VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

Appendix H

Cost Benefit Analysis – VISN 02

Table of Contents

VISN 02 Eastern

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 Eastern Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (0.60) is 39.4% lower than the Status Quo COA (0.99) and 19.3% lower than the Modernization COA (0.74).

The VA Recommendation COA is $121.9 M (1.5%) less expensive than the Status Quo COA and $375.3 M (4.6%) less expensive than the Modernization COA. While the VA Recommendation COA decreases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 13-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 1 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($7,922,544,011)	($8,175,990,329)	($7,800,663,105)
Benefit Analysis Score	8	11	13
CBI (Normalized in $Billions)	0.99	0.74	0.60
CBI % Change vs. Status Quo	N/A	-24.9%	-39.4%
CBI % Change vs. Modernization	N/A	N/A	-19.3%

Table 2 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($253,446,318)	($508,533,095)
Operational Cost Variance vs. Status Quo	N/A	$0	$630,414,001
Estimated Total Cost Variance vs. Status Quo	N/A	($253,446,318)	$121,880,906
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$375,327,224

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

Table 3 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	1
Quality	2	3	3
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**8**	**11**	**13**

VA Recommendation

The VA Recommendation for the VISN 02 Eastern Market COA is detailed below.

- Modernize and realign the Albany VAMC by:
  - Establishing a strategic collaboration to provide inpatient medical and surgical and outpatient surgical services and discontinuing these services at the Albany VAMC. If unable to enter into a strategic collaboration, the Albany VAMC will maintain the services at the existing Albany VAMC
  - Constructing a new VAMC with inpatient mental health, CLC, RRTP, urgent care, primary care, outpatient specialty care, and outpatient mental health services in the vicinity of Albany, New York, if an inpatient medical surgical strategic collaboration is established
  - Relocating emergency department services from the Albany VAMC to community providers and discontinuing these services at the Albany VAMC
  - Closing the Albany VAMC
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new CBOC in the vicinity of Saratoga Springs, New York
  - Relocating all services to the proposed Saratoga Springs CBOC and closing the Glens Falls CBOC
  - Relocating all services to the proposed replacement Albany VAMC and closing the Clifton Park OOS
  - Relocating all services to the proposed replacement Albany VAMC and closing the Troy OOS
  - Relocating all services to the proposed replacement Albany VAMC and closing the Schenectady OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Eastern Market across a 30-year horizon. The cost of the VA Recommendation COA ($7.8 B) was lower than the Status Quo COA ($7.9 B) and the Modernization COA ($8.2 B).

For the VISN 02 Eastern Market, the VA Recommendation COA is $121.9 M (1.5%) less expensive than the Status Quo COA and $375.3 M (4.6%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Eastern: Capital and Operational Costs Detail.

Table 4 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($7,922,544,011)	($8,175,990,329)	($7,800,663,105)
Capital Cost Variance vs. Status Quo	N/A	($253,446,318)	($508,533,095)
Operational Cost Variance vs. Status Quo	N/A	$0	$630,414,001
Non-VA Care Operational Cost Variance	N/A	$0	($967,923,152)
VA Care Operational Cost Variance	N/A	$0	$1,598,337,154
Estimated Total Cost Variance vs. Status Quo	N/A	($253,446,318)	$121,880,906
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$375,327,224

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Eastern Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 5 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	1
Quality	2	3	3
Facilities and Sustainability	1	2	3
Mission	2	2	2
Total Benefit Score	**8**	**11**	**12**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Eastern: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Eastern for this domain.

Table 6 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Saratoga CBOC to provide primary care and outpatient mental health services; there are 8,172 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes the new Albany, NY inpatient medicine and surgery, and outpatient surgery partnership

Access

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

The table below shows the CBA access scores for VISN 02 Eastern for this domain.

Table 7 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Eastern for this domain.

Table 8 – Quality Scoring Summary

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

Status Quo: The COA received a score of 2 for two reasons. First, the COA includes main patient care facilities that were built prior to the emergence of modern healthcare design principles and specific

standards to support modern medicine (e.g., floor-to-floor heights, corridor widths, columns spacing, and utility infrastructure requirements). Second, the COA includes facilities with projected future demand at or above VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Eastern for this domain.

Table 9 – Facilities and Sustainability Scoring Summary

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

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

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

Modernization: The COA received a score of 2 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the

coming years. Second, while the COA includes modernized infrastructure, which may attract providers, it does not include additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

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

- Establishes the new Albany, NY inpatient medicine and surgery, and outpatient surgery partnership

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Eastern for this domain.

Table 10 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 11 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Eastern Market, two scenarios changed the outcome of the CBA:

- Increasing the Modernization benefits score by three points
- Increasing the Non-VA Operational Cost by 300%; Modernization becomes the preferred COA

Sensitivity Analysis Full Results

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

Table 12 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	0.99	0.74	0.60	VA Recommendation
+1	0.88	0.68	0.60	VA Recommendation
+2	0.79	0.63	0.60	VA Recommendation
+3	0.72	0.58	0.60	Modernization

Table 13 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	0.99	0.74	0.60	VA Recommendation
50%	1.05	0.80	0.66	VA Recommendation
100%	1.11	0.86	0.72	VA Recommendation
150%	1.18	0.91	0.77	VA Recommendation
200%	1.24	0.97	0.83	VA Recommendation
250%	1.30	1.03	0.89	VA Recommendation
300%	1.36	1.08	0.95	VA Recommendation

Table 14 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	0.99	0.74	0.60	VA Recommendation
50%	1.34	1.00	0.75	VA Recommendation
100%	1.68	1.25	0.90	VA Recommendation
150%	2.03	1.50	1.06	VA Recommendation
200%	2.38	1.75	1.21	VA Recommendation
250%	2.72	2.00	1.36	VA Recommendation
300%	3.07	2.25	1.51	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	0.99	0.74	0.60	VA Recommendation
50%	1.08	0.81	0.69	VA Recommendation
100%	1.16	0.87	0.78	VA Recommendation
150%	1.25	0.93	0.87	VA Recommendation
200%	1.34	1.00	0.96	VA Recommendation
250%	1.42	1.06	1.05	VA Recommendation
300%	1.51	1.12	1.14	Modernization

Appendix A – VISN 02 Eastern Capital and Operational Costs Detail

Table 16 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	877,433	956,653
Build New GSF	-	586,868	708,632
Renovate In Place GSF	-	26,742	-
Matched Convert To GSF	-	58,419	-
Demolition GSF	-	770,480	865,640
Total Build New Cost	$0	($603,510,893)	($684,811,281)
Total Renovate In Place Cost	$0	($7,373,883)	$0
Total Matched Convert To Cost	$0	($25,953,422)	$0
Total Demolition Cost	$0	($31,117,823)	($16,447,160)
Total Lease Build-Out Cost	$0	($20,835,997)	($21,961,630)
Total New Lease Cost	$0	($60,811,156)	($64,096,450)
Total Existing Lease Cost	($8,248,946)	($8,248,869)	($5,481,714)
NRM Costs for Owned Facilities	($701,150,014)	($102,433,797)	($111,682,193)
FCA Correction Cost	($231,037,676)	N/A	N/A
Estimated Base Modernization Cost	($940,436,636)	($860,285,840)	($904,480,428)
Additional Common/Lobby Space Needed (GSF)	-	205,404	248,021
Cost of Additional Common/Lobby Space	$0	($182,875,001)	($220,818,102)
Additional Parking Cost	$0	($21,155,574)	($243,377,949)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($2,469,381)	($66,483)
Seismic Correction Cost	($20,184,660)	($625,316)	$0
Non-Building FCA Correction Cost	($29,269,113)	($29,269,112)	$0
Activation Costs	$0	($146,656,502)	($129,680,542)
Estimated Additional Costs for Modernization	($49,453,772)	($383,050,886)	($593,943,076)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($989,890,409)	($1,243,336,726)	($1,498,423,504)

Table 17 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($3,322,541,381)	($3,322,541,381)	($2,353,838,450)
Fixed Direct	($304,309,442)	($304,309,442)	($223,234,399)
VA Specific Direct	($117,677,786)	($117,677,786)	($89,988,901)
Indirect	($1,354,885,705)	($1,354,885,705)	($960,443,630)
VA Specific Indirect	($164,441,695)	($164,441,695)	($117,130,463)
Research and Education	($2,930,922)	($2,930,922)	($2,652,272)
VA Overhead	($275,407,873)	($275,407,873)	($196,569,536)
VA Care Operational Cost Total (PV)	($5,542,194,805)	($5,542,194,805)	($3,943,857,651)
CC Direct	($732,600,514)	($732,600,514)	($1,668,408,103)
Delivery and Operations	($30,771,035)	($30,771,035)	($57,051,423)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($29,262,438)	($29,262,438)	($55,206,948)
CC Overhead	($40,424,107)	($40,424,107)	($75,586,903)
Admin PMPM	($557,400,703)	($557,400,703)	($502,128,574)
Non-VA Care Operational Cost Total (PV)	($1,390,458,798)	($1,390,458,798)	($2,358,381,950)
Estimated Operational Costs (PV)	($6,932,653,603)	($6,932,653,603)	($6,302,239,601)

