Southern Market. Inpatient blind rehabilitation services will be maintained at facilities in the Northeast Region, including the West Haven, Connecticut VAMC in VISN 01; the proposed King of Prussia, Pennsylvania VAMC in VISN 04; and the Cleveland, Ohio VAMC in VISN 10.

- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation maintains programs to provide inpatient medical and surgical care at the Detroit VAMC.

# Market Overview

The market overview includes a map of the Eastern Michigan 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 (Detroit and Saginaw), one stand-alone RRTP, six MS CBOCs, six community-based outpatient clinics (CBOCs), and two other outpatient services (OOS) sites.

**Enrollees:** In fiscal year (FY) 2019, the market had 112,135 enrollees and is projected to experience an 8.8% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Wayne, Oakland, and Macomb, Michigan.

**Demand:** Demand[59] in the market for inpatient medical and surgical services is projected to decrease by 14.8% and demand for inpatient mental health services is projected to decrease by 20.5% between FY 2019 and FY 2029. Demand for long-term care[60] is projected to increase by 49.0%. Demand for all outpatient services,[61] including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

**Rurality:** 23.8% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

**Access:** 84.8% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 87.9% of enrollees live within a 60-minute drive time of a VA secondary care site.

**Community Capacity:** As of 2019, community providers[62] in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate[63] of 67.4% (2,320 available beds)[64] and an inpatient mental health occupancy rate of 69.8% (126 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 82.6% (938 available beds). Community residential rehabilitation programs[65] 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 Wayne State University, Detroit Medical Center, and Central Michigan University. The Detroit VAMC is ranked 50 out of 154 VA training sites based on the number of trainees and the Saginaw VAMC is ranked 127 out of 154. The Detroit VAMC is ranked 45 out of 103 VAMCs with research funding, and the Saginaw VAMC conducts limited or no research. The Detroit VAMC is designated as a Federal Coordinating Center, and the Saginaw VAMC holds no emergency designation.[66]

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[59] 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).

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

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

[62] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.

[63] 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.

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

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

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

## Facility Overviews

**Detroit VAMC:** The Detroit VAMC is located in Detroit, Michigan, and offers inpatient medical and surgical, inpatient mental health, and CLC services. The Detroit VAMC also offers RRTP at an off-site stand-alone facility. In FY 2019, the Detroit VAMC had an inpatient medical and surgical average daily census (ADC) of 39.9, an inpatient mental health ADC of 13.5, a CLC ADC of 47.8, and an RRTP ADC of 39.3.

The Detroit VAMC was built in 1996 on 17.0 acres. The Detroit VAMC has not undergone a major renovation since its construction. Facility condition assessment (FCA) deficiencies are approximately $107.5M, and annual operations and maintenance costs are an estimated $14.9M.

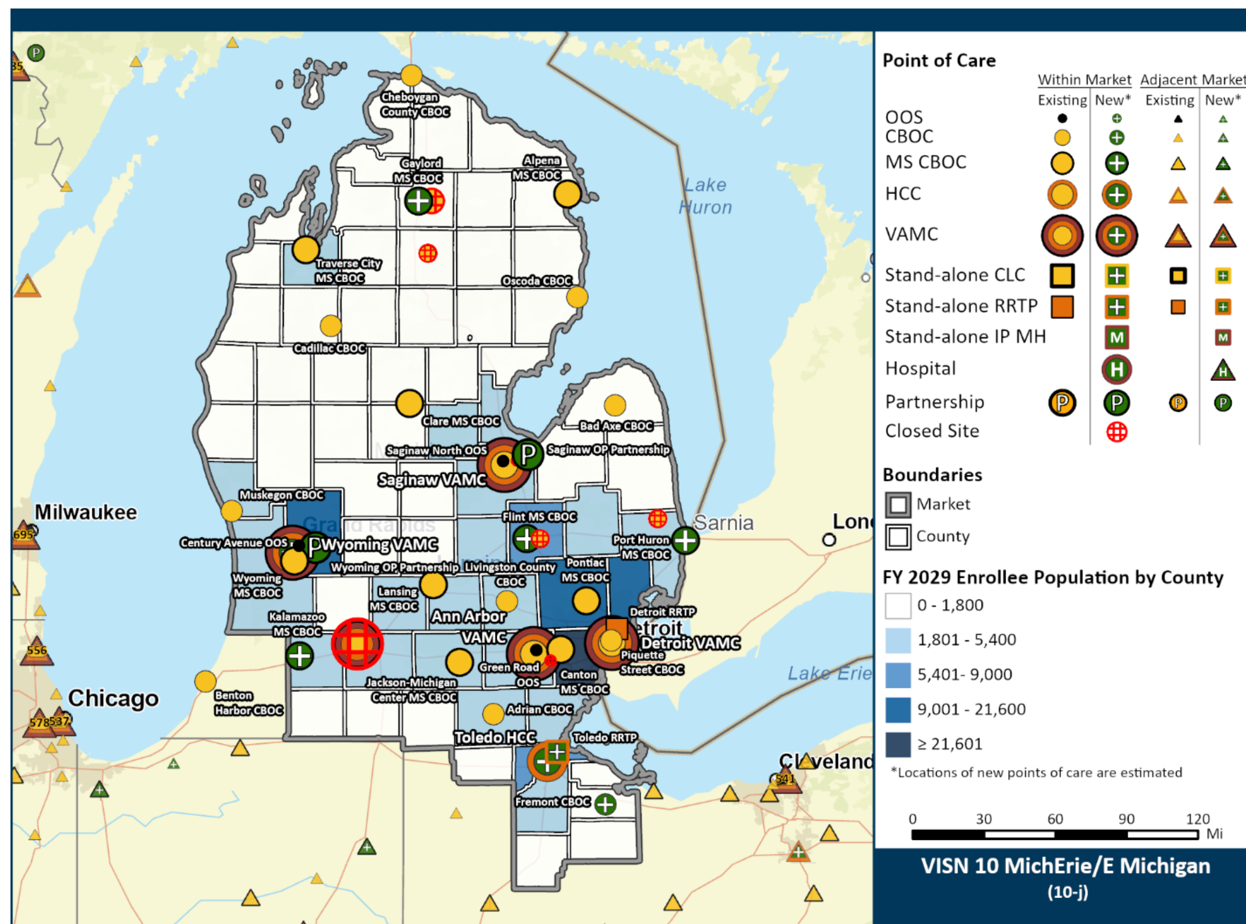
**Saginaw VAMC:** The Saginaw VAMC is located in Saginaw, Michigan, and offers CLC and outpatient services. In FY 2019, the Saginaw VAMC had a CLC ADC of 30.3.

