VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

VISN 15

Market Recommendations

Table of Contents

VISN 15 East Market

The Veterans Integrated Service Network (VISN) 15 East Market serves Veterans in eastern Missouri, southern Illinois, southwestern Kentucky, northeastern Arkansas, and southern Indiana. 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 East Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 15's East 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 sequenced so that facilities or partnerships to which care will be realigned are fully established before the proposed realignment occurs.

Market Strategy

The East Market is a geographically large market with counties in five states. The market has a significant but declining Veteran enrollee population in all but a handful of counties surrounding the St. Louis, Missouri, metropolitan area. While demand for acute inpatient care services is decreasing, demand for long-term care and outpatient services is increasing. There is a need to invest in outpatient services across the market and rightsize acute care services in sustainable locations through investment or partnership. The strategy for the market is intended to provide Veterans today and in the future with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation invests in modernized outpatient sites offering primary care, mental health, and low-acuity specialty services to better distribute care and decompress existing campuses. It invests in one new community-based outpatient clinic (CBOC), relocates and expands six CBOCs, and relocates and expands one other outpatient services (OOS) site to modernized facilities proximate to where Veterans live.

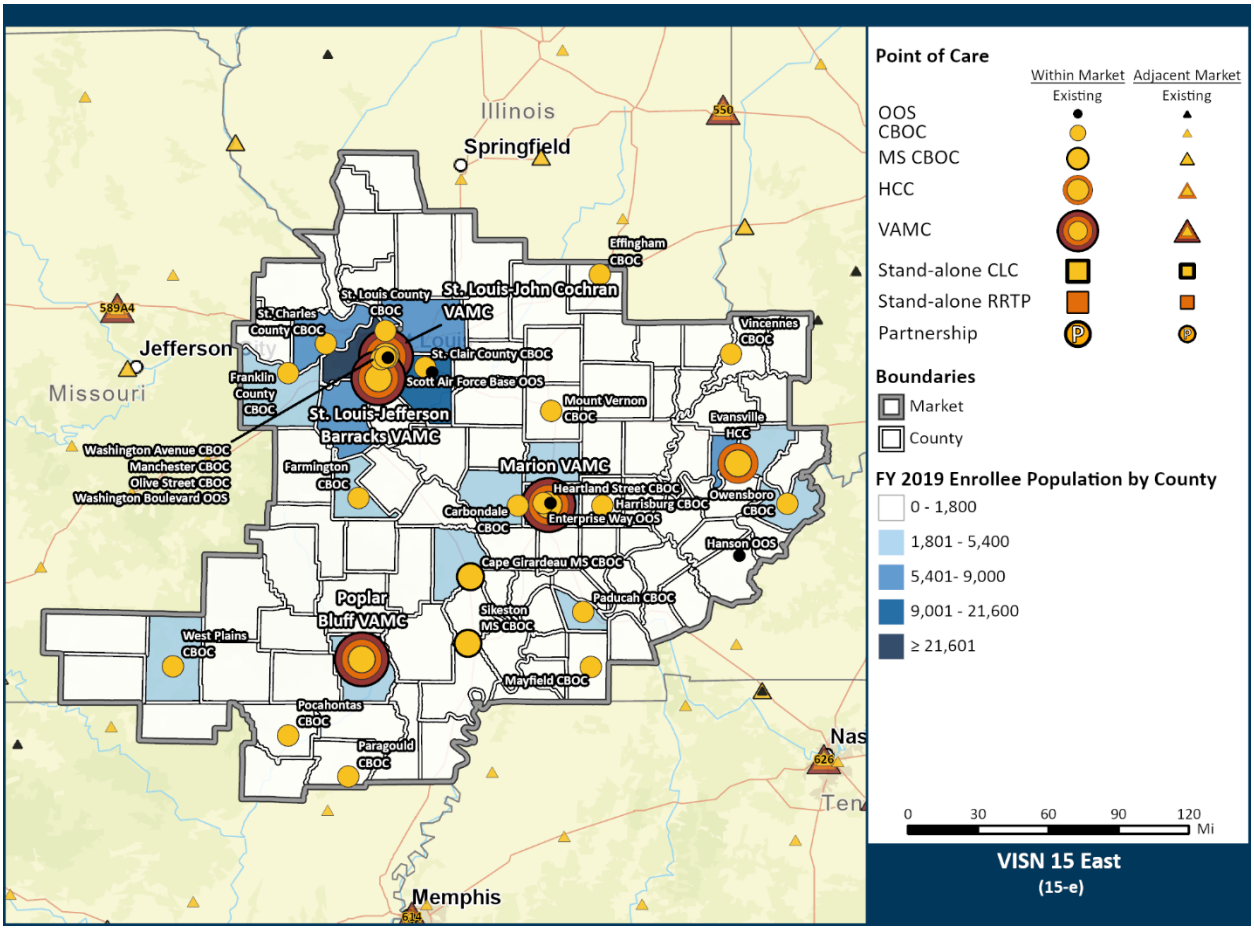
[1] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation invests in modern services for inpatient mental health and spinal cord injuries and disorders (SCI/D) within the St. Louis-John Cochran, Missouri VAMC. It also invests in modern community living center (CLC) facilities at the Poplar Bluff, Missouri VAMC to maintain care for Veterans with the most complex needs. VA's recommendation also maintains modern, residential rehabilitation treatment program (RRTP) facilities at St. Louis-Jefferson Barracks, Missouri VAMC; Poplar Bluff, Missouri VAMC; and Marion, Illinois VAMC to provide comprehensive care that may not be readily available in the community. Inpatient blind rehabilitation services will be supported by the Hines, Illinois VAMC (VISN 12).
- **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 inpatient medical and surgical programs at the St. Louis-John Cochran, Missouri VAMC and Marion, Illinois VAMC and expands utilization of regional or local community providers to provide inpatient medical and surgical care.

Market Overview

The market overview includes a map of the East 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 4 VAMCs (St. Louis-John Cochran, St. Louis-Jefferson Barracks, Poplar Bluff, and Marion), 1 stand-alone Health Care Center (HCC), 2 multi-specialty community-based outpatient clinics (MS CBOCs), 20 CBOCs, and 4 OOS sites.

Enrollees: In fiscal year (FY) 2019, the market had 149,470 enrollees and is projected to experience a 7.4% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of St. Clair, Illinois, and St. Louis, Missouri, and St. Louis City, Missouri.

Demand: Demand[2] in the market for inpatient medical and surgical services is projected to decrease by 6.1% and demand for inpatient mental health services is projected to decrease by 9.6% between FY 2019 and FY 2029. Demand for long-term care[3] is projected to increase by 27.4%. Demand for all

[2] Projected market demand for inpatient medical and surgical 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 Support and Services (LTSS) as based on VA's EHCPM in BDOC.

outpatient services,[4] including primary care, mental health, specialty care, dental care, and rehabilitation therapies, is projected to increase.

Rurality: 50.3% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 78.2% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 76.7% 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 VAMCs had an inpatient acute occupancy rate[6] of 57.6% (2,937 available beds)[7] and an inpatient mental health occupancy rate of 78.8% (60 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 75.0% (1,591 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 the St. Louis University, Washington University, and Southern Illinois University. The St. Louis-John Cochran VAMC and the St. Louis-Jefferson Barracks VAMC combined education program is ranked 26 out of 154 VA training sites based on the number of trainees, the Poplar Bluff VAMC is ranked 142 out of 154, and the Marion VAMC is 113 ranked out of 154. The St. Louis-John Cochran VAMC, in collaboration with the St. Louis-Jefferson Barracks, is ranked 47 out of 103 VAMCs with research funding. The other VAMCs in the market conduct limited or no research. The St. Louis-John Cochran VAMC is designated as a Primary Receiving Center. The Poplar Bluff VAMC and the Marion VAMC have no emergency designation.[9]

Facility Overviews

St. Louis-John Cochran VAMC: The St. Louis-John Cochran VAMC is located in St. Louis, Missouri, and offers inpatient medical and surgical, SCI/D, and outpatient services. In FY 2019, the St. Louis-John Cochran VAMC had an inpatient medical and surgical average daily census (ADC) of 67.3 and an SCI/D ADC of 13.3.

The St. Louis-John Cochran VAMC was built in 1953 on 11.0 acres. A major construction project has been approved to build a new bed tower and supporting facilities on the campus. Facility condition assessment (FCA) deficiencies are approximately $284.2M, and annual operations and maintenance costs are an estimated $8.5M.