Appendix B – VISN 02 Eastern: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	56	68	50	Under Supplied
IP Med/Surg	40	48	37	Under Supplied
IP MH	13	15	12	Under Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	13	48%
Under Supplied	14	52%

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

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

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

Table 20 – New Facility Demand Guidelines

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

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

Access

Table 21 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	74.9%	74.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.5%	84.5%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	73.0%	73.0%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	74.9%	74.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.5%	84.5%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	73.0%	73.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	74.9%	62.3%	Decreased 1% or more

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.5%	80.0%	Decreased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	73.0%	84.6%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 22 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (528A8) Albany-New York	1951	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (528A8) Albany-New York	IP Med	20 ADC	Yes	Partner (VA Delivered)
(V02) (528A8) Albany-New York	IP Surg	1,600 Cases	Yes	Partner (VA Delivered)
(V02) (528A8) Albany-New York	IP MH	8 ADC	Yes	Replace/Relocate

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

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

Facilities and Sustainability

Table 24 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (528A8) Albany-New York	1951	1985	Yes

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

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

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

Facility	Expands VA's Ability to Recruit/Retain?
(V02) Albany, NY IP/OP Partnership	Yes

Mission

Table 26 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (528A8) Albany-New York	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Training Opportunities, Increases Research Opportunities

VISN 02 Central

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 Central Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.07) is 18.9% lower than the Status Quo COA (1.33) and 0.2% lower than the Modernization COA (1.08).

The VA Recommendation COA is $1.2 B (11.5%) more expensive than the Status Quo COA and $18.7 M (0.2%) less expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo COA and decreases costs compared to the Modernization COA, it also increases benefits; the VA Recommendation (11 points) outscored the Status Quo COA (8 points) and tied the Modernization COA (11 points).

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

Table 27 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($10,601,569,446)	($11,835,978,488)	($11,817,319,225)
Benefit Analysis Score	8	11	11
CBI (Normalized in $Billions)	1.33	1.08	1.07
CBI % Change vs. Status Quo	N/A	-18.8%	-18.9%
CBI % Change vs. Modernization	N/A	N/A	-0.2%

Table 28 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($1,234,409,042)	($1,215,749,778)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,234,409,042)	($1,215,749,778)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$18,659,263

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

Table 29 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 02 Central Market COA is detailed below.

- Modernize and realign the Syracuse VAMC by relocating SCI/D services at the Syracuse VAMC to current or future VA facilities and discontinuing these services at the Syracuse VAMC
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new CBOC in the vicinity of Lysander, New York (Onondaga County 1)
  - Establishing a new CBOC in the vicinity of Camillus, New York (Onondaga County 2)

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Central Market across a 30-year horizon. The cost of the VA Recommendation COA ($11.82 B) was higher than the Status Quo COA ($10.6 B) and lower than the Modernization COA ($11.84 B).

For the VISN 02 Central Market, the VA Recommendation COA is $1.2 B (11.5%) more expensive than the Status Quo COA and $18.7 M (0.2%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Central: Capital and Operational Costs Detail.

Table 30 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($10,601,569,446)	($11,835,978,488)	($11,817,319,225)
Capital Cost Variance vs. Status Quo	N/A	($1,234,409,042)	($1,215,749,778)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,234,409,042)	($1,215,749,778)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$18,659,263

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Central Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA and Modernization COA provide the most benefit (greatest Total Benefit Score) in comparison to the Status Quo COA.

Table 31 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	2
Quality	2	3	3
Facilities and Sustainability	1	2	2
Mission	2	2	2

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**8**	**11**	**11**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Central: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Central for this domain.

Table 32 – Demand and Supply Scoring Summary

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

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

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

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

Access

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

The table below shows the CBA access scores for VISN 02 Central for this domain.

Table 33 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Central for this domain.

Table 34 – Quality Scoring Summary

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

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

Modernization: The COA received a score of 3 for two reasons. First, the COA contains only modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand at or above VA planning

guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Central for this domain.

Table 35 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Central for this domain.

Table 36 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 37 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Central Market, four scenarios changed the outcome of the CBA:

- Increasing the Modernization benefits score by one point
- Increasing the Modernization benefits score by two points
- Increasing the Modernization benefits score by three points
- Increasing the VA Capital Cost by 300%; Status Quo becomes the preferred COA

Sensitivity Analysis Full Results

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

Table 38 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.33	1.08	1.07	VA Recommendation
+1	1.18	0.99	1.07	Modernization
+2	1.06	0.91	1.07	Modernization
+3	0.96	0.85	1.07	Modernization

Table 39 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.33	1.08	1.07	VA Recommendation
50%	1.35	1.15	1.15	VA Recommendation
100%	1.37	1.22	1.22	VA Recommendation
150%	1.40	1.30	1.29	VA Recommendation
200%	1.42	1.37	1.37	VA Recommendation
250%	1.45	1.45	1.44	VA Recommendation
300%	1.47	1.52	1.51	Status Quo

Table 40 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.33	1.08	1.07	VA Recommendation
50%	1.79	1.42	1.42	VA Recommendation
100%	2.26	1.76	1.76	VA Recommendation
150%	2.73	2.10	2.10	VA Recommendation
200%	3.20	2.44	2.44	VA Recommendation
250%	3.67	2.78	2.78	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
300%	4.14	3.12	3.12	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.33	1.08	1.07	VA Recommendation
50%	1.49	1.20	1.20	VA Recommendation
100%	1.66	1.32	1.32	VA Recommendation
150%	1.83	1.44	1.44	VA Recommendation
200%	2.00	1.57	1.56	VA Recommendation
250%	2.17	1.69	1.69	VA Recommendation
300%	2.34	1.81	1.81	VA Recommendation

Appendix A – VISN 02 Central: Capital and Operational Costs Detail

Table 42 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,052,623	1,009,630
Build New GSF	-	765,153	733,307
Renovate In Place GSF	-	5,021	5,021
Matched Convert To GSF	-	14,645	14,645
Demolition GSF	-	746,707	746,707
Total Build New Cost	$0	($761,425,534)	($735,446,330)
Total Renovate In Place Cost	$0	($2,015,293)	($2,015,294)
Total Matched Convert To Cost	$0	($6,318,557)	($6,318,557)
Total Demolition Cost	$0	($29,287,759)	($29,287,759)
Total Lease Build-Out Cost	$0	($15,775,998)	($24,592,889)
Total New Lease Cost	$0	($52,268,306)	($81,500,647)
Total Existing Lease Cost	($54,266,539)	($54,266,495)	($54,266,539)
NRM Costs for Owned Facilities	($267,827,635)	($122,885,906)	($117,866,895)
FCA Correction Cost	-$68,086,622	N/A	N/A
Estimated Base Modernization Cost	($390,180,796)	($1,044,243,848)	($1,051,294,911)
Additional Common/Lobby Space Needed (GSF)	-	267,804	256,657
Cost of Additional Common/Lobby Space	$0	($231,552,903)	($221,915,572)
Additional Parking Cost	$0	($149,914,655)	($138,264,623)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($1,743,240)	($1,751,925)
Seismic Correction Cost	($2,404,654)	($23,531)	($23,532)
Non-Building FCA Correction Cost	($4,155,285)	($4,155,284)	($4,155,285)
Activation Costs	$0	($199,516,316)	($195,084,667)
Estimated Additional Costs for Modernization	($6,559,938)	($586,905,929)	($561,195,603)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($396,740,735)	($1,631,149,777)	($1,612,490,513)

Table 43 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($4,279,073,970)	($4,279,073,970)	($4,279,073,970)
Fixed Direct	($662,068,754)	($662,068,754)	($662,068,754)
VA Specific Direct	($332,494,460)	($332,494,460)	($332,494,460)
Indirect	($1,660,689,798)	($1,660,689,798)	($1,660,689,798)
VA Specific Indirect	($198,104,323)	($198,104,323)	($198,104,323)
Research and Education	($1,980,155)	($1,980,155)	($1,980,155)
VA Overhead	($372,915,497)	($372,915,497)	($372,915,497)
VA Care Operational Cost Total (PV)	($7,507,326,957)	($7,507,326,957)	($7,507,326,957)
CC Direct	($1,706,548,798)	($1,706,548,798)	($1,706,548,798)
Delivery and Operations	($76,747,426)	($76,747,426)	($76,747,426)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($79,750,110)	($79,750,110)	($79,750,110)
CC Overhead	($97,233,878)	($97,233,878)	($97,233,878)
Admin PMPM	($737,221,542)	($737,221,542)	($737,221,542)
Non-VA Care Operational Cost Total (PV)	($2,697,501,754)	($2,697,501,754)	($2,697,501,754)
Estimated Operational Costs (PV)	($10,204,828,711)	($10,204,828,711)	($10,204,828,711)

Appendix B – VISN 02 Central: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	36	43	46	Over Supplied
IP Med/Surg	60	71	80	Over Supplied
IP MH	14	17	16	Adequately Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	18	67%

Physician Supply Adequacy	Count of Specialties	Percentage
Under Supplied	9	33%

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

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

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

Table 46 – New Facility Demand Guidelines

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

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

Access

Table 47 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	79.4%	79.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	80.3%	80.3%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	89.6%	89.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	79.4%	79.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	80.3%	80.3%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	89.6%	89.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	79.4%	79.5%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	80.3%	80.4%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	89.6%	89.6%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.4%	99.4%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.8%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 48 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (528A7) Syracuse	1952	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (528A7) Syracuse	IP Med	20 ADC	Yes	Maintain
(V02) (528A7) Syracuse	IP Surg	1,600 Cases	Yes	Maintain
(V02) (528A7) Syracuse	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 50 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (528A7) Syracuse	1952	1985	Yes

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

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

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

Facility	Expands VA's Ability to Recruit/Retain?
N/A	N/A

Mission

Table 52 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (528A7) Syracuse	No impact on training	Maintains or Has Plan to Transition	Maintains PRC-designation	Increases Research Opportunities

VISN 02 Western

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 Western Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (0.95) is 26.1% lower than the Status Quo COA (1.29) and 1.5% lower than the Modernization COA (0.97).