The Saginaw VAMC was built in 1950 on 17.0 acres. The main facility was most recently renovated in 1987. FCA deficiencies are approximately $42.3M, and annual operations and maintenance costs are an estimated $5.2M.

# Recommendation and Justification

This section details the VISN 10 Eastern Michigan Market recommendation and justification for each element of the recommendation.

## Future Market Map




1. ***Modernize the existing inpatient mental health patient rooms at the Detroit VAMC:*** The Detroit VAMC has 28 inpatient mental health rooms, including some double occupancy rooms. Converting shared rooms to private rooms will improve patient satisfaction, reduce infection rates, increase operational flexibility, and adhere to national planning standards.

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

   2.1. **Establishing a new outpatient facility:** The Saginaw VAMC closed its acute inpatient beds in October 2019, and, as a result, the existing hospital building (Building 1) can be closed. VA's recommendation to establish a new outpatient facility on the existing Saginaw VAMC campus will relocate the outpatient services from the hospital building and expand access to primary care, outpatient mental health, and specialty care to meet projected enrollee demand in a modern facility designed to the latest standards recognized by VA. In FY 2019, the Saginaw VAMC had 10,158 enrollees within a 30-minute drive time and 28,339 enrollees within a 60-

minute drive time. By FY 2029, demand is projected to increase across all outpatient services in the Eastern Michigan Market.

2.2. **Establishing a new RRTP:** The Saginaw VAMC does not currently operate an RRTP. The 20 northernmost counties in the Eastern Michigan Market, including Saginaw County, lack access to an RRTP site. The proposed RRTP on the Saginaw VAMC site will be the only RRTP in northern Michigan and there are limited community resources available for this service. In FY 2019, there were 50 RRTP beds at an off-site stand-alone facility in Detroit with an ADC of 39.3. The Saginaw VAMC is located an estimated 90 minutes from the stand-alone Detroit RRTP facility. Demand in the Eastern Michigan Market is projected to increase to an ADC of 52.0 by FY 2028, requiring 62 beds, assuming an occupancy rate of 85%.

2.3. **Modernizing the CLC:** The Saginaw VAMC was constructed in 1950 and the main facility was most recently renovated in 1987. As the acute inpatient bed units have closed, the existing hospital building (Building 1) can be closed and replaced by new facilities on the existing campus and maintain the current CLC. The CLC on campus has an ADC of 30.3, and the projected 35.6 ADC in FY 2029 indicates a continued need for this service. Closure of Building 1 at the Saginaw VAMC will allow for the construction of new facilities on campus to provide modern, sustainable CLC care to Veterans.