St. Louis-Jefferson Barracks VAMC: The St. Louis-Jefferson Barracks VAMC is located in St. Louis, Missouri, and offers inpatient mental health, RRTP, SCI/D, CLC, and outpatient services. In FY 2019, the

[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 providers and potential VCCP providers.
[6] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of actual 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.

St. Louis-Jefferson Barracks VAMC had a mental health ADC of 22.3, an RRTP ADC of 48.9, a SCI/D ADC of 12.5, and a CLC ADC of 53.7.

The St. Louis-Jefferson Barracks VAMC was built in 1923 on 115.0 acres and does not meet current design standards.[10] FCA deficiencies are approximately $136.6M, and annual operations and maintenance costs are an estimated $11.2M.

Poplar Bluff VAMC: The Poplar Bluff VAMC is located in Poplar Bluff, Missouri, and offers inpatient medical and surgical, CLC, and outpatient services. In FY 2019, the Poplar Bluff VAMC had a medical ADC of 2.7, an RRTP ADC of 0.0[11], and a CLC ADC of 23.6.

The Poplar Bluff VAMC was built in 1950 on 30.0 acres and does not meet current design standards. FCA deficiencies are approximately $54.2M, and annual operations and maintenance costs are an estimated $4.0M.

Marion VAMC: The Marion VAMC is located in Marion, Illinois, and offers inpatient medical and surgical, RRTP, CLC, and outpatient services. In FY 2019, the Marion VAMC had a medical ADC of 14.3, an RRTP ADC of 11.8, and a CLC ADC of 26.6.

The Marion VAMC was built in 1940 on 76.0 acres and does not meet current design standards. FCA deficiencies are approximately $65.6M, and annual operations and maintenance costs are an estimated $6.0M.

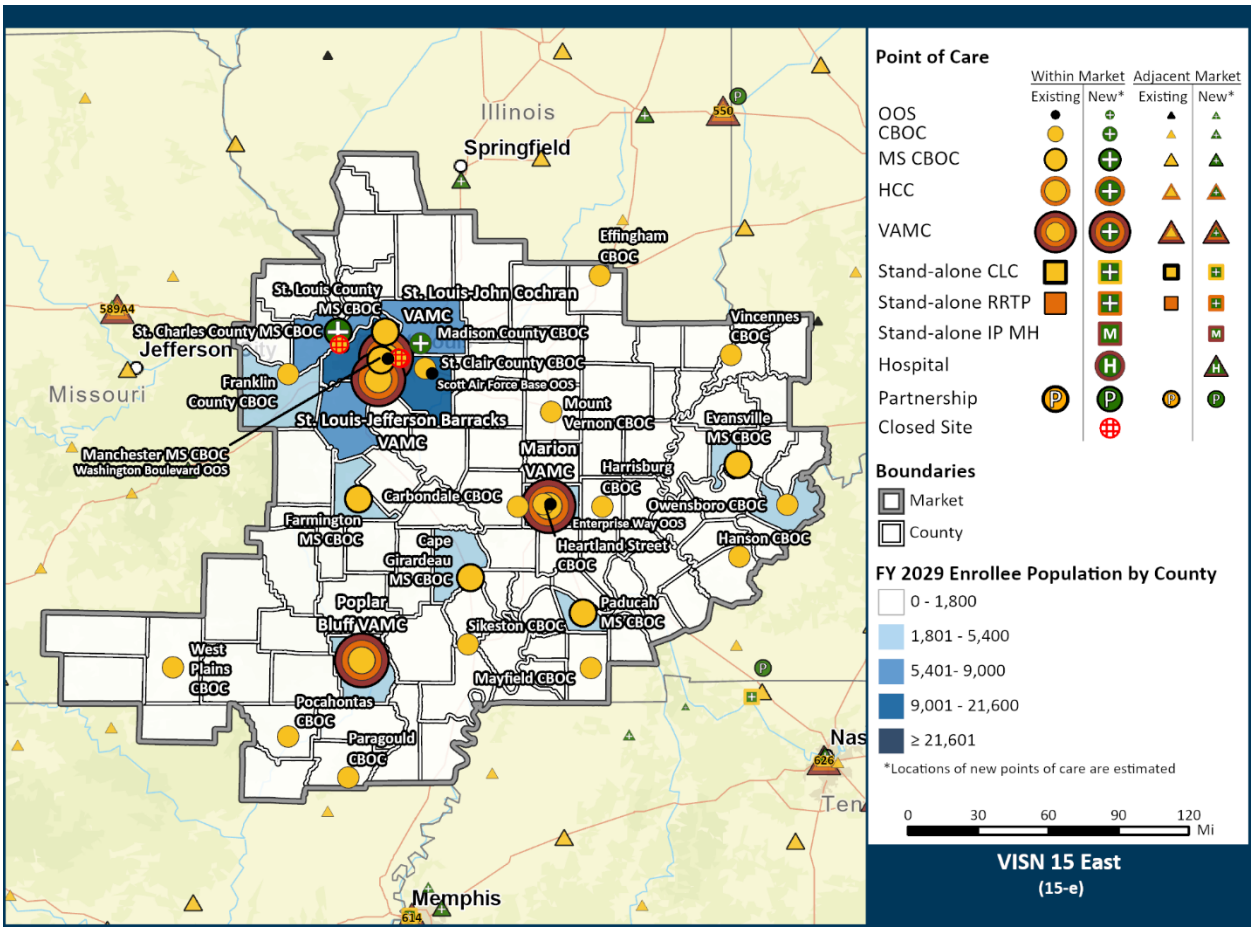
[10] Beginning in the late 1970s, modern health care design principles began to emerge and become more standard (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). While some buildings prior to this era can be in good condition, they may not be well-suited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

[11] The RRTP beds at the Poplar Bluff VAMC were approved and construction is planned to begin early FY 2023 with an estimated activation in FY 2024.

Recommendation and Justification

This section details the VISN 15 East Market recommendation and justification for each element of the recommendation.

Market Future State Map



1. ***Modernize and realign the St. Louis-Jefferson Barracks VAMC by relocating inpatient mental health and acute SCI/D services to current or future VA facilities and discontinuing those services at the St. Louis-Jefferson Barracks VAMC:*** Consolidating inpatient mental health and acute SCI/D beds at the St. Louis-John Cochran VAMC while discontinuing the same services at St. Louis-Jefferson Barracks VAMC will maintain Veteran access while improving operational efficiencies, reducing quality and sustainability concerns, and minimizing duplication of efforts associated with managing smaller programs at split sites. The Jefferson Barracks VAMC is located approximately 18 miles south of the St. Louis-John Cochran VAMC. The combined inpatient mental health demand for the two VAMCs is projected to decrease from an ADC of 22.6 in FY 2019 to 20.1 in FY 2029. The combined projected acute inpatient SCI/D demand is projected to decrease from an ADC of 25.5 in FY 2019 to 19.8 in FY 2029. The approved major construction of a new bed tower at the John Cochran VAMC includes plans to add 6 inpatient mental health beds and 30 SCI/D beds at the St. Louis-John Cochran VAMC, while maintaining the current beds at the St. Louis-Jefferson Barracks VAMC. The planned 30 SCI/D beds will meet the combined projected demand; however, the planned 6 IP MH

beds will need to be increased to 24 beds. Inpatient mental health services are ideally collocated with inpatient medicine services and have a minimum of 20 beds in a large urban setting such as St. Louis to maintain quality and sustainability. The current SCI/D beds at the St. Louis-Jefferson Barracks VAMC will be maintained with a focus on outpatient SCI/D services with a small number of dedicated respite and "hoptel" beds. "Hoptel" is a VA program designed to provide temporary, overnight lodging accommodations to eligible Veterans traveling great distances. SCI/D patients require regular evaluations in an outpatient setting; the "hoptel" beds will support those patients traveling across the St. Louis SCI/D region.

2. ***Modernize and realign the Poplar Bluff VAMC by:***

   2.1. **Relocating inpatient medicine services to community providers and discontinuing those services at the Poplar Bluff VAMC:** Demand for inpatient medical and surgical services across the market is projected to decrease by 6.1% from FY 2019 to FY 2029. The Poplar Bluff VAMC currently operates 13 inpatient medicine beds with an ADC that has decreased from 4.6 in FY 2015 to 2.7 in FY 2019, with a projected FY 2029 ADC of 2.2. Recruiting and retaining providers continues to be a challenge due to the rural location. Relocating inpatient medicine services to community providers in the larger population centers of Cape Girardeau, Farmington, and Poplar Bluff will increase Veteran access closer to where they live. This will allow the Poplar Bluff VAMC to discontinue the service and avoid quality and safety concerns due to the low utilization. As of FY 2019, community providers within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate of 48.7% (119 available beds).