The VA Recommendation COA is $1.1 B (10.9%) more expensive than the Status Quo COA and $787.1 M (7.4%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 12-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 53 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($10,296,647,548)	($10,630,736,302)	($11,417,821,369)
Benefit Analysis Score	8	11	12
CBI (Normalized in $Billions)	1.29	0.97	0.95
CBI % Change vs. Status Quo	N/A	-24.9%	-26.1%
CBI % Change vs. Modernization	N/A	N/A	-1.5%

Table 54 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($334,088,754)	($1,121,173,821)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($334,088,754)	($1,121,173,821)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($787,085,067)

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

Table 55 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	2
Mission	2	2	2
Total Benefit Score	**8**	**11**	**12**

VA Recommendation

The VA Recommendation for the VISN 02 Western Market COA is detailed below.

- Modernize and realign the Buffalo VAMC by:
  - Constructing a new VAMC with inpatient medical and surgical, inpatient mental health, CLC, RRTP, primary care, outpatient mental health, specialty care, emergency department, and ambulatory surgery services in the vicinity of Buffalo, New York
  - Closing the Buffalo VAMC
- Modernize and realign the Batavia VAMC by modernizing the outpatient space at the Batavia VAMC
- Modernize and realign outpatient facilities in the market by:
  - Relocating all services to the proposed replacement Buffalo VAMC and closing the Buffalo-Main Street OOS
  - Relocating all services to the proposed replacement Buffalo VAMC and closing the Packard- Buffalo OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Western Market across a 30-year horizon. The cost of the VA Recommendation COA ($11.4 B) was higher than the Status Quo COA ($10.3 B) and the Modernization COA ($10.6 B).

For the VISN 02 Western Market, the VA Recommendation COA is $1.1 B (10.9%) more expensive than the Status Quo COA and $787.1 M (7.4%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Western: Capital and Operational Costs Detail.

Table 56 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($10,296,647,548)	($10,630,736,302)	($11,417,821,369)
Capital Cost Variance vs. Status Quo	N/A	($334,088,754)	($1,121,173,821)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($334,088,754)	($1,121,173,821)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($787,085,067)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Western Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 57 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	2
Mission	2	2	2

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**8**	**11**	**12**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Western: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Western for this domain.

Table 58 – Demand and Supply Scoring Summary

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

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

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

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

Access

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

The table below shows the CBA access scores for VISN 02 Western for this domain.

Table 59 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Western for this domain.

Table 60 – Quality Scoring Summary

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

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

Modernization: The COA received a score of 3 for two reasons. First, the COA contains only modern facilities that meet modern health care design standards. Modern facilities support current standards of care (e.g., PACT-enabled environment in the outpatient setting, single patient rooms in the inpatient setting) and utilization of technologies. They can also improve the experience for both Veterans and staff. Second, the COA includes facilities with projected future demand at or above VA planning

guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Western for this domain.

Table 61 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Western for this domain.

Table 62 – Mission Scoring Summary

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

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

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

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

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

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

- **Education:** The COA received a score of 2 because inpatient acute services remain VA-delivered and thus the COA maintains existing training programs.

- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 63 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Western Market, nine scenarios changed the outcome of the CBA:

- Increasing the Modernization benefits score by one point
- Increasing the Modernization benefits score by two points
- Increasing the Modernization benefits score by three points
- Increasing the VA Capital Cost by 50%; Modernization becomes the preferred COA
- Increasing the VA Capital Cost by 100%; Modernization becomes the preferred COA
- Increasing the VA Capital Cost by 150%; Modernization becomes the preferred COA
- Increasing the VA Capital Cost by 200%; Modernization becomes the preferred COA
- Increasing the VA Capital Cost by 250%; Modernization becomes the preferred COA
- Increasing the VA Capital Cost by 300%; Modernization becomes the preferred COA

Sensitivity Analysis Full Results

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

Table 64 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.29	0.97	0.95	VA Recommendation
+1	1.14	0.89	0.95	Modernization
+2	1.03	0.82	0.95	Modernization
+3	0.94	0.76	0.95	Modernization

Table 65 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.29	0.97	0.95	VA Recommendation
50%	1.38	1.05	1.06	Modernization
100%	1.46	1.13	1.16	Modernization
150%	1.55	1.20	1.27	Modernization
200%	1.64	1.28	1.37	Modernization
250%	1.73	1.36	1.48	Modernization
300%	1.82	1.44	1.58	Modernization

Table 66 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.29	0.97	0.95	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
50%	1.74	1.30	1.25	VA Recommendation
100%	2.19	1.63	1.56	VA Recommendation
150%	2.65	1.96	1.86	VA Recommendation
200%	3.10	2.28	2.16	VA Recommendation
250%	3.55	2.61	2.46	VA Recommendation
300%	4.01	2.94	2.76	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.29	0.97	0.95	VA Recommendation
50%	1.39	1.04	1.02	VA Recommendation
100%	1.49	1.11	1.09	VA Recommendation
150%	1.59	1.19	1.16	VA Recommendation
200%	1.70	1.26	1.22	VA Recommendation
250%	1.80	1.34	1.29	VA Recommendation
300%	1.90	1.41	1.36	VA Recommendation

Appendix A – VISN 02 Western: Capital and Operational Costs Detail

Table 68 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,265,685	1,705,711
Build New GSF	-	860,357	1,247,305
Renovate In Place GSF	-	22,061	2,860
Matched Convert To GSF	-	82,142	18,989
Demolition GSF	-	1,266,867	1,349,221
Total Build New Cost	$0	($892,704,088)	($1,242,780,105)
Total Renovate In Place Cost	$0	($9,895,133)	($1,282,811)
Total Matched Convert To Cost	$0	($36,843,573)	($8,517,234)
Total Demolition Cost	$0	($51,657,670)	($31,447,782)
Total Lease Build-Out Cost	$0	($13,833,925)	($12,328,889)
Total New Lease Cost	$0	($40,375,175)	($35,982,667)
Total Existing Lease Cost	($12,161,121)	($12,161,078)	($5,417,722)
NRM Costs for Owned Facilities	($1,078,817,051)	($147,759,367)	($199,129,128)
FCA Correction Cost	($300,642,327)	N/A	N/A
Estimated Base Modernization Cost	($1,391,620,499)	($1,205,230,009)	($1,536,886,337)
Additional Common/Lobby Space Needed (GSF)	-	301,125	436,557
Cost of Additional Common/Lobby Space	$0	($270,675,262)	($392,412,231)
Additional Parking Cost	$0	($35,739,969)	($370,182,180)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($7,866,959)	($42,524)
Seismic Correction Cost	($5,989,414)	($559,518)	$0
Non-Building FCA Correction Cost	($14,461,487)	($14,461,486)	$0
Activation Costs	$0	($211,626,951)	($233,721,949)
Estimated Additional Costs for Modernization	($20,450,900)	($540,930,145)	($996,358,884)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,412,071,400)	($1,746,160,154)	($2,533,245,221)

Table 69 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($4,003,555,937)	($4,003,555,937)	($4,003,555,937)
Fixed Direct	($523,599,263)	($523,599,263)	($523,599,263)
VA Specific Direct	($183,149,443)	($183,149,443)	($183,149,443)
Indirect	($1,940,564,479)	($1,940,564,479)	($1,940,564,479)
VA Specific Indirect	($234,891,415)	($234,891,415)	($234,891,415)
Research and Education	($3,959,863)	($3,959,863)	($3,959,863)
VA Overhead	($361,246,949)	($361,246,949)	($361,246,949)
VA Care Operational Cost Total (PV)	($7,250,967,349)	($7,250,967,349)	($7,250,967,349)
CC Direct	($948,711,042)	($948,711,042)	($948,711,042)
Delivery and Operations	($37,264,035)	($37,264,035)	($37,264,035)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($34,855,784)	($34,855,784)	($34,855,784)
CC Overhead	($49,406,448)	($49,406,448)	($49,406,448)
Admin PMPM	($563,371,490)	($563,371,490)	($563,371,490)
Non-VA Care Operational Cost Total (PV)	($1,633,608,800)	($1,633,608,800)	($1,633,608,800)
Estimated Operational Costs (PV)	($8,884,576,148)	($8,884,576,148)	($8,884,576,148)