2.4. **Establishing a strategic collaboration for outpatient surgical services in the vicinity of Saginaw, Michigan:** The Saginaw hospital referral region (HRR)[67] has the surgical workload to support outpatient surgical services. In the Eastern Michigan Market, demand for outpatient surgical specialty services is projected to increase by 58.0% between FY 2019 and FY 2029. At the Saginaw VAMC, there were 1,608 outpatient surgical cases in FY 2019. The Ann Arbor VAMC is located an estimated 1 hour and 22 minutes (89.4 miles) from the Saginaw VAMC. The Ann Arbor VAMC could facilitate a sharing agreement between MidMichigan Health, a subsidiary of the University of Michigan Health System, and the Saginaw VAMC by leveraging its existing relationship with the University of Michigan. In FY 2019, there were 28,396 enrollees within a 60-minute drive time of the proposed Saginaw outpatient partnership location.

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

3.1. **Relocating the Yale CBOC to a new site in the vicinity of Port Huron, Michigan, and closing the Yale CBOC:** There is limited access to outpatient specialty care services for Veterans in the vicinity of Port Huron, Michigan in St. Clair County. The Yale CBOC, located in St. Clair County, currently serves the area and offers primary care and outpatient mental health services. Demand for outpatient care across the market is projected to increase, including specialty care services. As of FY 2019 the Yale CBOC had 3,442 enrollees within a 30-minute drive time and 23,425 enrollees within a 60-minute drive time. The proposed Port Huron MS CBOC location had 4,369 FY 2019 enrollees within a 30-minute drive time and 34,237 FY 2019 enrollees within a 60-minute drive time. By relocating the facility to Port Huron and expanding specialty care services, VA will increase access for enrollees in the area and meet future outpatient demand.

[67] Hospital referral regions (HRRs) represent regional health care markets for tertiary medical care.

3.2. **Relocating all services to the Gaylord MS CBOC and closing the Grayling CBOC:** The Grayling CBOC is located less than 20 minutes from the Gaylord MS CBOC. Consolidating these sites into the Gaylord MS CBOC will allow VA to continue to meet Veteran demand in an expanded, modern facility offering outpatient specialty care services.

3.3. **Relocating all services to the proposed outpatient building at the Saginaw VAMC and closing the Barnard Road OOS:** Today, the Barnard Road OOS only offers outpatient mental health services and had more than 4,800 core uniques in FY 2019.[68] The current Barnard Road OOS is less than 10 minutes from the Saginaw VAMC, where the proposed new outpatient facility will be located. Closing the Barnard Road OOS (Saginaw County) and relocating the clinic's services to the proposed new outpatient building on the existing Saginaw VAMC campus will enable VA to continue to meet Veteran demand for these services in a larger, more modern space. In addition, VA will benefit from operating and maintaining one combined larger and accessible site to serve the same enrollee population.

# Complementary Strategy

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

## Eastern Michigan Market

- **Combine the Eastern Michigan and Michigan Erie markets into a single market:** The Saginaw VAMC operates points of care in two markets, Eastern Michigan and Michigan Erie, which poses a challenge for strategic planning and creates difficulties in assessing the health care needs of uniques and enrollees. Combining the two markets into a single market will enhance joint planning of services, avoid duplication of services, and create a consistent standard of care for the market.

## Detroit VAMC

- **Reduce the number of inpatient medical and surgical beds at the Detroit VAMC and convert vacated space to an outpatient clinic configuration. Move outpatient services into newly configurated space:** The Detroit VAMC has 106 inpatient medical and surgical care beds and inpatient medical demand is projected to decrease. Reducing the number of inpatient medical and surgical beds and converting the vacated space to an outpatient clinic configuration will allow the VAMC to meet the projected increasing demand for outpatient services.
- **Develop academic affiliations with Michigan State University, the University of Michigan, and other academic medical centers in the Detroit metropolitan area to expand psychiatry training programs and strengthen mental health recruiting efforts:** The future inpatient mental health workload at the Detroit VAMC can be accommodated by the 28 beds at the facility. However, the VAMC has difficulty in training and recruiting psychiatrists. Detroit-area community hospitals

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

are experiencing a shortage of psychiatric beds. As a result, VA will maintain this service by developing and expanding academic affiliations in the Detroit metropolitan area.

## Saginaw VAMC

- **Strengthen the VISN 10 Michigan Erie Market's Ann Arbor VAMC and existing relationships with academic and community providers to provide acute inpatient medical and surgical services, supplement clinical staff, and expand education mission in the vicinity of Saginaw, Michigan:** Continuing to strengthen the existing relationship with academic and community providers will ensure that Veterans have access to inpatient medical and surgical care. In FY 2019, there were 28,339 enrollees within a 60-minute drive time of the Saginaw VAMC.
- **Relocate outpatient specialty care services currently provided at the Cadillac MS CBOC to the Gaylord MS CBOC and the Saginaw VAMC and maintain capacity for primary care and outpatient mental health services:** Relocating outpatient specialty care services to the Gaylord MS CBOC and the Saginaw VAMC will maintain access to care in the area and consolidate much of the specialty care in the northern regions of the Eastern Michigan Market. The Gaylord MS CBOC is centrally located in the northern peninsula and will provide access to care along the Great Lake shorelines. Due to the central location of the Gaylord MS CBOC, specialty care providers from the Michigan VAMCs have instituted visiting specialty physician rotations. Expanding the ancillary services at the Gaylord MS CBOC to support these rotating specialists will require serving all enrollees in the Upper Peninsula, including those enrollees between 60 and 90 minutes of the clinic. Offering these specialty services, which are not readily available in the community, nearer to enrollees will reduce travel distance for Veterans. In FY 2019, there were 11,160 enrollees within a 60-minute drive time to the Cadillac MS CBOC. This strategy may result in the reclassification of the Cadillac MS CBOC to a CBOC.