   2.2. **Modernizing the CLC:** The existing Poplar Bluff CLC is located in the main hospital, which was constructed in 1950. Utilization of CLC services has decreased slightly at the VAMC with an ADC of 28.7 in FY 2015 and 23.6 in FY 2019, and CLC demand is projected to increase by 27.4% across the market from FY 2019 to FY 2029. The existing CLC configuration includes a mix of single and shared patient rooms with shared bathrooms between rooms. The existing Poplar Bluff VAMC campus is 30 acres with space to modernize the CLC services in a new footprint which will reduce the number of CLC beds from 38 to 36 to meet current VA design criteria resulting in greater patient and staff satisfaction.

3. ***Realign the Marion VAMC by relocating outpatient surgical services to community providers and discontinuing those services at the Marion VAMC:*** Maintaining an outpatient surgery program at the Marion VAMC is not sustainable. The campus is not located in the population center of the submarket and the aging infrastructure on the property prevents the modernization necessary to deliver high-quality health care to Veterans. The operating rooms and supporting sterile processing service (SPS) will require significant renovation to meet VA design standards. The total surgical volumes decreased by 38.8% from 2,662 cases in FY 2015 to 1,629 cases in FY 2019, showing a decrease in the demand for these services. The Marion submarket enrollee population is largely distributed between Evansville, Paducah, and Marion. Relocating services to community providers will ensure quality care is provided to Veterans closest to where they live.

4. ***Realign the Evansville HCC by relocating outpatient surgical services to community providers and discontinuing those services at the Evansville HCC:*** The Evansville HCC (Vanderburgh County) has a low volume of outpatient surgical cases. Outpatient surgical volumes ranged from 212 cases in FY 2016 to 316 cases in FY 2019, well below the target volume for outpatient surgical cases to maintain

a quality program. Currently, there are 17,884 enrollees within 60 minutes of the Evansville HCC, and enrollee populations are projected to decrease by 9.6% in Vanderburgh County between FY 2019 and FY 2029. The Evansville HCC will be reclassified to an MS CBOC after discontinuing its outpatient surgical services. The Marion submarket enrollee population is largely distributed between Evansville, Paducah, and Marion. Relocating services to community providers will ensure quality care is provided to Veterans closest to where they live.

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

   5.1. Establishing a new CBOC in the vicinity of Maryville, Illinois: A new CBOC in Madison County will improve access to primary care and outpatient mental health services for enrollees living immediately outside St. Louis in the western Illinois suburb. The proposed location is more than 20 minutes from the St. Louis-John Cochran VAMC, Manchester MS CBOC, and St. Louis County MS CBOC and more than 30 minutes from the St. Louis-Jefferson Barracks VAMC. In FY 2019 there were 33,152 enrollees within 30 minutes of the proposed site. The enrollee population is projected to decrease by 6.5% from FY 2019 to FY 2029 in Madison County. While declining, the county population remains substantial with a projected population of 7,313 enrollees in FY 2029.

   5.2. Relocating the St. Charles County CBOC to a new site in the vicinity of St. Peters, Missouri, and closing the existing St. Charles County CBOC: The existing CBOC is space constrained and requires additional space to expand services. Additionally, relocating to the vicinity of St. Peters places primary care, outpatient mental health, and outpatient specialty care services in a more accessible location. In FY 2019 there were 24,133 enrollees within 30 minutes of the proposed site and 66,845 enrollees within 60 minutes. In FY 2019, the existing facility served 4,211 core uniques.[12] The St. Charles County CBOC will be reclassified to an MS CBOC after increasing its capacity to provide specialty care services.

   5.3. Relocating the Paragould CBOC to a new site in the vicinity of Paragould, Arkansas, and closing the existing Paragould CBOC: The existing CBOC was not planned for the implementation of the patient-aligned care team (PACT) model. Relocating to a new facility in the vicinity of Paragould places primary care, outpatient mental health, and outpatient specialty care services in a facility adhering to VA's latest design standards. In FY 2019, the existing facility served 2,143 core uniques. In FY 2019 there were 3,629 enrollees within 30 minutes of the proposed site.

   5.4. Relocating the West Plains CBOC to a new site in the vicinity of West Plains, Missouri, and closing the existing West Plains CBOC: The existing CBOC does not allow for the implementation of the PACT model. Relocating to a new facility in the vicinity of West Plains places primary care, outpatient mental health, and outpatient specialty care services in a facility adhering to VA's latest design standards. In FY 2019 there were 1,875 enrollees within 30 minutes of the proposed site, and 6,700 enrollees within 60 minutes. In FY 2019 the existing facility served 3,234 core uniques.

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

5.5. Relocating the Paducah CBOC to a new site in the vicinity of Paducah, Kentucky, and closing the existing Paducah CBOC: The existing CBOC is space constrained and requires additional space to expand services. Relocating to a new facility in the vicinity of Paducah enables the expansion of primary care, outpatient mental health, and outpatient specialty care services in a facility adhering to VA's latest design standards. In FY 2019 there were 4,195 enrollees within 30 minutes of the proposed site and 13,523 enrollees within 60 minutes. In FY 2019, the existing facility served 4,608 core uniques. The Paducah CBOC will be reclassified to an MS CBOC after increasing capacity to provide specialty care services.

5.6. Relocating the Hanson OOS to a new site in the vicinity of Hanson, Kentucky, and closing the existing Hanson OOS: The existing point of care is undersized at its current location and requires additional space to expand services. Relocating to a new facility in the vicinity of Hanson enables the expansion of primary care and outpatient mental health services in a facility adhering to VA's latest design standards. In FY 2019 there were 2,418 enrollees within 30 minutes of the proposed site. In FY 2019, the existing facility served 1,404 core uniques. The Hanson OOS will be reclassified to a CBOC after increasing its capacity to provide primary care and outpatient mental health services.

5.7. Relocating the St. Louis County CBOC to a new site in the vicinity of St. Louis County, Missouri, and closing the existing St. Louis County CBOC: The existing point of care is undersized at its current location and requires additional space to expand services. Relocating to a new facility in the vicinity of St. Louis County enables the expansion of primary care, outpatient mental health, and outpatient specialty care services in a facility adhering to VA's latest design standards. In FY 2019 there were 30,940 enrollees within 30 minutes of the proposed site and 67,921 enrollees within 60 minutes. In FY 2019, the existing facility served 4,474 core uniques. The St. Louis County CBOC will be reclassified to an MS CBOC after increasing its capacity to provide aforementioned services.

5.8. Relocating the Manchester CBOC to a new site in the vicinity of St. Louis, Missouri, and closing the existing Manchester CBOC: The existing point of care is well located but is undersized at its current location and requires additional space to expand services. Relocating to a new facility in the vicinity of southwest downtown St. Louis enables the expansion of primary care, outpatient mental health, and outpatient specialty care services in an accessible and sustainable location. In FY 2019 there were 41,751 enrollees within 30 minutes of the proposed site and 70,542 enrollees within 60 minutes. In FY 2019, the existing facility served 4,585 core uniques. The Manchester CBOC will be reclassified to an MS CBOC after increasing its capacity to provide primary care, outpatient mental health, and outpatient specialty care services.

5.9. Relocating all services to the proposed Manchester MS CBOC and closing the Olive Street CBOC: Consolidating outpatient services in the city of St. Louis at the proposed expanded Manchester MS CBOC will allow for continued decompression of the St. Louis-John Cochran VAMC, alleviating space constraints that are projected to increase during the in-process major construction project. The Olive Street CBOC is located less than three miles from the proposed expanded Manchester MS CBOC.

5.10. Relocating all services to the proposed Manchester MS CBOC and closing the Washington Avenue CBOC: Consolidating outpatient services in the city of St. Louis at the proposed expanded Manchester MS CBOC will allow for continued decompression of the St. Louis-John Cochran VAMC, alleviating space constraints that are projected to increase during the in-process major construction project. The Washington Avenue CBOC location is less than four miles from the proposed expanded Manchester MS CBOC.

Complementary Strategy

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

East Market

- **Create best practices for Veteran outreach based on the outcomes of successful efforts at the VAMCs in VISN 15:** VISN and facility leadership are implementing efforts to increase enrollment through Veteran outreach efforts with varying initiatives. There is an opportunity to share best practices across the VISN in order to maximize available resources and optimize enrollment efforts.
- **Expand authority for Advanced Practice Nurses (APNs):** APNs do not have full practice authority at the Marion VAMC, which limits their scope and ability to support enrollees.