Appendix B – VISN 02 Western: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	77	92	100	Over Supplied
IP Med/Surg	56	68	93	Over Supplied
IP MH	13	16	15	Adequately Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	18	67%

Physician Supply Adequacy	Count of Specialties	Percentage
Under Supplied	9	33%

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

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

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

Table 72 – New Facility Demand Guidelines

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

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

Access

Table 73 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.6%	95.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.5%	95.5%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	93.1%	93.1%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.6%	95.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.5%	95.5%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	93.1%	93.1%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.6%	95.5%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.5%	95.5%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	93.1%	98.5%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 74 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (528) Buffalo-New York	1949	Yes

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (528A4) Batavia	1932	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (528) Buffalo-New York	IP Med	20 ADC	Yes	Replace/Relocate
(V02) (528) Buffalo-New York	IP Surg	1,600 Cases	Yes	Replace/Relocate
(V02) (528) Buffalo-New York	IP MH	8 ADC	Yes	Replace/Relocate

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

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

Facilities and Sustainability

Table 76 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (528) Buffalo-New York	1949	1990	Yes
(V02) (528A4) Batavia	1932	N/A	Yes

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

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

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

Facility	Expands VA's Ability to Recruit/Retain?
N/A	N/A

Mission

Table 78 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (528) Buffalo-New York	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Does Not Increase Training/Research Opportunities

VISN 02 Finger Lakes

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the combined VISN 02 Finger Lakes Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (0.79) is 30.1% lower than the Status Quo COA (1.12) and 2.4% lower than the Modernization COA (0.80).

The VA Recommendation COA is $10.9 M (0.1%) less expensive than the Status Quo COA and $195.3 M (2.4%) less expensive than the Modernization COA. While the VA Recommendation COA decreases cost compared to the Status Quo and Modernization COAs, it also increases benefits; the VA Recommendation (10 points) outscored the Status Quo COA (7 points) and tied the Modernization COA (10 points).

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

Table 79 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($7,861,390,882)	($8,045,756,420)	($7,850,453,929)
Benefit Analysis Score	7	10	10
CBI (Normalized in $Billions)	1.12	0.80	0.79
CBI % Change vs. Status Quo	N/A	-28.4%	-30.1%
CBI % Change vs. Modernization	N/A	N/A	-2.4%

Table 80 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($184,365,538)	($40,669,965)
Operational Cost Variance vs. Status Quo	N/A	$0	$51,606,917
Estimated Total Cost Variance vs. Status Quo	N/A	($184,365,538)	$10,936,953
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$195,302,491

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

Table 81 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 02 Finger Lakes Market COA is detailed below.

- Modernize and realign the Bath VAMC by:
  - Relocating RRTP services to current or future VA facilities and discontinuing these services at the Bath VAMC
  - Relocating inpatient medical and urgent care services from the Bath VAMC to community providers and discontinuing these services at the Bath VAMC
- Modernize and realign outpatient facilities in the market by:
  - Relocating all services to the Rochester MS CBOC and closing the Clinton Crossings MS CBOC
  - Relocating all services to the Rochester MS CBOC and closing the Mount Hope OOS
  - Relocating all services to the Wellsboro OOS and closing the Coudersport OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Finger Lakes Market across a 30-year horizon. The cost of the VA Recommendation COA ($7.85 B) was lower than the Status Quo COA ($7.86 B) and the Modernization COA ($8.0 B).

For the VISN 02 Finger Lakes Market, the VA Recommendation COA is $10.9 M (0.1%) less expensive than the Status Quo COA and $195.3 M (2.4%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Finger Lakes: Capital and Operational Costs Detail.

Table 82 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($7,861,390,882)	($8,045,756,420)	($7,850,453,929)
Capital Cost Variance vs. Status Quo	N/A	($184,365,538)	($40,669,965)
Operational Cost Variance vs. Status Quo	N/A	$0	$51,606,917
Non-VA Care Operational Cost Variance	N/A	$0	($24,017,763)
VA Care Operational Cost Variance	N/A	$0	$75,624,681
Estimated Total Cost Variance vs. Status Quo	N/A	($184,365,538)	$10,936,953
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$195,302,491

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Finger Lakes Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA and Modernization COA provide the most benefit (greatest Total Benefit Score) in comparison to the Status Quo COAs.

Table 83 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	1
Quality	1	2	3
Facilities and Sustainability	1	2	2
Mission	2	2	2

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**7**	**10**	**10**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Finger Lakes: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Finger Lakes for this domain.

Table 84 – Demand and Supply Scoring Summary

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

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

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

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

Access

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

The table below shows the CBA access scores for VISN 02 Finger Lakes for this domain.

Table 85 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Finger Lakes for this domain.

Table 86 – Quality Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Quality	1	2	3

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

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

sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

- Transition Bath's low census inpatient medicine program to community providers

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Finger Lakes for this domain.

Table 87 – Facilities and Sustainability Scoring Summary

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

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

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

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

VA Recommendation: The COA received a score of 2 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, while the COA includes modernized infrastructure, which may attract providers, it does not include additional changes to support VA's ability to recruit or retain providers

(e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities).

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Finger Lakes for this domain.

Table 88 – Mission Scoring Summary

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

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

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

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

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

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

- **Education:** The COA received a score of 1 because it impacts inpatient acute service lines and thus introduces risk to existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.
- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 89 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Finger Lakes Market, three scenarios changed the outcome of the CBA:

- Increasing the Modernization benefits score by one point
- Increasing the Modernization benefits score by two points
- Increasing the Modernization benefits score by three points

Sensitivity Analysis Full Results

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

Table 90 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.12	0.80	0.79	VA Recommendation
+1	0.98	0.73	0.79	Modernization
+2	0.87	0.67	0.79	Modernization
+3	0.79	0.62	0.79	Modernization

Table 91 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.12	0.80	0.79	VA Recommendation
50%	1.21	0.87	0.85	VA Recommendation
100%	1.29	0.94	0.91	VA Recommendation
150%	1.38	1.01	0.97	VA Recommendation
200%	1.47	1.08	1.03	VA Recommendation
250%	1.55	1.15	1.10	VA Recommendation
300%	1.64	1.22	1.16	VA Recommendation

Table 92 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.12	0.80	0.79	VA Recommendation
50%	1.45	1.03	1.01	VA Recommendation
100%	1.77	1.26	1.23	VA Recommendation
150%	2.10	1.49	1.46	VA Recommendation
200%	2.42	1.72	1.68	VA Recommendation
250%	2.75	1.94	1.91	VA Recommendation
300%	3.08	2.17	2.13	VA Recommendation

Table 93 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.12	0.80	0.79	VA Recommendation
50%	1.27	0.91	0.89	VA Recommendation
100%	1.42	1.01	1.00	VA Recommendation
150%	1.57	1.12	1.10	VA Recommendation
200%	1.72	1.23	1.21	VA Recommendation
250%	1.87	1.33	1.32	VA Recommendation
300%	2.02	1.44	1.42	VA Recommendation

Appendix A – VISN 02 Finger Lakes: Capital and Operational Costs Detail

Table 94 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,042,517	922,019
Build New GSF	-	659,623	570,365
Renovate In Place GSF	-	42,448	42,448
Matched Convert To GSF	-	109,578	109,578
Demolition GSF	-	1,014,458	1,014,458
Total Build New Cost	$0	($646,044,275)	($566,274,045)
Total Renovate In Place Cost	$0	($16,830,013)	($16,830,013)
Total Matched Convert To Cost	$0	($46,336,278)	($46,060,313)
Total Demolition Cost	$0	($39,720,611)	($39,720,611)
Total Lease Build-Out Cost	$0	($33,991,111)	($37,411,407)
Total New Lease Cost	$0	($99,205,277)	($109,187,635)
Total Existing Lease Cost	($32,985,841)	($32,985,841)	($12,174,525)
NRM Costs for Owned Facilities	($906,376,689)	($121,706,163)	($107,638,877)
FCA Correction Cost	($232,896,639)	N/A	N/A
Estimated Base Modernization Cost	($1,172,259,169)	($1,036,819,569)	($935,297,426)
Additional Common/Lobby Space Needed (GSF)	-	230,868	199,628
Cost of Additional Common/Lobby Space	$0	($198,807,335)	($171,892,686)
Additional Parking Cost	$0	($21,397,333)	($16,197,049)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	$0	$0
Seismic Correction Cost	$0	$0	$0
Non-Building FCA Correction Cost	($30,378,448)	($30,378,448)	($30,378,448)
Activation Costs	$0	($99,600,470)	($89,541,973)
Estimated Additional Costs for Modernization	($30,378,448)	($350,183,586)	($308,010,156)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,202,637,617)	($1,387,003,155)	($1,243,307,582)