# Cost Benefit Analysis

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

- **Costs:** The present value cost[69] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. The capital cost includes costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational cost includes direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs includes direct costs (e.g., payments for patient care), indirect costs (e.g., care

[69] 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 key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate a Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI is the preferred COA. The results of the CBA for the VISN 10 combined Eastern Michigan and Michigan Erie markets are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

| VISN 10 combined Eastern Michigan and Michigan Erie markets | Status Quo | Modernization | VA Recommendation |
|---|---|---|---|
| **Total Cost** | $39,569,031,496 | $42,444,537,277 | $42,175,746,521 |
| Capital Cost | $2,226,751,661 | $5,102,257,442 | $5,093,396,838 |
| Operational Cost | $37,342,279,835 | $37,342,279,835 | $37,082,349,683 |
| **Total Benefit Score** | 7 | 10 | 14 |
| **CBI (normalized in $B)** | **5.65** | **4.24** | **3.01** |

**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. The Section 203 criteria analysis was conducted on the combined Michigan Erie and Eastern Michigan markets. For more detailed information, please see Appendix I.

**Demand**

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 32 VA points of care offering outpatient services, including the proposed new Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont, Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS

CBOC; and Gaylord, Michigan MS CBOC; and the proposed expanded Lansing, Michigan MS CBOC; and Canton, Michigan MS CBOC; as well as community providers in the market.

- **CLC:** Long-term demand will be met through the Ann Arbor, Michigan VAMC; Detroit, Michigan VAMC; Saginaw, Michigan VAMC; and the proposed new Wyoming, Michigan 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 Cleveland, Ohio VAMC (VISN 10) and the Hines, Illinois VAMC (VISN 12).
- **RRTP:** RRTP demand will be met through the Saginaw, Michigan VAMC; stand-alone RRTPs in Detroit, Michigan and Toledo, Ohio; proposed new Wyoming, Michigan VAMC; and the other facilities within VISN 10 offering RRTP, including the Dayton, Ohio VAMC; Cleveland, Ohio VAMC; Marion, Indiana VAMC; and the stand-alone RRTP in Indianapolis, Indiana.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Cleveland, Ohio VAMC (VISN 10) and other facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01) and the proposed new King of Prussia, Pennsylvania VAMC (VISN 04).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the Ann Arbor, Michigan VAMC and Detroit, Michigan VAMC, as well as through community providers. Inpatient mental health demand will be met through the Ann Arbor, Michigan VAMC; Detroit, Michigan VAMC; and proposed new Wyoming, Michigan 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 196,161 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 196,319 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 10. The recommendation allows for continued relationships with key academic partners, including but

not limited to, the affiliation with Wayne State University, Detroit Medical Center, and Central Michigan University.

- **Research:** This recommendation does not impact the research mission in the market and allows the Detroit, Michigan VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Detroit, Michigan 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 also 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 Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont, Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS CBOC; and Gaylord, Michigan MS CBOC; and RRTP at the Saginaw, Michigan VAMC; as well as the modernization of the inpatient mental health rooms at the Detroit, Michigan VAMC and the CLC at the Saginaw, Michigan VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

## Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (3.01 for VA Recommendation versus 5.65 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 Wyoming, Michigan VAMC; Kalamazoo, Michigan MS CBOC; Fremont,

Ohio CBOC; Port Huron, Michigan MS CBOC; Saginaw, Michigan outpatient surgical partnership; and Wyoming, Michigan outpatient surgical partnership; the proposed replacement Toledo, Ohio HCC; Flint, Michigan MS CBOC; and Gaylord, Michigan MS CBOC; and RRTP at the Saginaw, Michigan VAMC; as well as the modernization of the inpatient mental health rooms at the Detroit, Michigan VAMC and the CLC at the Saginaw, Michigan VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnership also helps VA in recruiting and retaining staff, by embedding providers in a community partner space.

- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($42.2B for VA Recommendation versus $42.4B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (3.01 for VA Recommendation versus 4.24 for Modernization), reflecting effective stewardship of taxpayer dollars.