St. Louis-Jefferson Barracks VAMC

- **Rightsize the RRTP services at the St. Louis-Jefferson Barracks VAMC:** Based on current volume of RRTP residents, slightly reducing the number of beds will allow for expansion in other service areas and still meet demand for enrollees in St. Louis County and its surrounding communities. Total bed count will decrease from 66 to 64, including 16 General Domiciliary beds, 25 Domiciliary Care for Homeless Veterans beds, and 23 substance use disorders (SUD) beds.

Poplar Bluff VAMC

- **Expand optometry, physical therapy, and visiting specialty provider services at the Farmington CBOC, which may result in the classification of the facility as an MS CBOC:** Adding specialty care will improve access for enrollees in St. Francois County and its surrounding areas. Market demand for outpatient services such as primary care, mental health, and specialty services is projected to increase between FY 2019 and FY 2029. A lease expansion is in progress that will provide additional space.
- **Rescope the Sikeston MS CBOC to a CBOC by relocating audiology and dermatology services to the Cape Girardeau MS CBOC. Reallocate space at the Sikeston MS CBOC to accommodate visiting specialty providers and the PACT model of care delivery:** Relocating specialty care from the Sikeston MS CBOC in Scott County to the new Cape Girardeau MS CBOC in Cape Girardeau County will make the services more accessible to a larger Veteran population and make the services more sustainable in the larger health care market. Market demand for outpatient services such as primary care, mental health, and specialty services is projected to increase between FY 2019 and FY 2029.

Marion VAMC

- **Rescope the Marion VAMC mission to a low-census facility for low-acuity short-stay patients using recently renovated emergency department (ED) and inpatient medicine unit; and establish a strategic collaboration with a community provider to deliver high-acuity inpatient medical services in the Marion and Carbondale, Illinois, areas. Expand use of community providers for inpatient medical services in Evansville, Indiana, and Paducah, Kentucky:** Maintaining the current level of inpatient medical services at the Marion VAMC in Williamson County is not sustainable due to decreasing patient demand and staff recruiting challenges. The inpatient medicine ADC has steadily decreased from 19.5 in FY 2015 to 14.3 in FY 2019, and East Market demand is projected to decrease by 13.3% from FY 2019 to FY 2029. The campus is not located in the population center of the Marion submarket and patients from the larger communities of Evansville, Indiana, and Paducah, Kentucky, travel more than 60 minutes to receive care at the Marion VAMC. The 30-bed inpatient medicine hospital will be reduced to a 12-bed observation/low census hospital.
- **Plan future investments on the northern portion of the VAMC campus to allow the VAMC to move away from historic structures and infrastructure when modernizing health care facilities. Retain the mental health, physical medicine and rehabilitation (PM&R), administrative, and RRTP buildings north of the main parking lot:** The newer buildings on the campus include the RRTP building constructed in 2010, a mental health building constructed in 2015, an outpatient rehabilitation building constructed in 2013, and an older human resource building. All buildings' clinical functions meet modern health care standards.
- **Expand visiting specialty provider services and adopt the PACT model of care delivery at the Mt. Vernon CBOC. A lease expansion is in progress:** Adopting the PACT model of care delivery will improve quality for enrollees in Jefferson County and its surrounding areas. Market demand for outpatient services such as primary care, mental health, and specialty services is projected to increase between FY 2019 and FY 2029.
- **Expand visiting specialty provider services and adopt the PACT model of care delivery at the Owensboro CBOC. A lease expansion is in progress:** Adopting the PACT model of care delivery at the Owensboro CBOC in Daviess County will improve quality for enrollees in Jefferson County and its surrounding areas. Market demand for outpatient services such as primary care, mental health, and specialty services is projected to increase between FY 2019 and FY 2029.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 15 Eastern Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[13] 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 Eastern Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 15 East Market	Status Quo	Modernization	VA Recommendation
Total Cost	$ 30,203,407,081	$ 30,829,788,836	$ 30,278,062,461
Capital Costs	$ 2,618,319,741	$ 3,244,701,497	$ 3,402,637,370
Operational Costs	$ 27,585,087,339	$ 27,585,087,339	$ 26,875,425,091
Total Benefit Score	7	10	12
CBI (normalized in $B)	**4.31**	**3.08**	**2.52**

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.

[13] 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 will be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 30 VA points of care offering outpatient services, including the proposed new Madison County, Illinois CBOC and St. Charles County, Missouri CBOC; and the proposed expanded St. Louis County, Missouri MS CBOC; Farmington, Missouri MS CBOC; Paducah, Kentucky MS CBOC; Hanson, Kentucky CBOC; and Evansville, Indiana MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Poplar Bluff, Missouri VAMC; Marion, Illinois VAMC; and St. Louis-Jefferson Barracks, Missouri 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 St. Louis-John Cochran, Missouri VAMC, with respite care and "hoptel" at the St. Louis-Jefferson Barracks, Missouri VAMC.
- **RRTP:** RRTP demand will be met through the Marion, Illinois VAMC; St. Louis-Jefferson Barracks, Missouri VAMC; and the other facilities within VISN 15 offering RRTP, including the Leavenworth, Kansas VAMC; Kansas City, Missouri VAMC; Columbia, Missouri VAMC; and Topeka, Kansas VAMC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Hines, Illinois VAMC (VISN 12).
- **Inpatient acute:** Inpatient medicine demand will be met through the St. Louis-John Cochran, Missouri VAMC and Marion, Illinois VAMC, as well as through community providers; and inpatient surgery and mental health demand will be met through the St. Louis-John Cochran, Missouri 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 136,365 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 136,591 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:** This recommendation for this market supports VA's ability to maintain its education mission in VISN 15. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliations with Southern Illinois University, St. Louis University, and Washington University.
- **Research:** This recommendation does not impact the research mission in the market and allows the St. Louis-John Cochran, Missouri VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the St. Louis-John Cochran, Missouri 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 Madison County, Illinois CBOC; St. Charles County, Missouri MS CBOC; and inpatient mental health unit at the St. Louis-John Cochran, Missouri VAMC; as well as the modernization of the CLC at the Poplar Bluff, Missouri 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 (2.52 for VA Recommendation versus 4.31 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 Madison County, Illinois CBOC; St. Charles County, Missouri MS CBOC; and inpatient mental health unit at the St. Louis-John Cochran, Missouri VAMC; as well as the modernization of the CLC at the Poplar Bluff, Missouri 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 ($30.3B for VA Recommendation versus $30.8B 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 (2.52 for VA Recommendation versus 3.08 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 15 West Market

The Veterans Integrated Service Network (VISN) 15 West Market serves Veterans in Kansas and northern and central Missouri. 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 West Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 15's West 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 sequenced so that facilities or partnerships to which care will be realigned are fully established before the proposed realignment occurs.

Market Strategy

The West Market is a geographically large market that crosses nearly 600 miles and covers two states. It has a significant but modestly declining Veteran enrollee population. Decreasing populations across its highly rural counties are offset by increasing population near its larger metropolitan areas. While demand for inpatient medical and surgical services is decreasing, demand for inpatient mental health is stable, and demand for long-term care and outpatient services is increasing. There is a need to invest in outpatient services across the market and to rightsize acute care services by investing in sustainable locations and by creating or expanding partnerships in declining locations. The strategy for the market is intended to provide Veterans today and in the future with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of care:** VA's recommendation invests in modernized outpatient sites offering primary care, mental health, and low-acuity specialty services to better distribute care and decompress existing campuses. It invests in four new community-based outpatient clinics (CBOCs) and relocates and expands four other CBOCs more proximate to where Veterans live.

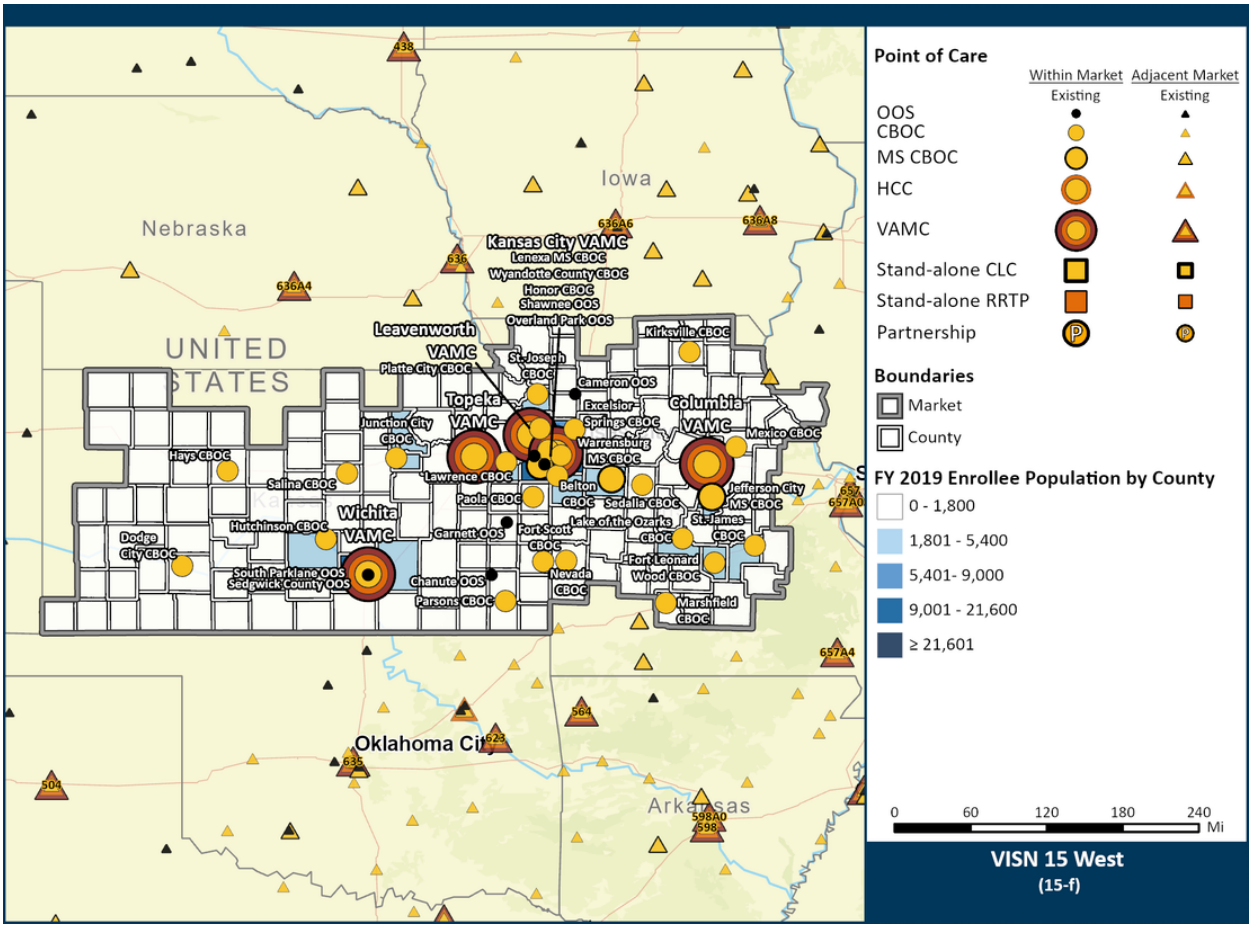
[14] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation maintains inpatient mental health services within the Columbia, Missouri VAMC, Kansas City, Missouri VAMC, and Topeka, Kansas VAMC and expands inpatient mental health services through partnership in Wichita, Kansas, nearer to Veterans. It invests in a new stand-alone modern community living center (CLC) in Kansas City, Missouri, to maintain care for Veterans with the most complex needs. It also maintains modern, residential rehabilitation treatment program (RRTP) facilities at the Columbia, Missouri VAMC; Kansas City, Missouri VAMC; Leavenworth, Kansas VAMC; Topeka, Kansas VAMC; and Wichita, Kansas VAMC to provide comprehensive care that may not be readily available in the community. Services for inpatient spinal cord injuries and disorders (SCI/D) will be supported by the St. Louis John Cochran, Missouri VAMC in the neighboring East Market and inpatient blind rehabilitation services will be supported by the Hines, Illinois VAMC (VISN 12).
- **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 at the Columbia, Missouri VAMC; Kansas City, Missouri VAMC; and Wichita, Kansas VAMC; and maintains an inpatient medical program at the Leavenworth, Kansas VAMC. It also expands utilization of the academic affiliate to provide inpatient medical and surgical care in Topeka, Kansas.

Market Overview

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

Market Map



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

Facilities: The market has 5 VAMCs (Columbia, Kansas City, Leavenworth, Topeka, and Wichita), 3 multi-specialty community-based outpatient clinics (MS CBOCs), 23 CBOCs, and 7 other outpatient services (OOS) sites.

Enrollees: In fiscal year (FY) 2019, the market had 177,614 enrollees and is projected to experience a 2.8% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Sedgwick, Kansas; Johnson, Kansas; and Jackson, Missouri.

Demand: Demand[15] in the market for inpatient medical and surgical services is projected to decrease by 9.6% 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[16] is projected to increase by 26.4%. Demand for all outpatient

[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.

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

Rurality: 57.7% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 74.1% of enrollees in the market live within a 30-minute drive time of a VA primary care site and 66.4% 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 59.9% (2,116 available beds) [20] and an inpatient mental health occupancy rate of 66.0% (57 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 76.9% (1,588 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 Kansas, the University of Missouri, Kansas City University, and Wichita State University. The Columbia VAMC is ranked 63 out of 154 VA training sites based on the number of trainees, the Kansas City VAMC is ranked 55 out of 154, the Leavenworth VAMC is ranked 85 out of 154, the Topeka VAMC is ranked 94 out of 154, and the Wichita VAMC is ranked 90 out of 154. The Kansas City VAMC is ranked 62 out of 103 VAMCs with research funding, the Columbia VAMC is ranked 50 out of 103, the Topeka VAMC is ranked 82 out of 103, and the Wichita VAMC is ranked 100 out of 103. The Leavenworth VAMC conducts limited or no research. The Kansas City VAMC and the Wichita VAMC are designated as Federal Coordinating Centers. The Leavenworth, Columbia, and Topeka VAMCs have no emergency designation.[22]

Facility Overviews

Columbia VAMC: The Columbia VAMC is located in Columbia, Missouri, and offers inpatient medical and surgical, mental health, RRTP, CLC, and outpatient services. In FY 2019, the Columbia VAMC had a medical and surgical average daily census (ADC) of 48.7, a mental health ADC of 6.4, an RRTP ADC of 20.2, and a CLC ADC of 32.9.

The Columbia VAMC was built in 1972 on 19.0 acres. Facility condition assessment (FCA) deficiencies are approximately $22.9M, and annual operations and maintenance costs are an estimated $9.2M.

Kansas City VAMC: The Kansas City VAMC is located in Kansas City, Missouri, and offers inpatient medical and surgical, mental health, RRTP, CLC, and outpatient services. In FY 2019, the Kansas City

[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 number of total actual 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.

VAMC had an inpatient medical and surgical ADC of 63.0 a mental health ADC of 11.7, and an RRTP ADC of 20.7.

The Kansas City VAMC was built in 1950 on 43.0 acres and does not meet current design standards. [23] FCA deficiencies are approximately $119.0M, and annual operations and maintenance costs are an estimated $13.0M.

Leavenworth VAMC: The Leavenworth VAMC is located in Leavenworth, Kansas, and offers inpatient medical, RRTP, CLC, and outpatient services. In FY 2019, the Leavenworth VAMC had a medical ADC of 7.5, an RRTP ADC of 106.4, and a CLC ADC of 15.4.

The Leavenworth VAMC was built in 1933 on 214.0 acres and does not meet current design standards. FCA deficiencies are approximately $199.0M, and annual operations and maintenance costs are an estimated $21.1M.

Topeka VAMC: The Topeka VAMC is located in Topeka, Kansas, and offers inpatient medical, mental health, RRTP, CLC, and outpatient services. In FY 2019, the Topeka VAMC had a medical ADC of 7.3, a mental health ADC of 29.7, an RRTP ADC of 14.8, and a CLC ADC of 25.6.

The Topeka VAMC was constructed in 1958 on 119.0 acres and does not meet current design standards. FCA deficiencies are approximately $141.3M, and annual operations and maintenance costs are an estimated $7.5M.

Wichita VAMC: The Wichita VAMC is located in Wichita, Kansas, and offers inpatient medical and surgical, CLC, and outpatient services. In FY 2019, the Wichita VAMC had a medical and surgical ADC of 22.8, an RRTP ADC of 0.0[24], and a CLC ADC of 28.3.

The Wichita VAMC was built in 1932 on 39.0 acres and does not meet current design standards. FCA deficiencies are approximately $61.7M, and annual operations and maintenance costs are an estimated $7.4M.

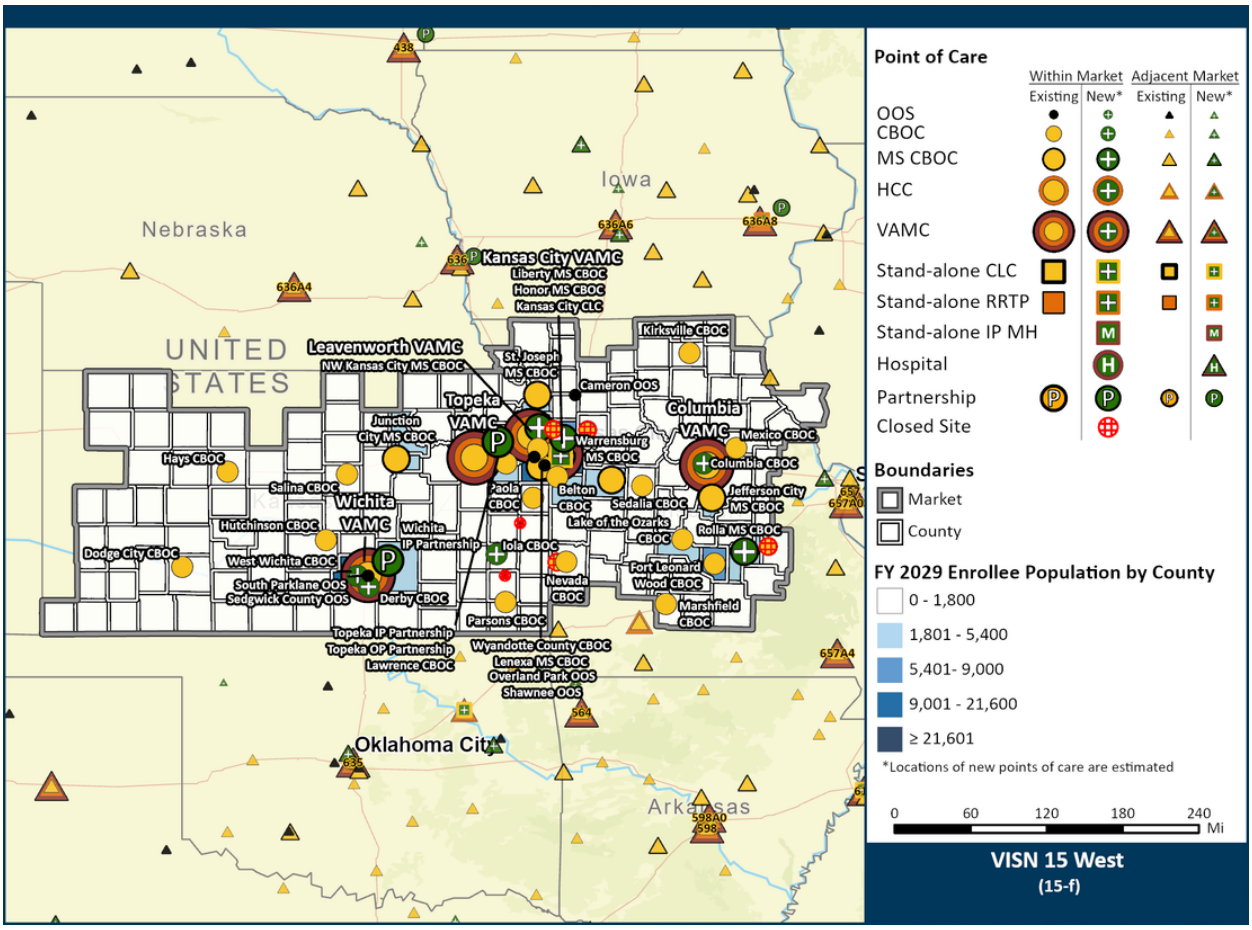
[23] Beginning in the late 1970s, modern health care design principles began to emerge and become more standard (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). While some buildings prior to this era can be in good condition, they may not be well-suited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

[24] The RRTP beds at the Wichita VAMC were activated in 2021.

Recommendation and Justification

This section details the VISN 15 West Market recommendation, including a map of the recommended future market and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Converting the emergency department (ED) at the Leavenworth VAMC to an urgent care center:** Maintaining ED services at the Leavenworth VAMC is no longer sustainable. Currently, most ED visits occur on weekdays during the hours of 8:00 am and 10:00 pm, and most are low- to moderate-complexity with only 7,638 visits in FY 2019. Replacing the ED with an urgent care center will provide the appropriate level of care for the Veteran population. It will also ease the operational burden of staffing for a traditional 24-hour per day, 7-day a week service.

   1.2. **Establish a new outpatient facility at the existing Leavenworth VAMC:** Primary care, outpatient specialty care, and supporting services are currently located in the main facility built in 1933. The historic facility with long narrow corridors and low floor-to-floor heights is not conducive to renovation to meet current clinic standards. Relocating services to a new outpatient clinic outside the campus' historic district will allow for space to be modernized to meet current VA design standards in a modern and efficient health care facility. Services will

include primary care, outpatient specialty care, and supporting ancillary services – all sized to meet future projected demand for the Leavenworth Veteran population. The new outpatient facility will allow the VAMC to move outpatient services away from historic structures.

1.3. **Modernizing the RRTP at the Leavenworth VAMC:** The Leavenworth RRTP requires modernizations to meet demand and deliver high-quality health care to Veterans. The modernization will reduce beds from 150 to 100. The Leavenworth VAMC RRTP ADC has decreased from 126.6 to 106.4 between FY 2015 and FY 2019. Other nearby facilities can support the increasing RRTP demand, allowing the Leavenworth VAMC to utilize the space for other services. The VISN 15 West Market RRTP ADC is projected to be 112.4 by FY 2028.

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

2.1. **Establishing a strategic collaboration to provide inpatient medical and outpatient surgical services and discontinuing those services at the Topeka VAMC. If unable to enter into a strategic collaboration for those services, consider maintaining the services or utilizing community providers:** Maintaining inpatient medicine and outpatient surgical services at the Topeka VAMC (Shawnee County) is not sustainable due to small and decreasing demand and provider recruitment challenges. Shawnee County's enrollee population is projected to decrease by 8.2% between FY 2019 and FY 2029. Inpatient medicine ADC at the Topeka VAMC has decreased from 12.4 in FY 2015 to 7.3 in FY 2019 and is projected to decrease 11.0% between FY 2019 and FY 2029 across the West Market. Surgical cases have decreased from 585 in FY 2015 to 227 in FY 2019 at the Topeka VAMC. The Topeka VAMC has struggled to recruit providers and nurses due to its proximity to the competitive Kansas City health care market. Establishing a strategic collaboration with the University of Kansas to allow VA providers to deliver inpatient medical and surgical and outpatient surgical services at the local affiliate hospital will strengthen care quality and staff recruitment.

2.2. **Converting the ED at the Topeka VAMC to an urgent care center and discontinuing emergency services at the Topeka VAMC:** Maintaining ED services at the Topeka VAMC is no longer sustainable due to small and decreasing demand and provider recruitment challenges. Replacing the ED with an urgent care center will provide the appropriate level of care for the Veteran population. Currently, most ED visits occur on weekdays during the hours of 8:00 am and 10:00 pm, and most are low- to moderate-complexity with only 8,132 visits in FY 2019. Given the proposed recommendation to relocate inpatient medicine services from the Topeka VAMC, ED services will no longer be required.

3. ***Modernize and realign the Wichita VAMC by establishing a strategic collaboration to add inpatient mental health services. If unable to enter a strategic collaboration for inpatient mental health services, continue to utilize community providers and evaluate the feasibility of providing the services at the Wichita VAMC:*** There is unmet demand for inpatient mental health services in the Wichita submarket. The Wichita VAMC does not currently offer inpatient mental health services, and the nearest VA source of inpatient mental health beds is the Topeka VAMC over two hours away. Currently, the Wichita VAMC has reported holding four to six mental health patients in the inpatient medical and surgical unit at any given time, while waiting for community inpatient mental health beds to become available. Partnering with the University of Kansas to strengthen the psychiatry residency program and working with an affiliated community hospital to admit patients will allow the Wichita VAMC to expand access to inpatient mental health services.

4. ***Modernize and realign by establishing a new stand-alone CLC in the vicinity of Kansas City, Missouri:*** Across the market, demand for long-term care is projected to increase by 26.4% for a total bed need of 504 beds between FY 2019 and FY 2029. The Leavenworth VAMC is the closest CLC program to the Kansas City VAMC, 34 miles away; however, the Leavenworth CLC program has been underutilized. The proposed 40-bed stand-alone CLC is near the Honor CBOC and about 10 minutes southeast of the Kansas City VAMC. It will address the increasing demand and provide high-quality care by reducing difficulties currently encountered with discharges to the community and increased length of stay. There are 39,343 enrollees within 30 minutes and 62,419 enrollees within 60 minutes of the proposed Kansas City CLC site.

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

   5.1. **Establishing a new CBOC in the vicinity of West Wichita, Kansas:** The Wichita VAMC is space constrained and requires additional space to renovate and modernize facilities. A new CBOC in West Wichita will decompress clinic space at the Wichita VAMC and improve access to primary care and outpatient mental health services in the Wichita area. In FY 2019, there were 15,302 enrollees within 30 minutes of the proposed site.

   5.2. **Establishing a new CBOC in the vicinity of Derby, Kansas:** The Wichita VAMC is space constrained and requires additional space to renovate and modernize facilities. A new CBOC in Derby will decompress clinic space at the Wichita VAMC and improve access to primary care and outpatient mental health services in the Wichita area. In FY 2019, there were 15,290 enrollees within 30 minutes of the proposed site**.**

   5.3. **Establishing a new CBOC in the vicinity of Columbia, Missouri:** The Columbia VAMC is space constrained and requires additional space to expand services. A new CBOC in Columbia will decompress clinic space at the Columbia VAMC and improve access to primary care and outpatient mental health services in the area. In FY 2019, there were 5,772 enrollees within 30 minutes of the proposed site.

   5.4. **Establishing a new CBOC in the vicinity of Iola, Kansas**: Southeastern Kansas is highly rural with no significant health care options. Splitting resources and staffing between the Fort Scott CBOC, Chanute OOS, and Garnett OOS has proven unsustainable with challenges to maintaining consistent or even part time clinic hours. Locating a CBOC in the vicinity of Iola will allow VA to concentrate its facility and staffing resources and maintain primary care and outpatient mental health services within the highly rural counties of southeastern Kansas. In FY 2019 there were 860 enrollees within 30 minutes of the proposed site; however, in FY 2019 the Fort Scott CBOC, Chanute OOS, and Garnett OOS saw 806, 330, and 158 core uniques,[25] respectively, which indicates there is demand to support a CBOC in the area.

   5.5. **Relocating the St. James CBOC to a new site in the vicinity of Rolla, Missouri, and closing the existing St. James CBOC:** St. James and Rolla are both located in Phelps County where enrollees are projected to increase by 10.2% between FY 2019 and FY 2029. Relocating the St. James CBOC to Rolla will better serve the increasing population and expand access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019 there were 5,130

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

enrollees within 30 minutes of the proposed site, and 13,013 enrollees within 60 minutes of the proposed site. The Rolla CBOC will be reclassified an MS CBOC after adding specialty care services.

5.6. **Relocating the Platte City CBOC to a new site in the vicinity of NW Kansas City, Missouri, and closing the existing Platte City CBOC**: The existing facility has seen lower than anticipated utilization. Located between the east bank of the Missouri River and the Kansas City International Airport, the facility sits outside of the Kansas City metropolitan area. Relocating the Platte City CBOC near Highway 152 and Interstate 29 will place it within the denser Veteran population of Kansas City and expand access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019 there were 19,825 enrollees within 30 minutes and 61,118 enrollees within 60 minutes of the proposed site. The NW Kansas City CBOC will be reclassified an MS CBOC after increasing its capacity to provide specialty care.

5.7. **Relocating the Excelsior Springs CBOC to a new site in the vicinity of Liberty, Missouri, and closing the existing Excelsior Springs CBOC**: Relocating the Excelsior Springs CBOC near the Interstate 35 corridor between Liberty, Missouri, and Kearney, Missouri, will place the facility closer to a larger Veteran population and expand access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019, Excelsior Springs CBOC saw 3,678 core uniques. In FY 2019, there were 10,185 enrollees within 30 minutes and 55,283 enrollees within 60 minutes of the current site. In FY 2019, there were 24,743 enrollees within 30 minutes and 60,897 enrollees within 60 minutes of the proposed site, demonstrating improved access to services with the relocation. The Liberty CBOC will be reclassified as an MS CBOC after increasing its capacity to provide specialty care.

5.8. **Relocating all services to the Nevada CBOC and the proposed Iola CBOC and closing the Fort Scott CBOC:** The Nevada CBOC, located in Ness County, and the Fort Scott CBOC, located in Bourbon County, are less than 20 miles or approximately 25 minutes from each other, and there is an insufficient population to support both facilities. In FY 2019, the Fort Scott CBOC had 1,274 enrollees within 30 minutes and 5,639 enrollees within 60 minutes, while the Nevada CBOC had 1,444 enrollees within 30 minutes and 7,453 enrollees within 60 minutes, indicating the Nevada CBOC has the more accessible location. Bourbon County enrollee population is projected to decrease by 11.9% between FY 2019 and FY 2029. The Nevada CBOC and the proposed Iola CBOC will have sufficient capacity to absorb the demand resulting from the closure of the Fort Scott CBOC.

5.9. **Relocating all services to the Parsons CBOC and the proposed Iola CBOC and closing the Chanute OOS:** Health care services are inconsistent and unsustainable due to the limited population and challenges of staffing the Chanute OOS, located in Neosho County. Operating only 1 or 2 days a week, the part time clinic had 330 core uniques in FY 2019, and the Neosho County enrollee population is projected to decrease by 18.4% between FY 2019 and FY 2029. The Parsons CBOC and the proposed Iola CBOC will have sufficient capacity to absorb the demand from closing the Chanute OOS. The Parsons CBOC and the Iola CBOC are 37 and 24 minutes away, respectively, from the Chanute OOS.

5.10. **Relocating all services to the Paola CBOC and the proposed Iola CBOC and closing the Garnett OOS:** Health care services are inconsistent and unsustainable due to the limited

population and challenges of staffing the Garnett OOS located in Anderson County. Operating only 1 or 2 days a week, the part time clinic had 158 core uniques in FY 2019, and the Anderson County enrollee population is projected to decrease by 11.5% between FY 2019 and FY 2029. The Paola CBOC and the proposed Iola CBOC will have sufficient capacity to absorb the demand from closing the Garnett OOS. The Paola CBOC and the Iola CBOC are 32 and 30 minutes away, respectively, from the Garnett OOS.

Complementary Strategy

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

West Market

- **Create best practices for Veteran outreach based on outcomes of successful efforts at the VAMCs in VISN 15 West Market and the Marion VAMC in the VISN 15 East Market:** VISN and facility leadership have implemented efforts to increase enrollment through Veteran outreach efforts. There is an opportunity to share best practices across the VISN in order to maximize available resources and optimize enrollment efforts.
- **Expanding authority for Advanced Practice Nurses (APNs):** APNs do not have full practice authority in the Kansas City VAMC and the Columbia VAMC, which limits their scope and ability to support enrollees.

Columbia VAMC

- **Educate Veterans and VA providers on referral options from the Marshfield CBOC to other locations, such as the Springfield MS CBOC in the VISN 16 Northern Market, to leverage neighboring VA capabilities for outpatient specialty care and ancillary services:** The Marshfield CBOC is located in Webster County, nearly 60 miles from the nearest VISN 15 outpatient clinic at Fort Leonard Wood and 140 miles from the Columbia VAMC. The Springfield MS CBOC in the Northern Market in Greene County, Missouri, of VISN 16 is only 33 miles or 35 minutes southwest of the Marshfield facility and offers several specialty care services. In a separate recommendation for the VISN 16 Northern Market, the Springfield MS CBOC will be adding gastrointestinal procedures to further expand its specialty care capabilities.
- **Educate Veterans and VA providers on referral options from the Fort Leonard Wood CBOC to the Fort Leonard Wood Army Community Hospital in order to utilize the Department of Defense (DoD) capacity for outpatient specialty care, inpatient medical and surgical, outpatient surgery, and ancillary services:** The Fort Leonard Wood CBOC is located in Pulaski County within nine miles or 16 minutes of General Leonard Wood Army Community Hospital. The two sites have a history of previous collaboration. Expanding on the collaboration to include inpatient and specialty care services will increase Veteran access to care. The next nearest VA outpatient clinic is the proposed Rolla MS CBOC approximately 31 miles or 31 minutes to the northeast.

Kansas City VAMC

- **Expand primary care and outpatient mental health services and add outpatient specialty care services to the Honor CBOC, which may result in the classification of the facility as an MS CBOC:** Demand for primary care, outpatient mental health, and outpatient specialty care services is projected to increase significantly across the market. The Kansas City VAMC is space constrained. Expanding services at the Honor CBOC in Jackson County will increase access for Veterans and allow the VAMC to decompress. Currently, the Honor CBOC is well positioned, with 38,984 enrollees within 30 minutes and 62,364 enrollees within 60 minutes. Adding specialty care services to the Honor CBOC will result in it being reclassified as an MS CBOC.

Leavenworth VAMC

- **Relocate clinical services from historic portions of the Leavenworth VAMC campus including the main hospital and CLC and retain only RRTP and the outpatient mental health building (Bldg. 160):** The Leavenworth VAMC requires modernizations to meet demand and deliver high-quality health care to Veterans. Moving away from historic portions of the Leavenworth VAMC is essential for the facility to meet modern health care standards.
- **Expand optometry, physical therapy, teleaudiology, and visiting specialty provider services at the St. Joseph CBOC, which may result in the classification of the facility as an MS CBOC:** Demand for specialty care services is projected to increase significantly across the market. Currently, the St. Joseph CBOC in Buchanan County is well positioned, with 4,221 enrollees within 30 minutes and 37,602 enrollees within 60 minutes. Chiropractic and physical therapy services, as well as optometry, are ideally located closer to Veterans and are specifically projected to increase in demand. The existing CBOC has the space and capacity to support these services.
- **Rescope the Leavenworth VAMC mission to a low-census facility for low-acuity short-stay inpatient medical services; and enhance collaboration with the Kansas City VAMC to deliver high-acuity inpatient medical services at the Kansas City VAMC and to strengthen CLC and outpatient surgical services at the Leavenworth VAMC through shared staffing and coverage from the Kansas City VAMC:** Maintaining inpatient medicine, CLC, and outpatient surgical services at the Leavenworth VAMC has been challenging due to decreasing demand and staff recruiting challenges. Inpatient medicine ADC is projected to decrease from 7.5 to 5.2 between FY 2019 and FY 2029. CLC ADC decreased from 19.2 in FY 2015 to 15.4 in FY 2019 and surgical cases decreased from 1,421 in FY 2015 to 796 in FY 2019. There were 62,443 FY 2019 enrollees within 60 minutes of the Leavenworth VAMC, but only 5,224 do not overlap with the Kansas City VAMC. The Leavenworth VAMC has been unable to retain providers and nurses due to its proximity to the competitive Kansas City health care market. The Kansas City VAMC is 34 miles from Leavenworth with adequate capacity to absorb the high-acuity inpatient medicine services. The Kansas City VAMC is also in a stronger position to recruit providers and nursing staff to further support CLC and outpatient surgical services in Leavenworth. The 23-bed inpatient medicine service at Leavenworth VAMC will be reduced to a 12-bed observation/low-census hospital.

Topeka VAMC

- **Expand optometry, physical therapy, teleaudiology, and visiting specialty provider services at the Junction City CBOC, which may result in the classification of the facility as an MS CBOC:** Junction City is located in Geary County where enrollees are projected to increase by 43.1% between FY 2019 and FY 2029. In FY 2019, the Junction City CBOC had 6,713 enrollees within 30 minutes and 14,432 enrollees within 60 minutes. Chiropractic and physical therapy services, as well as optometry, are projected to increase in demand and this CBOC has the space and capacity to support these services.
- **Educate Veterans and VA providers on referral options from the Junction City CBOC to other locations, such as Irwin Army Community Hospital at Fort Riley, to utilize DoD capacity for outpatient specialty care, inpatient medical and surgical, outpatient surgery, and ancillary services:** Enrollee population is continuing to expand while many VA facilities are space constrained and cannot handle the increasing volume. Educating Veterans in Geary County on their referral options improves quality of care and utilizes VA's community providers to better serve the enrollee population.

Wichita VAMC

- **Add physical therapy services to the Salina CBOC:** Demand for specialty care services is projected to increase significantly across the market. Currently, the Salina CBOC in Saline County has 2,463 enrollees within 30 minutes and 9,767 enrollees within 60 minutes. Physical medicine and rehabilitation (PM&R) are ideally located closer to where Veterans live and the existing CBOC has the space and capacity to support these services.
- **Relocate a majority of the Veterans Benefits Administration (VBA) Regional Office from the Wichita VAMC to an offsite location and reconfigure space for priority clinical needs (e.g., rehabilitation, outpatient clinics, and clinic support functions):** The enrollee population in Sedgwick County is continuing to expand while many VA facilities are space constrained and cannot handle the increasing volume. Relocating administrative offices to prioritize the space for clinic use will better support Veterans and improve quality of care.
- **Grow the academic affiliation with the University of Kansas School of Medicine and Nursing at the Salina CBOC:** Academic affiliates provide care and access to technologies and practices that improve quality of care for Veterans. Growing and leveraging strategic collaborations in Saline County will assist VA facilities in meeting and surpassing the standard of care.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 15 Western Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[26] 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 Western Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 15 West Market	Status Quo	Modernization	VA Recommendation
Total Cost	$ 38,658,832,967	$ 40,207,341,339	$40,246,025,758
Capital Costs	$ 3,612,022,112	$ 5,160,530,484	$5,696,435,844
Operational Costs	$ 35,046,810,855	$ 35,046,810,855	$34,549,589,914
Total Benefit Score	7	10	14
CBI (normalized in $B)	**5.52**	**4.02**	**2.87**

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.

[26] 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 will be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 40 VA points of care offering outpatient services, including the proposed new NW Kansas City, Missouri MS CBOC; Rolla, Missouri MS CBOC; Liberty, Missouri MS CBOC; West Wichita, Kansas CBOC; Derby, Kansas CBOC; Columbia, Missouri CBOC; Iola, Kansas CBOC; and Topeka, Kansas outpatient surgical partnership; and the proposed expanded St. Joseph, Missouri MS CBOC; Junction City, Kansas MS CBOC; and Honor, Kansas MS CBOC; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Columbia, Missouri VAMC; Topeka, Kansas VAMC; Wichita, Kansas VAMC; Leavenworth, Kansas VAMC; and proposed new stand-alone CLC in Kansas City, Missouri; 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 St. Louis-John Cochran, Missouri VAMC (VISN 15).
- **RRTP:** RRTP demand will be met through the Leavenworth, Kansas VAMC; Kansas City, Missouri VAMC; Columbia, Missouri VAMC; Topeka, Kansas VAMC; Wichita, Kansas VAMC; and the other facilities within VISN 15 offering RRTP, including the Marion, Illinois VAMC and St. Louis-Jefferson Barracks, Missouri VAMC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the Hines, Illinois VAMC (VISN 12).
- **Inpatient acute:** Inpatient medicine demand will be met through the Kansas City, Missouri VAMC; Columbia, Missouri VAMC; Wichita, Kansas VAMC; Leavenworth, Kansas VAMC; and proposed new inpatient partnership in Topeka, Kansas; as well as through community providers. Inpatient surgery demand will be met through the Kansas City, Missouri VAMC; Columbia, Missouri VAMC; Wichita, Kansas VAMC; and proposed new inpatient partnership in Topeka, Kansas; as well as through community providers. Inpatient mental health demand will be met through the Kansas City, Missouri VAMC; Columbia, Missouri VAMC; Topeka, Kansas VAMC; and proposed new inpatient partnership in Wichita, Kansas; 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 173,495 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 projected to be maintained, with 174,124 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:** This recommendation for this market supports VA's ability to maintain education mission in VISN 15. The recommendation allows for continued relationships with key partners, including but not limited to, the affiliations with the University of Missouri, University of Kansas, Wichita State University, and Kansas City University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Kansas City, Missouri VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; no VAMCs in this market are designated as 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 NW Kansas City, Missouri MS CBOC; Liberty, Missouri MS CBOC; Rolla, Missouri MS CBOC; West Wichita, Kansas CBOC; Derby, Kansas CBOC; Columbia, Missouri CBOC; Iola, Kansas CBOC; Topeka, Kansas, outpatient partnership; and inpatient partnerships in Topeka, Kansas, and Wichita, Kansas. 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 (2.87 for VA Recommendation versus 5.52 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investments in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new NW Kansas City, Missouri MS CBOC; Liberty, Missouri MS CBOC; Rolla, Missouri MS CBOC; West Wichita, Kansas CBOC; Derby, Kansas CBOC; Columbia, Missouri CBOC; Iola, Kansas CBOC; Topeka, Kansas outpatient partnership, and inpatient partnerships in Topeka, Kansas and Wichita, Kansas. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in community provider space.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today ($40.25B for VA Recommendation versus $40.21B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (2.87 for VA Recommendation versus 4.02 for Modernization), reflecting effective stewardship of taxpayer dollars.