Table 95 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($2,426,093,397)	($2,426,093,397)	($2,386,527,528)
Fixed Direct	($381,382,503)	($381,382,503)	($376,608,059)
VA Specific Direct	($75,986,300)	($75,986,300)	($74,609,282)
Indirect	($1,280,226,513)	($1,280,226,513)	($1,257,452,487)
VA Specific Indirect	($159,914,725)	($159,914,725)	($156,797,008)
Research and Education	($4,167,157)	($4,167,157)	($4,097,056)
VA Overhead	($228,347,130)	($228,347,130)	($224,401,625)
VA Care Operational Cost Total (PV)	($4,556,117,726)	($4,556,117,726)	($4,480,493,046)
CC Direct	($1,360,246,880)	($1,360,246,880)	($1,386,605,896)
Delivery and Operations	($58,353,170)	($58,353,170)	($58,961,956)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($59,281,034)	($59,281,034)	($59,824,593)
CC Overhead	($74,122,176)	($74,122,176)	($74,926,644)
Admin PMPM	($550,632,280)	($550,632,280)	($546,334,212)
Non-VA Care Operational Cost Total (PV)	($2,102,635,539)	($2,102,635,539)	($2,126,653,302)
Estimated Operational Costs (PV)	($6,658,753,265)	($6,658,753,265)	($6,607,146,347)

Appendix B – VISN 02 Finger Lakes: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

Table 96 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	144	173	179	Over Supplied
IP Med/Surg	11	14	10	Under Supplied
IP MH	7	9	0	Under Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 97 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	2	7%
Under Supplied	25	93%

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

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

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

Table 98 – New Facility Demand Guidelines

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

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

Access

Table 99 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	80.6%	80.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.9%	84.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.4%	95.4%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.2%	98.2%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	80.6%	80.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.9%	84.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.4%	95.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.2%	98.2%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	80.6%	80.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.9%	83.3%	Decreased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.4%	95.4%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.2%	98.2%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 100 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (528A5) Canandaigua	1932	Yes
(V02) (528A6) Bath-New York	1937	Yes

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

Inpatient Acute Demand

Table 101 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (528A6) Bath	IP Med	20 ADC	No	Partner (CCN)
(V02) (528A6) Bath	IP Surg	1,600 Cases	No Service	N/A
(V02) (528A6) Bath	IP MH	8 ADC	No Service	N/A

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

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

Facilities and Sustainability

Table 102 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (528A5) Canandaigua	1932	N/A	Yes
(V02) (528A6) Bath-New York	1937	1960	Yes

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

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

Table 103 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
N/A	N/A

Mission

Table 104 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (528A5) Canandaigua	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Does Not Increase Training/Research Opportunities
(V02) (528A6) Bath	Deactivates IP Acute Service with training	No Research Program	No PRC Designation	Does Not Increase Training/Research Opportunities

VISN 02 Long Island

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 Long Island Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (0.61) is 39.2% lower than the Status Quo COA (1.01) and 33.2% lower than the Modernization COA (0.91).

The VA Recommendation COA is $496.9 M (5.5%) less expensive than the Status Quo COA and $586.7 M (6.4%) less expensive than the Modernization COA. While the VA Recommendation COA decreases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 9 for the Status Quo COA and 10 for the Modernization COA.

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

Table 105 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($9,058,114,713)	($9,147,903,670)	($8,561,228,363)
Benefit Analysis Score	9	10	14
CBI (Normalized in $Billions)	1.01	0.91	0.61
CBI % Change vs. Status Quo	N/A	-9.1%	-39.2%
CBI % Change vs. Modernization	N/A	N/A	-33.2%

Table 106 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($89,788,957)	$199,291,837
Operational Cost Variance vs. Status Quo	N/A	$0	$297,594,513
Estimated Total Cost Variance vs. Status Quo	N/A	($89,788,957)	$496,886,350
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$586,675,307

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

Table 107 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	2
Quality	2	2	3
Facilities and Sustainability	2	2	3
Mission	2	2	3
Total Benefit Score	**9**	**10**	**14**

VA Recommendation

The VA Recommendation for the VISN 02 Long Island Market COA is detailed below.

- Modernize and realign the Northport VAMC by:
  - Modernizing the Northport VAMC
  - Establishing a strategic collaboration to provide inpatient medical and surgical and outpatient surgical services and discontinuing these services at the Northport VAMC. If unable to enter into a strategic collaboration, relocate care to current or future VA facilities or community providers
  - Relocating RRTP services to current or future VA facilities and discontinuing these services at the Northport VAMC
  - Relocating emergency department services from the Northport VAMC to community providers and discontinuing these services at the Northport VAMC
- Modernize outpatient facilities in the market by establishing a new MS CBOC in the vicinity of Western Suffolk County, New York

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Long Island Market across a 30-year horizon. The cost of the VA Recommendation COA ($8.6 B) was lower than the Status Quo COA ($9.06 B) and the Modernization COA ($9.15 B).

For the VISN 02 Long Island Market, the VA Recommendation COA is $496.9 M (5.5%) less expensive than the Status Quo COA and $586.7 M (6.4%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Long Island: Capital and Operational Costs Detail.

Table 108 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($9,058,114,713)	($9,147,903,670)	($8,561,228,363)
Capital Cost Variance vs. Status Quo	N/A	($89,788,957)	$199,291,837
Operational Cost Variance vs. Status Quo	N/A	$0	$297,594,513
Non-VA Care Operational Cost Variance	N/A	$0	($871,155,553)
VA Care Operational Cost Variance	N/A	$0	$1,168,750,066
Estimated Total Cost Variance vs. Status Quo	N/A	($89,788,957)	$496,886,350
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$586,675,307

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Long Island Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 109 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	2
Quality	2	2	3
Facilities and Sustainability	2	2	3
Mission	2	2	3

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**9**	**10**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Long Island: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Long Island for this domain.

Table 110 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Western Suffolk MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 4,732 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes the new Northport inpatient medicine and surgery, and outpatient surgery partnership

Access

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

The table below shows the CBA access scores for VISN 02 Long Island for this domain.

Table 111 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Long Island for this domain.

Table 112 – Quality Scoring Summary

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

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

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

sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

- Transition Northport-New York's low census inpatient medicine program to the State University of New York (SUNY) Medical School at Stony Brook

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Long Island for this domain.

Table 113 – Facilities and Sustainability Scoring Summary

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

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

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

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

VA Recommendation: The COA received a score of 3 for two reasons. First, the COA replaces all main patient care facilities that have exceeded their useful life with modern facilities that can be sustained over the coming years. Second, in addition to modernized infrastructure which may attract providers, it

also includes additional changes to support VA's ability to recruit or retain providers (e.g., relocation of VA facilities closer to health care hubs based on Hospital Referral Regions; new or expanded partnerships between VA and academic affiliates, other Federal facilities, or community facilities). The COA includes the following action to support VA's ability to recruit or retain providers:

- Establishes the new Northport inpatient medicine and surgery, and outpatient surgery partnership

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Long Island for this domain.

Table 114 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 115 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Long Island Market, no scenarios changed the outcome of the CBA.

Sensitivity Analysis Full Results

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

Table 116 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.01	0.91	0.61	VA Recommendation

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+1	0.91	0.83	0.61	VA Recommendation
+2	0.82	0.76	0.61	VA Recommendation
+3	0.75	0.70	0.61	VA Recommendation

Table 117 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.01	0.91	0.61	VA Recommendation
50%	1.10	1.01	0.67	VA Recommendation
100%	1.20	1.10	0.72	VA Recommendation
150%	1.29	1.19	0.77	VA Recommendation
200%	1.39	1.28	0.83	VA Recommendation
250%	1.48	1.37	0.88	VA Recommendation
300%	1.58	1.46	0.94	VA Recommendation

Table 118 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.01	0.91	0.61	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
50%	1.35	1.23	0.79	VA Recommendation
100%	1.70	1.54	0.97	VA Recommendation
150%	2.04	1.85	1.15	VA Recommendation
200%	2.39	2.16	1.33	VA Recommendation
250%	2.73	2.47	1.51	VA Recommendation
300%	3.08	2.78	1.69	VA Recommendation

Table 119 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.01	0.91	0.61	VA Recommendation
50%	1.07	0.97	0.68	VA Recommendation
100%	1.13	1.03	0.75	VA Recommendation
150%	1.20	1.08	0.83	VA Recommendation
200%	1.26	1.14	0.90	VA Recommendation
250%	1.32	1.20	0.97	VA Recommendation
300%	1.38	1.25	1.04	VA Recommendation

Appendix A – VISN 02 Long Island: Capital and Operational Costs Detail

Table 120 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,076,157	851,176
Build New GSF	-	754,844	588,191
Renovate In Place GSF	-	5,700	5,700
Matched Convert To GSF	-	51,418	51,418
Demolition GSF	-	1,174,430	1,174,430
Total Build New Cost	$0	($925,173,344)	($718,732,417)
Total Renovate In Place Cost	$0	($2,860,372)	($2,860,373)
Total Matched Convert To Cost	$0	($27,236,045)	($27,236,045)
Total Demolition Cost	$0	($56,553,999)	($56,553,999)
Total Lease Build-Out Cost	$0	($16,175,108)	($29,400,889)
Total New Lease Cost	$0	($47,208,074)	($85,808,414)
Total Existing Lease Cost	($10,032,082)	($10,032,043)	($10,032,082)
NRM Costs for Owned Facilities	($1,091,461,319)	($125,633,425)	($99,368,492)
FCA Correction Cost	($474,399,000)	N/A	N/A
Estimated Base Modernization Cost	($1,575,892,400)	($1,210,872,410)	($1,029,992,710)
Additional Common/Lobby Space Needed (GSF)	-	264,195	205,867
Cost of Additional Common/Lobby Space	$0	($280,452,596)	($218,534,814)
Additional Parking Cost	$0	($29,885,763)	($18,039,749)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($412,446)	$0
Seismic Correction Cost	($16,169,109)	($849,838)	($849,838)
Non-Building FCA Correction Cost	($124,615,722)	($124,615,721)	($124,615,722)
Activation Costs	$0	($159,377,415)	($125,352,561)
Estimated Additional Costs for Modernization	($140,784,831)	($595,593,779)	($487,392,684)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,716,677,232)	($1,806,466,189)	($1,517,385,394)

Table 121 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($3,169,109,632)	($3,169,109,632)	($2,572,093,787)
Fixed Direct	($260,847,413)	($260,847,413)	($201,790,695)
VA Specific Direct	($203,659,352)	($203,659,352)	($161,523,928)
Indirect	($2,126,589,573)	($2,126,589,573)	($1,736,875,403)
VA Specific Indirect	($125,069,939)	($125,069,939)	($105,565,076)
Research and Education	($608,817)	($608,817)	($608,817)
VA Overhead	($322,865,722)	($322,865,722)	($261,542,676)
VA Care Operational Cost Total (PV)	($6,208,750,449)	($6,208,750,449)	($5,040,000,383)
CC Direct	($599,362,342)	($599,362,342)	($1,400,795,983)
Delivery and Operations	($21,595,888)	($21,595,888)	($47,935,385)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($22,558,486)	($22,558,486)	($50,164,770)
CC Overhead	($28,492,929)	($28,492,929)	($63,678,681)
Admin PMPM	($460,677,388)	($460,677,388)	($441,267,766)
Non-VA Care Operational Cost Total (PV)	($1,132,687,033)	($1,132,687,033)	($2,003,842,585)
Estimated Operational Costs (PV)	($7,341,437,481)	($7,341,437,481)	($7,043,842,968)

Appendix B – VISN 02 Long Island: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

Table 122 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	122	146	139	Adequately Supplied
IP Med/Surg	29	35	49	Over Supplied
IP MH	31	38	42	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 123 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	11	41%

Physician Supply Adequacy	Count of Specialties	Percentage
Under Supplied	16	59%

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

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

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

Table 124 – New Facility Demand Guidelines

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

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

Access

Table 125 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	97.7%	97.7%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	97.7%	97.7%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.2%	99.2%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.8%	99.8%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	97.7%	97.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	97.7%	97.7%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.2%	99.2%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.8%	99.8%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	97.7%	97.6%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	97.7%	97.6%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.2%	99.2%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.8%	99.8%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 126 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (632) Northport-New York	1972	No

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

Inpatient Acute Demand

Table 127 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (632) Northport-New York	IP Med	20 ADC	No	Partner (VA Delivered)
(V02) (632) Northport-New York	IP Surg	1,600 Cases	Yes	Partner (VA Delivered)
(V02) (632) Northport-New York	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 128 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (632) Northport-New York	1972	1996	No

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

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

Table 129 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
(V02) Northport IP/OP Partnership	Yes

Mission

Table 130 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (632) Northport-New York	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 02 Metro New York

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 Metro New York Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (2.07) is 60.1% lower than the Status Quo COA (5.20) and 40.1% lower than the Modernization COA (3.46).

The VA Recommendation COA is $7.4 B (20.3%) less expensive than the Status Quo COA and $5.6 B (16.1%) less expensive than the Modernization COA. While the VA Recommendation COA decreases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 7 for the Status Quo COA and 10 for the Modernization COA.

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

Table 131 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($36,408,179,278)	($34,593,706,448)	($29,020,179,694)
Benefit Analysis Score	7	10	14
CBI (Normalized in $Billions)	5.20	3.46	2.07
CBI % Change vs. Status Quo	N/A	-33.5%	-60.1%
CBI % Change vs. Modernization	N/A	N/A	-40.1%

Table 132 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	$1,814,472,831	$3,931,680,295
Operational Cost Variance vs. Status Quo	N/A	$0	$3,456,319,290
Estimated Total Cost Variance vs. Status Quo	N/A	$1,814,472,831	$7,387,999,585
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$5,573,526,754

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

Table 133 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 02 Metro New York Market COA is detailed below.

- Modernize and realign the Manhattan VAMC by:
  - Establishing a strategic collaboration to replace the VAMC and provide inpatient and outpatient services and discontinuing these services at the Manhattan VAMC. If unable to enter into a strategic collaboration, the Manhattan VAMC will maintain the services at the existing Manhattan VAMC
  - Relocating emergency department services from the Manhattan VAMC to community providers and discontinuing these services at the Manhattan VAMC
  - Closing the Manhattan VAMC
- Modernize and realign the Brooklyn VAMC by:
  - Establishing a strategic collaboration to provide inpatient medical and surgical, outpatient surgical, and emergency department services and discontinuing these services at the Brooklyn VAMC. If unable to enter into a strategic collaboration, the Brooklyn VAMC will relocate care to current or future facilities or community providers
  - Relocating RRTP services provided at the Brooklyn VAMC to current or future VA facilities and discontinuing these services at the Brooklyn VAMC
  - Closing the Brooklyn VAMC
- Modernize and realign the St. Albans VAMC by constructing a new replacement VAMC with RRTP, CLC, primary care, outpatient specialty care, and outpatient mental health services
- Modernize and realign the Bronx VAMC by modernizing the inpatient acute units, inpatient mental health units, and the CLC
- Modernize and realign the Montrose VAMC by:
  - Relocating urgent care services from the Montrose VAMC to community providers and discontinuing these services at the Montrose VAMC
  - Modernizing the CLC and inpatient mental health space at the Montrose VAMC
- Modernize and realign the Castle Point VAMC by:
  - Relocating inpatient medical and urgent care services from the Castle Point VAMC to community providers and discontinuing these services at the Castle Point VAMC

  - Relocating CLC services provided at the Castle Point VAMC to current or future VA facilities and discontinuing these services at the Castle Point VAMC
  - Closing the Castle Point VAMC
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new MS CBOC in the vicinity of Brooklyn, New York
  - Establishing a new MS CBOC in the vicinity of Fishkill, New York
  - Relocating the Harlem CBOC to a new site in the vicinity of Harlem, New York, and closing the Harlem CBOC
  - Relocating the Goshen CBOC to a new site in the vicinity of Middletown, New York, and closing the Goshen CBOC
  - Relocating all services to the Bronx VAMC and closing the Sunnyside-Queens OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 Metro New York Market across a 30-year horizon. The cost of the VA Recommendation COA ($29.0 B) was lower than the Status Quo COA ($36.4 B) and the Modernization COA ($34.6 B).

For the VISN 02 Metro New York Market, the VA Recommendation COA is $7.4 B (20.3%) less expensive than the Status Quo COA and $5.6 B (16.1%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 Metro New York: Capital and Operational Costs Detail.

Table 134 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($36,408,179,278)	($34,593,706,448)	($29,020,179,694)
Capital Cost Variance vs. Status Quo	N/A	$1,814,472,831	$3,931,680,295
Operational Cost Variance vs. Status Quo	N/A	$0	$3,456,319,290
Non-VA Care Operational Cost Variance	N/A	$0	($2,753,998,981)
VA Care Operational Cost Variance	N/A	$0	$6,210,318,271
Estimated Total Cost Variance vs. Status Quo	N/A	$1,814,472,831	$7,387,999,585

	Status Quo	Modernization	VA Recommendation
Estimated Total Cost Variance vs. Modernization	N/A	N/A	$5,573,526,754

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 Metro New York Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 135 – Benefit Analysis Scores by COA

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

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 Metro New York: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 Metro New York for this domain.

Table 136 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Middletown MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 4,911 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Kings County MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 12,321 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Fishkill MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 6,156 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes the new Brooklyn inpatient medicine and surgery, outpatient surgery, and emergency services partnership

Access

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

The table below shows the CBA access scores for VISN 02 Metro New York for this domain.

Table 137 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 02 Metro New York for this domain.

Table 138 – Quality Scoring Summary

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Quality	1	2	3

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

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

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

- Transition Castle Point's low census inpatient medicine program to community providers
- Transition Brooklyn's low census inpatient medicine program to the SUNY Health Science Center at Brooklyn College of Medicine and New York University School of Medicine

- Transition Brooklyn's low census inpatient surgery program to the SUNY Health Science Center at Brooklyn College of Medicine and New York University School of Medicine

Facilities and Sustainability

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

The table below shows the scores for VISN 02 Metro New York for this domain.

Table 139 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

- Establishes the Brooklyn inpatient medicine and surgery, outpatient surgery, and outpatient emergency services partnership
- Establishes a strategic collaboration to replace the Manhattan VAMC with inpatient medicine and surgery, inpatient mental health, inpatient rehabilitative medicine, outpatient mental health, primary care, specialty care, and emergency department services

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 Metro New York for this domain.

Table 140 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 141 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 Metro New York Market, no scenarios changed the outcome of the CBA.

Sensitivity Analysis Full Results

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

Table 142 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	5.20	3.46	2.07	VA Recommendation
+1	4.55	3.14	2.07	VA Recommendation
+2	4.05	2.88	2.07	VA Recommendation
+3	3.64	2.66	2.07	VA Recommendation

Table 143 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	5.20	3.46	2.07	VA Recommendation
50%	5.69	3.71	2.18	VA Recommendation
100%	6.18	3.97	2.28	VA Recommendation
150%	6.67	4.22	2.39	VA Recommendation
200%	7.17	4.47	2.49	VA Recommendation
250%	7.66	4.72	2.60	VA Recommendation
300%	8.15	4.98	2.70	VA Recommendation

Table 144 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	5.20	3.46	2.07	VA Recommendation
50%	7.19	4.85	2.84	VA Recommendation
100%	9.17	6.24	3.61	VA Recommendation
150%	11.16	7.63	4.38	VA Recommendation
200%	13.14	9.02	5.16	VA Recommendation
250%	15.13	10.41	5.93	VA Recommendation
300%	17.11	11.80	6.70	VA Recommendation

Table 145 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	5.20	3.46	2.07	VA Recommendation
50%	5.33	3.55	2.23	VA Recommendation
100%	5.45	3.63	2.39	VA Recommendation
150%	5.57	3.72	2.55	VA Recommendation
200%	5.70	3.81	2.72	VA Recommendation
250%	5.82	3.90	2.88	VA Recommendation
300%	5.95	3.98	3.04	VA Recommendation

Appendix A – VISN 02 Metro New York: Capital and Operational Costs Detail

Table 146 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	3,857,416	2,237,680
Build New GSF	-	1,521,470	862,554
Renovate In Place GSF	-	1,174,489	854,034
Matched Convert To GSF	-	628,942	219,198
Demolition GSF	-	3,244,516	4,008,796
Total Build New Cost	$0	($1,948,657,880)	($1,044,681,285)
Total Renovate In Place Cost	$0	($685,223,124)	($509,403,579)
Total Matched Convert To Cost	$0	($357,290,803)	($128,470,621)
Total Demolition Cost	$0	($161,681,211)	($96,026,637)
Total Lease Build-Out Cost	$0	($36,046,365)	($61,997,333)
Total New Lease Cost	$0	($127,680,180)	($232,841,001)
Total Existing Lease Cost	($32,897,912)	($32,897,764)	($22,407,728)
NRM Costs for Owned Facilities	($5,054,900,924)	($450,324,760)	($261,232,595)
FCA Correction Cost	($1,349,206,350)	N/A	N/A
Estimated Base Modernization Cost	($6,437,005,186)	($3,799,802,087)	($2,357,060,780)
Additional Common/Lobby Space Needed (GSF)	-	532,515	301,894
Cost of Additional Common/Lobby Space	$0	($585,055,896)	($328,123,583)
Additional Parking Cost	$0	($72,249,416)	($47,502,698)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($12,674,180)	($8,949,903)
Seismic Correction Cost	($296,216,921)	($89,199,645)	($41,174,605)
Non-Building FCA Correction Cost	($143,375,853)	($143,375,849)	($64,473,976)
Activation Costs	$0	($359,768,057)	($97,632,120)
Estimated Additional Costs for Modernization	($439,592,775)	($1,262,323,043)	($587,856,886)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($6,876,597,961)	($5,062,125,130)	($2,944,917,666)

Table 147 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($13,645,027,337)	($13,645,027,337)	($10,453,260,614)
Fixed Direct	($2,161,449,258)	($2,161,449,258)	($1,772,604,777)
VA Specific Direct	($1,021,707,217)	($1,021,707,217)	($754,709,801)
Indirect	($8,655,154,302)	($8,655,154,302)	($6,786,657,067)
VA Specific Indirect	($874,036,709)	($874,036,709)	($676,218,787)
Research and Education	($71,814,689)	($71,814,689)	($68,043,059)
VA Overhead	($1,358,081,591)	($1,358,081,591)	($1,065,458,726)
VA Care Operational Cost Total (PV)	($27,787,271,103)	($27,787,271,103)	($21,576,952,833)
CC Direct	($710,052,150)	($710,052,150)	($3,363,215,956)
Delivery and Operations	($28,382,421)	($28,382,421)	($97,008,294)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($28,086,028)	($28,086,028)	($93,057,562)
CC Overhead	($36,305,409)	($36,305,409)	($127,746,856)
Admin PMPM	($941,484,207)	($941,484,207)	($817,280,528)
Non-VA Care Operational Cost Total (PV)	($1,744,310,214)	($1,744,310,214)	($4,498,309,195)
Estimated Operational Costs (PV)	($29,531,581,317)	($29,531,581,317)	($26,075,262,028)

Appendix B – VISN 02 Metro New York: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

Table 148 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	256	308	336	Over Supplied
IP Med/Surg	105	125	220	Over Supplied
IP MH	55	66	101	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 149 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	17	63%
Under Supplied	10	37%

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

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

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

Table 150 – New Facility Demand Guidelines

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

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

Access

Table 151 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.2%	98.2%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	99.6%	99.6%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.2%	98.2%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	99.6%	99.6%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.2%	97.5%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	99.6%	99.0%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 152 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (526) Bronx-New York	1980	No

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (620) Montrose-New York	1947	Yes
(V02) (620A4) Castle Point	1923	Yes
(V02) (630) Manhattan	1954	Yes
(V02) (630A4) Brooklyn	1950	Yes
(V02) (630A5) St. Albans	1948	Yes

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

Inpatient Acute Demand

Table 153 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (526) Bronx-New York	IP Med	20 ADC	Yes	Maintain
(V02) (526) Bronx-New York	IP Surg	1,600 Cases	Yes	Maintain
(V02) (526) Bronx-New York	IP MH	8 ADC	Yes	Maintain
(V02) (620) Montrose-New York	IP Med	20 ADC	No Service	N/A
(V02) (620) Montrose-New York	IP Surg	1,600 Cases	No Service	N/A
(V02) (620) Montrose-New York	IP MH	8 ADC	Yes	Maintain
(V02) (620A4) Castle Point	IP Med	20 ADC	No	Partner (CCN)
(V02) (620A4) Castle Point	IP Surg	1,600 Cases	No Service	N/A
(V02) (620A4) Castle Point	IP MH	8 ADC	No Service	N/A
(V02) (630) Manhattan	IP Med	20 ADC	Yes	Partner (VA Delivered)

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (630) Manhattan	IP Surg	1,600 Cases	Yes	Partner (VA Delivered)
(V02) (630) Manhattan	IP MH	8 ADC	Yes	Partner (VA Delivered)
(V02) (630A4) Brooklyn	IP Med	20 ADC	No	Partner (VA Delivered)
(V02) (630A4) Brooklyn	IP Surg	1,600 Cases	No	Partner (VA Delivered)
(V02) (630A4) Brooklyn	IP MH	8 ADC	No Service	N/A

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

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

Facilities and Sustainability

Table 154 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (526) Bronx-New York	1980	2011	No
(V02) (620) Montrose-New York	1947	1982	Yes
(V02) (620A4) Castle Point	1923	1989	Yes
(V02) (630) Manhattan	1954	1996	Yes
(V02) (630A4) Brooklyn	1950	N/A	Yes
(V02) (630A5) St. Albans	1948	N/A	Yes

Note: Exceeding useful life is defined as 1) When a main patient care facility was built before 1970 it has exceeded its useful life, even if it has undergone major renovation in the last 40 years. 2) When a main patient care facility was built after 1970 but is still more than 40 years old (built on or after 1971 and before 1989), it must have

undergone major renovation within the last 40 years to not exceed its useful life. 3) When a main patient care facility was built in or after 1989, it has not exceeded its useful life.

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

Table 155: Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
(V02) Manhattan Replacement VAMC	Yes
(V02) Brooklyn IP/OP Partnership	Yes

Mission

Table 156 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (526) Bronx-New York	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V02) (620) Montrose-New York	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V02) (620A4) Castle Point	No impact despite deactivation of IP Acute Services exist	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V02) (630) Manhattan	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V02) (630A4) Brooklyn	No impact on training	Maintains or Has Plan to Transition	Transitions PRC Designation to Manhattan VAMC	Increases Research Opportunities, Increases Training Opportunities

VISN 02 New Jersey

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 02 New Jersey Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.19) is 42.9% lower than the Status Quo COA (2.09) and 22.0% lower than the Modernization COA (1.53).

The VA Recommendation COA is $2.9 M (0.02%) less expensive than the Status Quo COA and $113.4 M (0.7%) less expensive than the Modernization COA. While the VA Recommendation COA decreases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 157 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($16,689,591,615)	($16,800,093,933)	($16,686,713,543)
Benefit Analysis Score	8	11	14
CBI (Normalized in $Billions)	2.09	1.53	1.19
CBI % Change vs. Status Quo	N/A	-26.8%	-42.9%
CBI % Change vs. Modernization	N/A	N/A	-22.0%

Table 158 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($110,502,318)	$2,878,072
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($110,502,318)	$2,878,072
Estimated Total Cost Variance vs. Modernization	N/A	$0	$113,380,390

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

Table 159 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	2
Mission	2	2	3
Total Benefit Score	**8**	**11**	**14**

VA Recommendation

The VA Recommendation for the VISN 02 New Jersey Market COA is detailed below.

- Modernize and realign the East Orange VAMC by relocating SCI/D services from the East Orange VAMC to current or future VA facilities and discontinuing these services at the East Orange VAMC
- Modernize and realign the Lyons VAMC by modernizing the RRTP and CLC at the Lyons VAMC
- Modernize and realign outpatient facilities in the market by relocating all services to the Hackensack CBOC and closing the Paterson CBOC

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 02 New Jersey Market across a 30-year horizon. The cost of the VA Recommendation COA ($16.687 B) was lower than the Status Quo COA ($16.690 B) and the Modernization COA ($16.8 B).

For the VISN 02 New Jersey Market, the VA Recommendation COA is $2.9 M (0.02%) less expensive than the Status Quo COA and $113.4 M (0.7%) less expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 02 New Jersey: Capital and Operational Costs Detail.

Table 160 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($16,689,591,615)	($16,800,093,933)	($16,686,713,543)

	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($110,502,318)	$2,878,072
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($110,502,318)	$2,878,072
Estimated Total Cost Variance vs. Modernization	N/A	$0	$113,380,390

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 02 New Jersey Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 161 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	2	3	3
Facilities and Sustainability	1	2	2
Mission	2	2	3
Total Benefit Score	**8**	**11**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 02 New Jersey: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 02 New Jersey for this domain.

Table 162 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Toms River MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 14,273 enrollees for which the proposed facility is the closest VA point of care within 60 minutes

Access

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

The table below shows the CBA access scores for VISN 02 New Jersey for this domain.

Table 163 – Access Scoring Summary

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

Note: the CBA Access domain score is based on enrollee proximity to VA-provided care only rather than the full high-performing integrated delivery network (inclusive of VA, Community Care Network providers, and non-Community Care Network providers meeting quality criteria). While a COA may have a reduced access score within

the CBA, the Section 203 Criteria analysis shows that the VA Recommendation COA maintains or improves access to all service lines in the future high-performing integrated delivery network (HPIDN).

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

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

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

Quality

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

The table below shows the scores for VISN 02 New Jersey for this domain.

Table 164 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 02 New Jersey for this domain.

Table 165 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 02 New Jersey for this domain.

Table 166 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 167 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 02 New Jersey Market, no scenarios changed the outcome of the CBA.

Sensitivity Analysis Full Results

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

Table 168 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	2.09	1.53	1.19	VA Recommendation
+1	1.85	1.40	1.19	VA Recommendation
+2	1.67	1.29	1.19	VA Recommendation
+3	1.52	1.20	1.19	VA Recommendation

Table 169 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.09	1.53	1.19	VA Recommendation
50%	2.26	1.66	1.29	VA Recommendation
100%	2.43	1.79	1.39	VA Recommendation
150%	2.60	1.91	1.48	VA Recommendation
200%	2.77	2.04	1.58	VA Recommendation
250%	2.94	2.17	1.68	VA Recommendation
300%	3.11	2.30	1.78	VA Recommendation

Table 170 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.09	1.53	1.19	VA Recommendation
50%	2.83	2.07	1.62	VA Recommendation
100%	3.57	2.60	2.04	VA Recommendation
150%	4.31	3.14	2.46	VA Recommendation
200%	5.05	3.68	2.88	VA Recommendation
250%	5.79	4.22	3.31	VA Recommendation
300%	6.53	4.76	3.73	VA Recommendation

Table 171 – Sensitivity Analyses – Non-VA Operational Cost Increase

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.09	1.53	1.19	VA Recommendation
50%	2.22	1.62	1.27	VA Recommendation
100%	2.35	1.72	1.34	VA Recommendation
150%	2.48	1.82	1.42	VA Recommendation
200%	2.61	1.91	1.49	VA Recommendation
250%	2.75	2.01	1.57	VA Recommendation
300%	2.88	2.10	1.64	VA Recommendation

Appendix A – VISN 02 New Jersey: Capital and Operational Costs Detail

Table 172 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,920,175	1,866,761
Build New GSF	-	1,148,375	1,108,809
Renovate In Place GSF	-	141,489	162,777
Matched Convert To GSF	-	228,380	207,092
Demolition GSF	-	1,568,375	1,568,375
Total Build New Cost	$0	($1,354,583,642)	($1,324,668,842)
Total Renovate In Place Cost	$0	($49,844,221)	($58,813,020)
Total Matched Convert To Cost	$0	($111,458,852)	($101,142,136)
Total Demolition Cost	$0	($71,720,182)	($71,720,182)
Total Lease Build-Out Cost	$0	($45,235,107)	($51,335,556)
Total New Lease Cost	$0	($207,749,104)	($236,393,915)
Total Existing Lease Cost	($49,338,035)	($49,337,879)	($30,922,629)
NRM Costs for Owned Facilities	($1,725,601,978)	($224,166,273)	($217,930,572)
FCA Correction Cost	($626,695,278)	N/A	N/A
Estimated Base Modernization Cost	($2,401,635,291)	($2,114,095,261)	($2,092,926,851)
Additional Common/Lobby Space Needed (GSF)	-	401,931	388,083
Cost of Additional Common/Lobby Space	$0	($405,059,747)	($391,791,986)
Additional Parking Cost	$0	($51,187,137)	($48,189,636)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($6,690,713)	($7,625,302)
Seismic Correction Cost	($298,677,768)	($3,770,523)	($3,770,524)
Non-Building FCA Correction Cost	($30,930,255)	($30,930,254)	($30,930,255)
Activation Costs	$0	($230,011,996)	($235,242,541)
Estimated Additional Costs for Modernization	($329,608,023)	($727,650,370)	($717,550,242)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$82,111,852
Estimated Facilities Costs (PV)	($2,731,243,313)	($2,841,745,631)	($2,728,365,241)

Table 173 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($6,376,238,966)	($6,376,238,966)	($6,376,238,966)
Fixed Direct	($499,122,567)	($499,122,567)	($499,122,567)
VA Specific Direct	($84,802,550)	($84,802,550)	($84,802,550)
Indirect	($3,961,369,023)	($3,961,369,023)	($3,961,369,023)
VA Specific Indirect	($315,876,745)	($315,876,745)	($315,876,745)
Research and Education	($2,888,969)	($2,888,969)	($2,888,969)
VA Overhead	($607,383,467)	($607,383,467)	($607,383,467)
VA Care Operational Cost Total (PV)	($11,847,682,287)	($11,847,682,287)	($11,847,682,287)
CC Direct	($1,330,901,087)	($1,330,901,087)	($1,330,901,087)
Delivery and Operations	($58,345,494)	($58,345,494)	($58,345,494)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($55,420,469)	($55,420,469)	($55,420,469)
CC Overhead	($73,585,677)	($73,585,677)	($73,585,677)
Admin PMPM	($592,413,288)	($592,413,288)	($592,413,288)
Non-VA Care Operational Cost Total (PV)	($2,110,666,015)	($2,110,666,015)	($2,110,666,015)
Estimated Operational Costs (PV)	($13,958,348,302)	($13,958,348,302)	($13,958,348,302)

Appendix B – VISN 02 New Jersey: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

Table 174 – Demand and Supply Key Data Points for Scoring – Inpatient (IP)

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	260	311	264	Adequately Supplied
IP Med/Surg	41	49	125	Over Supplied
IP MH	35	42	94	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

Table 175 – Demand and Supply Key Data Points for Scoring – Outpatient (OP)

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	10	37%

Physician Supply Adequacy	Count of Specialties	Percentage
Under Supplied	17	63%

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

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

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

Table 176 – New Facility Demand Guidelines

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

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

Access

Table 177 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.4%	95.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.6%	95.6%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.4%	95.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.6%	95.6%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	95.4%	96.4%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	95.6%	96.4%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 178 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (561) East Orange	1950	Yes

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V02) (561A4) Lyons	1997	No

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

Inpatient Acute Demand

Table 179 – Quality Key Data Points for Scoring – Inpatient Acute Demand

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V02) (561A4) Lyons	IP Med	20 ADC	No Service	N/A
(V02) (561A4) Lyons	IP Surg	1,600 Cases	No Service	N/A
(V02) (561A4) Lyons	IP MH	8 ADC	Yes	Maintain
(V02) (561) East Orange	IP Med	20 ADC	Yes	Maintain
(V02) (561) East Orange	IP Surg	1,600 Cases	Yes	Maintain
(V02) (561) East Orange	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 180 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V02) (561) East Orange	1950	1985	Yes
(V02) (561A4) Lyons	1997	N/A	No

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

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

Table 181 – Key Data Points for Scoring - Recruitment and Retention

Facility	Expands VA's Ability to Recruit/Retain?
N/A	N/A

Mission

Table 182 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V02) (561A4) Lyons	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V02) (561) East Orange	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities