VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

VISN 05

Market Recommendations

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VISN 05 Baltimore Market

The Veterans Integrated Service Network (VISN) 05 Baltimore Market serves the Baltimore area and central Maryland. The recommendation includes justification for the proposed action, the results of the cost benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[1]

VA's Commitment to Veterans in the Baltimore Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Baltimore Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

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

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation maintains all sustainable outpatient points of care in the market and establishes one new multi-specialty community-based outpatient clinic (MS CBOC) and two new community-based outpatient clinics (CBOCs). Additionally, the recommendation relocates two MS CBOCs more proximate to where Veterans live and adds services at one CBOC, expanding the site to an MS CBOC.
- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation replaces Perry Point's aging community living center (CLC) facilities with a

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

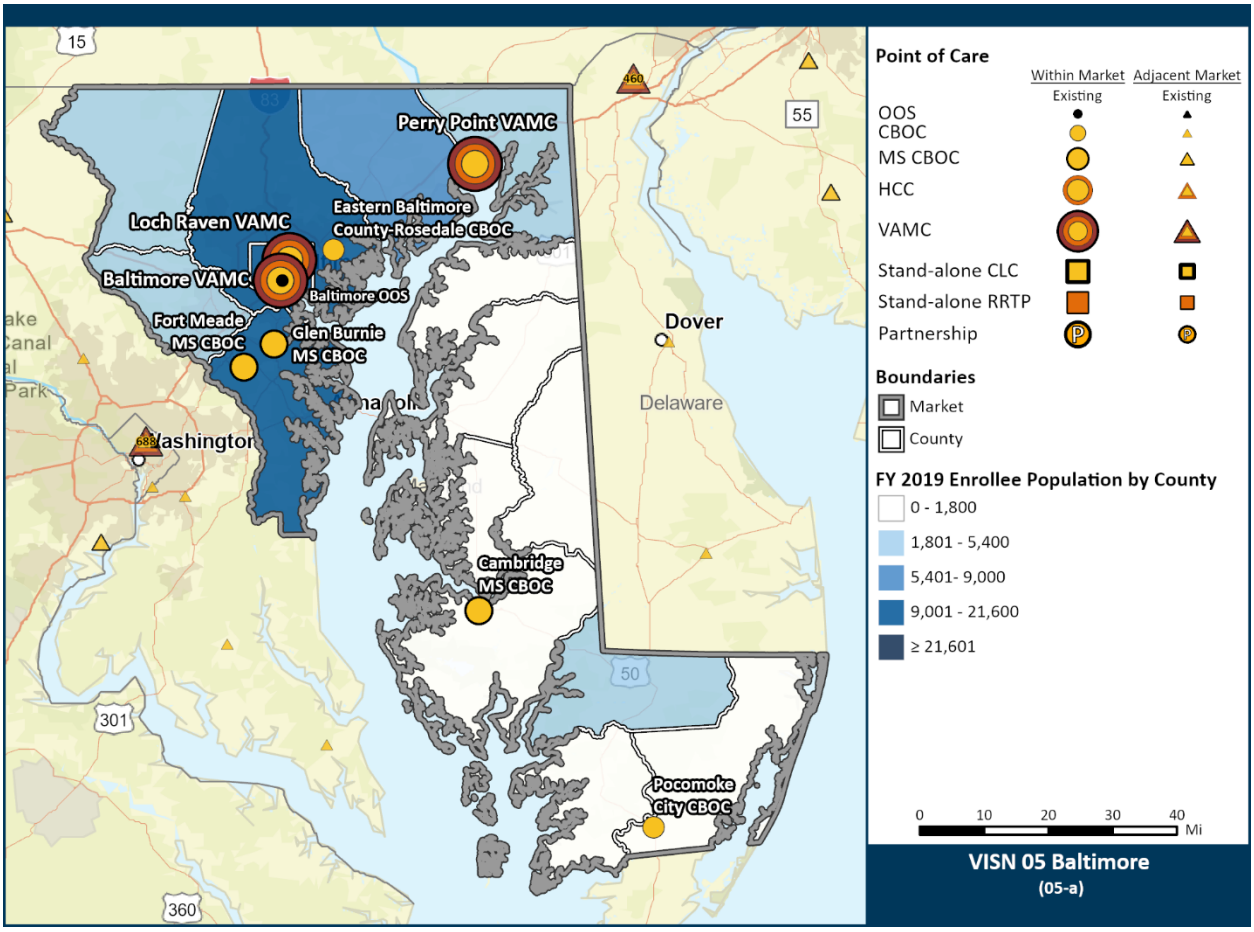
new, consolidated facility. Additionally, VA's recommendation invests in a new, modernized residential rehabilitation treatment program (RRTP) facility to provide care not readily available in the community. The Baltimore VAMC will maintain inpatient mental health services. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06). Demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region, including the West Haven VAMC in West Haven, Connecticut (VISN 01), the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04), and the Cleveland VAMC in Cleveland, Ohio (VISN 10).

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

Market Overview

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

Market Map



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

Facilities: The Baltimore Market has three VAMCs (Baltimore, Loch Raven, and Perry Point), three MS CBOCs, two CBOCs, and one other outpatient services (OOS) site.

Enrollees: In FY 2019, the market had 80,920 enrollees and is projected to experience a 3.9% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in Baltimore City, Baltimore, and Anne Arundel counties in Maryland.

Demand: Demand[2] in the market for inpatient medical and surgical services is projected to decrease by 6.7%, and demand for inpatient mental health services is projected to decrease by 5.0% through FY 2029. Demand for long-term care[3] is projected to increase by 24.7%. Demand for all outpatient

[2] Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).
[3] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

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

Rurality: 15.9% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 85.5% of enrollees in the market live within a 30-minute drive-time of a VA primary care site and 89.2% of enrollees live within a 60-minute drive-time of a VA secondary care site.

Community Capacity: As of 2019, community providers[5] in the market within a 60-minute drive time of the VAMCs had an inpatient acute occupancy rate[6] of 71.9% (1,573 available beds[7]) and an inpatient mental health occupancy rate of 76.0% (12 available beds). Community nursing homes within a 30-minute drive time of the VAMCs were operating at an occupancy rate of 86.9% (510 available beds). Community residential rehabilitation programs[8] that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has academic affiliations in the market that include the University of Maryland and the Johns Hopkins University. The Baltimore VAMC is ranked 57 out of 154 VA training sites based on the number of trainees, is ranked 19 out of 103 VAMCs with research funding and is a designated Federal Coordinating Center.[9] The Perry Point and Loch Raven VAMCs conduct limited or no research and hold no emergency designations.

Facility Overviews

Baltimore VAMC: The Baltimore VAMC is located in Baltimore, Maryland, and offers inpatient medical and surgical, inpatient mental health, and outpatient services. In FY 2019, the Baltimore VAMC had an inpatient medical and surgical average daily census (ADC) of 66.9 and inpatient mental health ADC of 13.5.

The facility was built in 1992 on 2.8 acres, with the most recent renovations to the main hospital building completed in 2012. Facility condition assessment (FCA) deficiencies are approximately $31.0M, and annual operations and maintenance costs are an estimated $11.2M.

Loch Raven VAMC: The Loch Raven VAMC is located in Baltimore, Maryland, and offers CLC services. In FY 2019, the Loch Raven VAMC had a CLC ADC of 83.9.

The Loch Raven VAMC was built in 1996 on 15.0 acres. FCA deficiencies are approximately $7.4M, and annual operations and maintenance costs are an estimated $2.7M.

Perry Point VAMC: The Perry Point VAMC is located in Perry Point, Maryland, and offers CLC and RRTP services. In FY 2019, the Perry Point VAMC had a CLC ADC of 85.5 and an RRTP ADC of 96.5.

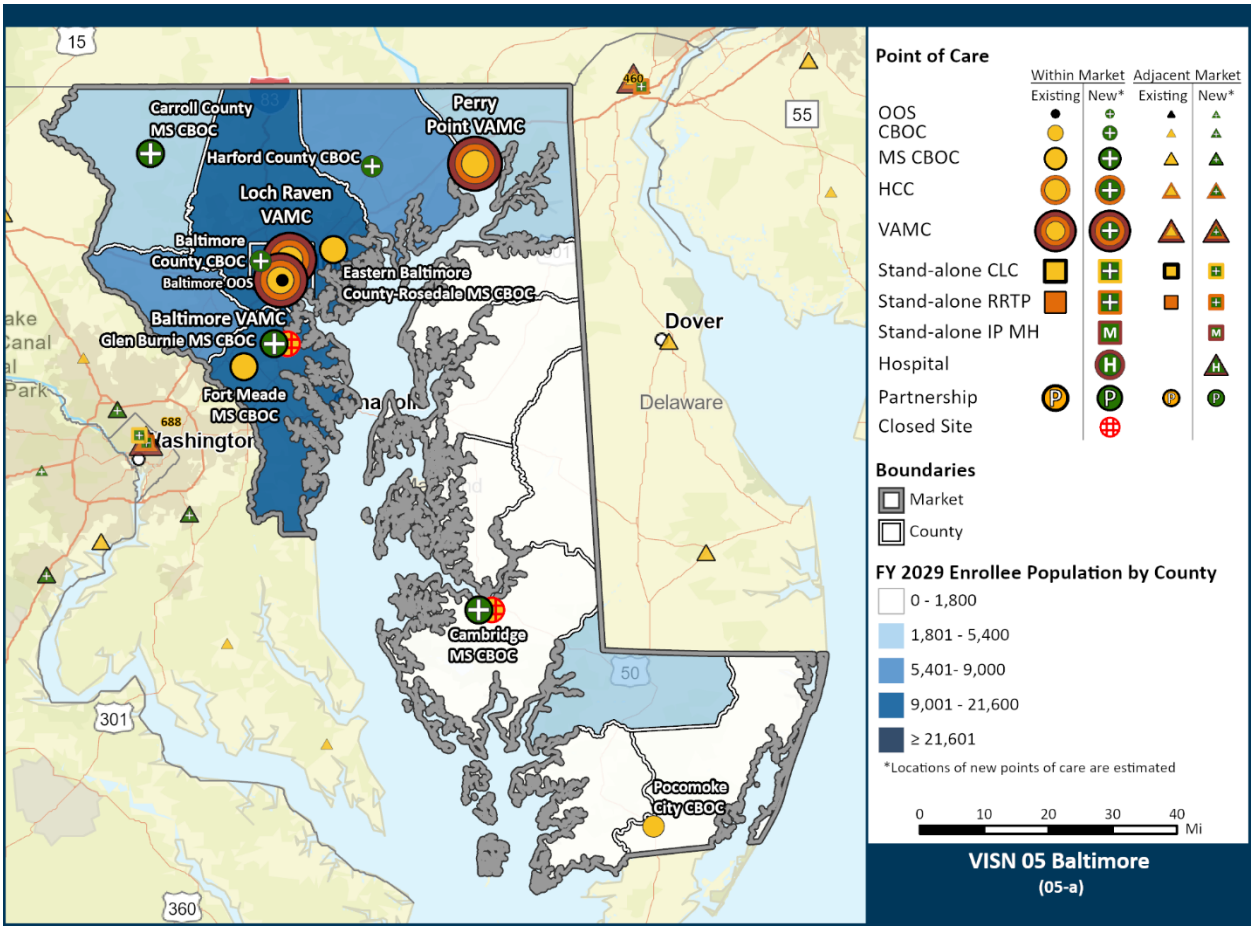
[4] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[5] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[6] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[7] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[8] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[9] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

The Perry Point VAMC was originally opened in the 1920s and includes a number of health care and non-health care facilities, including many historical buildings, on 364.7 acres. The most recent renovations of the main hospital building were completed in 1999. FCA deficiencies are approximately $211.9M, and annual operations and maintenance costs are an estimated $22.6M.

Recommendation and Justification

This section details the VISN 05 Baltimore Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Modernizing the operating rooms at the Baltimore VAMC:** The Baltimore VAMC operating rooms do not meet current design standards for modern health care. Construction of a hybrid operating room will increase surgical services complexity and advance tertiary and quaternary capabilities of the Baltimore VAMC. Modernization in the surgical suite will improve the care of the Veterans at the current facility and increase access for Veterans to VA-provided, complex care.

1.2. **Relocating select primary care, outpatient mental health, and outpatient specialty care services to current or future VA facilities:** Available physical space at the Baltimore VAMC is limited. The Baltimore VAMC will continue to provide acute inpatient medical and surgical care and inpatient mental health services. However, it will relocate select outpatient services to the Eastern Baltimore County-Rosendale MS CBOC and the proposed new Baltimore County CBOC, which are closer to where Veteran enrollees reside.

2. ***Modernize and realign the Perry Point VAMC by:***

2.1. **Modernizing the CLC at the Perry Point VAMC:** The Perry Point VAMC CLC is distributed across multiple buildings and does not meet current design standards for modern health care.[10] In the Baltimore Market, 41.0% (33,145) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase 7.7% by FY 2029. In FY 2019, there were 57,602 Veteran enrollees within a 60-minute drive time of the Perry Point VAMC. The Perry Point VAMC has 169 CLC beds with an FY 2019 ADC of 85.5. In-house demand for VA long-term care services is projected to reach an ADC of 203.8 by FY 2029. Modernization, including private rooms, will improve the environment of care, safety, and quality of care for Veterans in need of long-term care services. Modernization will reduce the number of CLC beds from 169 to 155. Demand for long-term care in the Baltimore Market will be met through the 155 CLC beds at the Perry Point VAMC and 120 CLC beds at the Loch Raven VAMC.

2.2. **Modernizing the RRTP at the Perry Point VAMC:** Numerous facilities at the Perry Point campus that are currently being utilized as clinical space for RRTP were constructed between the 1920s and 1940s and do not meet current VA design standards. Modernization will improve environment of care, safety, and quality of care for Veterans in need of RRTP services. In FY 2019, there were 57,602 Veteran enrollees within a 60-minute drive time of the Perry Point VAMC. The Baltimore Market is projected to have an RRTP bed need of 60 by FY 2028. The number of beds at the Perry Point RRTP will be reduced based on the projected demand and allocation of beds across the Baltimore Market. Modernization will reduce the number of RRTP beds from 186 to 84.

2.3. **Relocating urgent care services at the Perry Point VAMC to community providers and discontinuing those services at the Perry Point VAMC:** Urgent care volume, which averages approximately one patient an hour, can be absorbed by primary care patient aligned care team (PACT) same day appointments. The current urgent care center at the Perry Point VAMC is also difficult to access. In addition, there are five urgent care centers within a 20-minute drive time of the Perry Point VAMC. Absorbing urgent care needs within existing PACTs together with shifting Veteran options for urgent care to community care providers will allow enrollees to receive their care in locations that are more convenient to them.

3. ***Modernize the CLC at the Loch Raven VAMC:*** The Loch Raven VAMC CLC continues to operate with strong demand, historically with over 80 patients per day based on ADC and serves as the main long-term care site for the Baltimore VAMC. Though the facility was built in the 1990s, the facility does

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

not meet current design standards for long-term care. In the Baltimore Market, 41.0% (33,145) of Veteran enrollees are over the age of 65. The number of Veteran enrollees over the age of 65 is projected to increase by 7.7% by FY 2029. In FY 2019, there were 86,239 Veteran enrollees within a 60-minute drive time of the Loch Raven VAMC. The Loch Raven VAMC has 120 CLC beds with an FY 2019 ADC of 83.9. In-house demand for VA long-term care services is projected to reach an ADC of 203.8 by FY 2029. Modernization will maintain 120 CLC beds, including private rooms, and will improve the environment of care, safety, and quality of care for Veterans in need of long-term care services while maintaining current bed counts. Demand for long-term care in the Baltimore Market will be met through 120 CLC beds at the Loch Raven VAMC and 155 CLC beds at the Perry Point VAMC.

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

   4.1. Establishing a new MS CBOC in the vicinity of Westminster, Maryland: A new MS CBOC in the vicinity of Westminster, Maryland (Carroll County), will improve access to primary care, outpatient mental health, and outpatient specialty care. In FY 2019, there were 6,501 Veteran enrollees within a 30-minute drive time and 74,006 Veteran enrollees within a 60-minute drive time of the proposed site. Carroll County is projected to have more than 3,300 Veteran enrollees by FY 2029. The new site of care will provide Veterans with an additional access point proximate to the city and allow VA to shift outpatient demand from the Baltimore VAMC, providing more space for acute and specialty tertiary care services.

   4.2. Establishing a new CBOC in the vicinity of Bel Air, Maryland: A new CBOC in the vicinity of Bel Air, Maryland (Harford County), will improve access to primary care and outpatient mental health care. In FY 2019, there were 11,822 Veteran enrollees within a 30-minute drive time of the proposed site. Harford County is projected to have more than 8,400 Veteran enrollees by FY 2029. The new site in Harford County provides an additional access point covering Perry Point and Baltimore City and will also serve the enrollee populations of Harford and northern Baltimore counties, which are outside of the 30-minute drive time to another VA facility.

   4.3. Establishing a new CBOC in the vicinity of Baltimore, Maryland: A new CBOC in the vicinity of Baltimore, Maryland (Baltimore County), will expand access to primary care and outpatient mental health care. In FY 2019, there were 33,192 Veteran enrollees within a 30-minute drive time of the proposed site. Baltimore County is projected to have more than 15,000 Veteran enrollees by FY 2029. The new site will provide Veterans with an additional access point proximate to the city and allow VA to shift outpatient demand from the Baltimore VAMC, providing more space for acute and specialty tertiary care services.

   4.4. Relocating the Glen Burnie MS CBOC to a new site in the vicinity of Glen Burnie, Maryland, and closing the existing Glen Burnie MS CBOC: The Baltimore VAMC has clinical space, access, and parking limitations. Shifting facility placement of the Glen Burnie MS CBOC to a better market location and larger site in the vicinity of Glen Burnie, Maryland (Anne Arundel County), will help decompress the Baltimore VAMC and increase access to primary care, outpatient mental health, and specialty care services. In FY 2019, there were 47,214 Veteran enrollees

with a 30-minute drive time and 129,536 Veteran enrollees within a 60-minute drive time of the proposed site. In FY 2019, the current Glen Burnie MS CBOC had 5,968 core uniques.[11]

4.5. **Relocating the Cambridge MS CBOC to a new site in the vicinity of Cambridge, Maryland, and closing the existing Cambridge MS CBOC:** Shifting facility placement to a more centralized market location in the vicinity of Cambridge, Maryland (Dorchester County), will increase access to primary care, outpatient mental health, and specialty care services. In FY 2019, there were 2,147 Veteran enrollees within a 30-minute drive time and 9,369 Veteran enrollees within a 60-minute drive time of the proposed site. In FY 2019, the current Cambridge MS CBOC had 5,206 core uniques. The new site will likely be in the vicinity of the new University of Maryland Shore Medical Center at Cambridge, an arm of the Baltimore VAMC's primary affiliate, which opened in October 2021.

Complementary Strategy

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

- **Add outpatient specialty care services at the Eastern Baltimore County-Rosedale CBOC:** Although the enrollee population of Baltimore County is projected to decrease between FY 2019 to FY 2029, it is still expected to include a significant population of over 15,000 enrollees. In FY 2019, there were 29,125 Veteran enrollees within a 30-minute drive and 86,031 Veteran enrollees within a 60-minute drive time of the existing site. Market demand for outpatient specialty care services is projected to increase over the next 10 years. The site will include specialty services, which may result in reclassification of the facility as an MS CBOC.
- **Convert research space to expand clinical and programmatic services at the Baltimore VAMC:** The research space at the Baltimore VAMC is underutilized. Transforming and developing that space into clinical and programmatic services will improve access to care for Veterans as the facility has a deficit of patient care space.
- **Establish the Loch Raven VAMC as a "Best Practice" Hub for VISN 05 Gerofit, GeriPACT, and Whole Health:** Veterans reported significant health and well-being improvement at the Loch Raven VAMC through preventive care programs such as Gerofit, GeriPACT, and Whole Health which focus on fitness, wellness, and complementary medicine services for older Veterans.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 05 Baltimore Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA

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

Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs**: The present value cost[12] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits**: Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Baltimore Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 05 Baltimore Market	Status Quo	Modernization	VA Recommendation
Total Cost	$19,757,325,453	$20,554,596,748	$20,960,937,024
Capital Cost	$1,654,032,021	$2,451,303,316	$2,857,643,591
Operational Cost	$18,103,293,433	$18,103,293,433	$18,103,293,433
Total Benefit Score	8	11	14
CBI (normalized in $B)	**2.47**	**1.87**	**1.50**

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

Section 203 Criteria Analysis

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

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

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

Demand

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 12 VA points of care offering outpatient services, including the proposed new Carroll County, Maryland MS CBOC; Baltimore County, Maryland CBOC; and Harford County, Maryland CBOC; the proposed relocated Cambridge, Maryland MS CBOC; the proposed relocated Glen Burnie, Maryland MS CBOC; and the proposed expanded Eastern Baltimore County-Rosendale, Maryland MS CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Perry Point, Maryland VAMC and Loch Raven, Maryland VAMC in as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through the Perry Point, Maryland VAMC and the other facilities within VISN 05 offering RRTP, including the Martinsburg, West Virginia VAMC; Huntington, West Virginia VAMC; and Clarksburg, West Virginia VAMC; and the proposed new stand-alone RRTPs in Charleston, West Virginia and Washington, DC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01), the proposed new King of Prussia, Pennsylvania VAMC (VISN 04), and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Baltimore, Maryland VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 74,214 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 74,371 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Johns Hopkins University and the University of Maryland.
- **Research:** This recommendation does not impact the research mission in the market and allows the Baltimore, Maryland VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Baltimore, Maryland VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Carroll County, Maryland MS CBOC; Baltimore County, Maryland CBOC; Harford County, Maryland CBOC; the proposed relocated Cambridge, Maryland MS CBOC; the proposed relocated Glen Burnie, Maryland MS CBOC; and the proposed expanded Eastern Baltimore County-Rosendale, Maryland MS CBOC; as well as the modernization of the operating rooms at the Baltimore, Maryland VAMC and the CLC at the Loch Raven, Maryland VAMC and CLC and RRTP at the Perry Point, Maryland VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.50 for VA Recommendation versus 2.47 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Carroll County, Maryland MS CBOC; Baltimore County, Maryland CBOC; Harford County, Maryland CBOC; the proposed relocated Cambridge, Maryland MS CBOC; the proposed relocated Glen Burnie, Maryland MS CBOC; and the proposed expanded Eastern Baltimore County-Rosendale, Maryland MS CBOC; as well as the modernization of the operating rooms at the Baltimore, Maryland VAMC and the CLC at the Loch Raven, Maryland VAMC, and CLC and RRTP at the Perry Point, Maryland VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today ($21.0B for VA Recommendation versus $20.6B for Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.50 for VA Recommendation versus 1.87 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 05 Martinsburg Market

The Veteran Integrated Service Network (VISN) 05 Martinsburg Market serves northeastern West Virginia as well as Veterans in northern Virginia, western Maryland, and southern Pennsylvania. The recommendation includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[13]

VA's Commitment to Veterans in the Martinsburg Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Martinsburg Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

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

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation considers increased market demand for outpatient services and improved access to care by investing in modern facilities close to where Veterans live. The recommendation maintains all sustainable outpatient points of care in the market, relocates the Hagerstown community-based outpatient clinic (CBOC) to a new, modern facility more proximate to where Veteran enrollees reside, and consolidates facilities that do not have sustainable volumes.

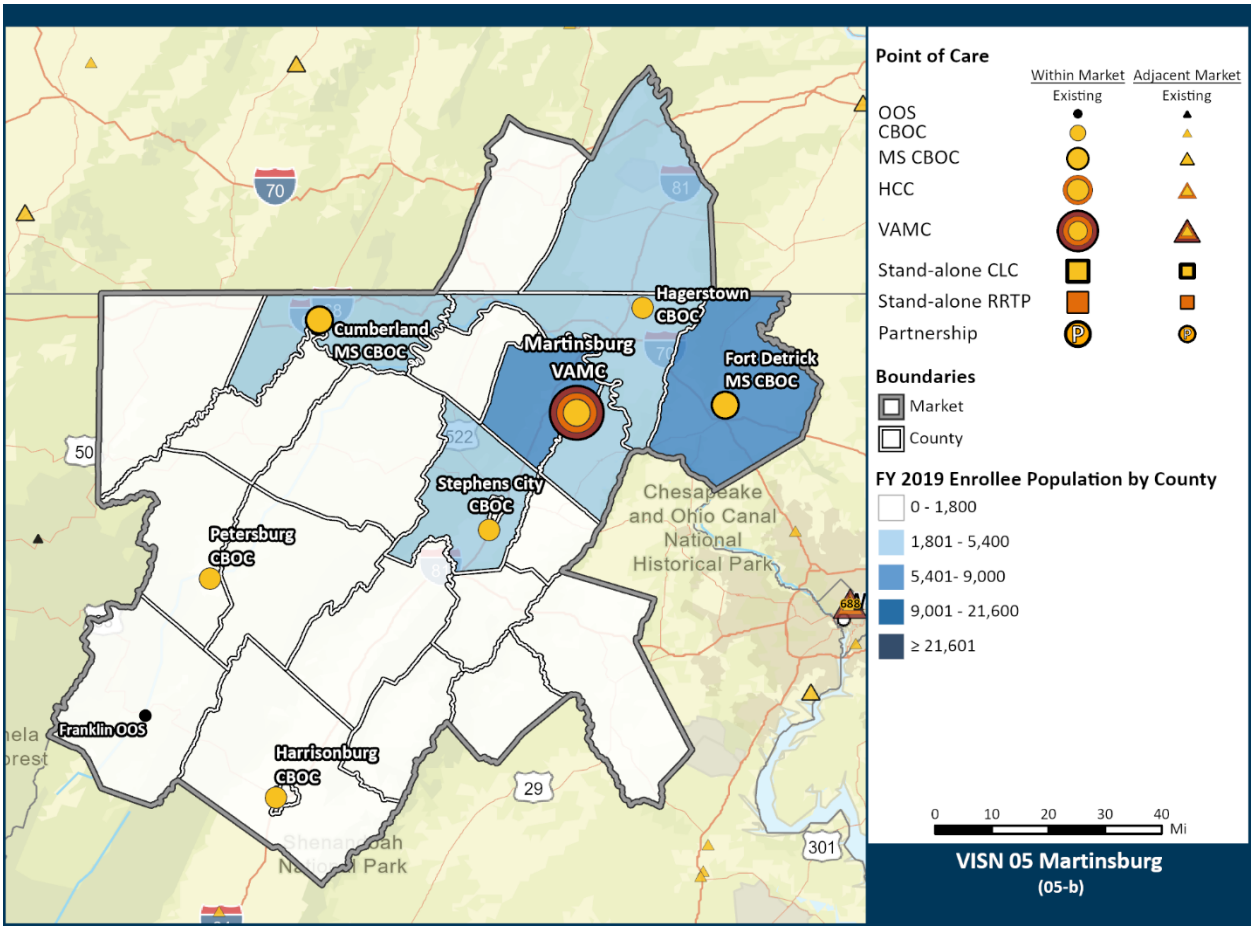
[13] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation maintains inpatient mental health, residential rehabilitation treatment program (RRTP), and community living center (CLC) services at the Martinsburg VAMC to preserve care for Veterans with the most complex needs and to provide comprehensive care that may not be readily available in the community. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06) and demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region, including the West Haven VAMC in West Haven, Connecticut (VISN 01), the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04), and the Cleveland VAMC in Cleveland, Ohio (VISN 10).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation maintains inpatient medical and surgical services at the Martinsburg VAMC.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Martinsburg), two multi-specialty community-based outpatient clinics (MS CBOCs), four CBOCs, and one other outpatient services (OOS) site.

Enrollees: In FY 2019, the market had 43,545 enrollees. The enrollee population is projected to experience a 3.7% decrease between FY 2019 and FY 2029. The largest enrollee populations are in Frederick and Washington counties in Maryland and Berkeley County, West Virginia.

Demand: Demand[14] in the market for inpatient medical and surgical care is projected to decrease by 15.8% and demand for inpatient mental health services is projected to decrease by 1.6% through FY 2029. Demand for long-term care[15] is projected to decrease by 1.0%. Demand for all outpatient

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

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

services,[16] including primary care, mental health, medical and surgical specialty care, dental care, and rehabilitative therapies, is projected to increase substantially.

Rurality: 48.4% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 73.6% of enrollees in the market live within a 30-minute drive time of a VA primary care site, and 66.6% of enrollees live within a 60-minute drive time of a VA secondary care site. Transportation and travel distances present logistical challenges for access and care coordination across the market.

Community Capacity: As of 2019, community providers[17] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[18] of 63.3% (336 available beds)[19] and an inpatient mental health occupancy rate of 65.0% (16 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 90.4% (7 available beds). Community residential rehabilitation programs[20] that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with West Virginia University. The Martinsburg VAMC is ranked 119 out of 154 VA training sites based on the number of trainees. The Martinsburg VAMC conducts limited or no research and holds no emergency designation.[21]

Facility Overview

Martinsburg VAMC: The Martinsburg VAMC is located in Martinsburg, West Virginia, and offers inpatient medical and surgical, inpatient mental health, CLC, RRTP, and outpatient services. In FY 2019, the Martinsburg VAMC had an inpatient medical and surgical average daily census (ADC) of 31.9, an inpatient mental health ADC of 16.3, a CLC ADC of 125.3, and an RRTP ADC of 227.8.

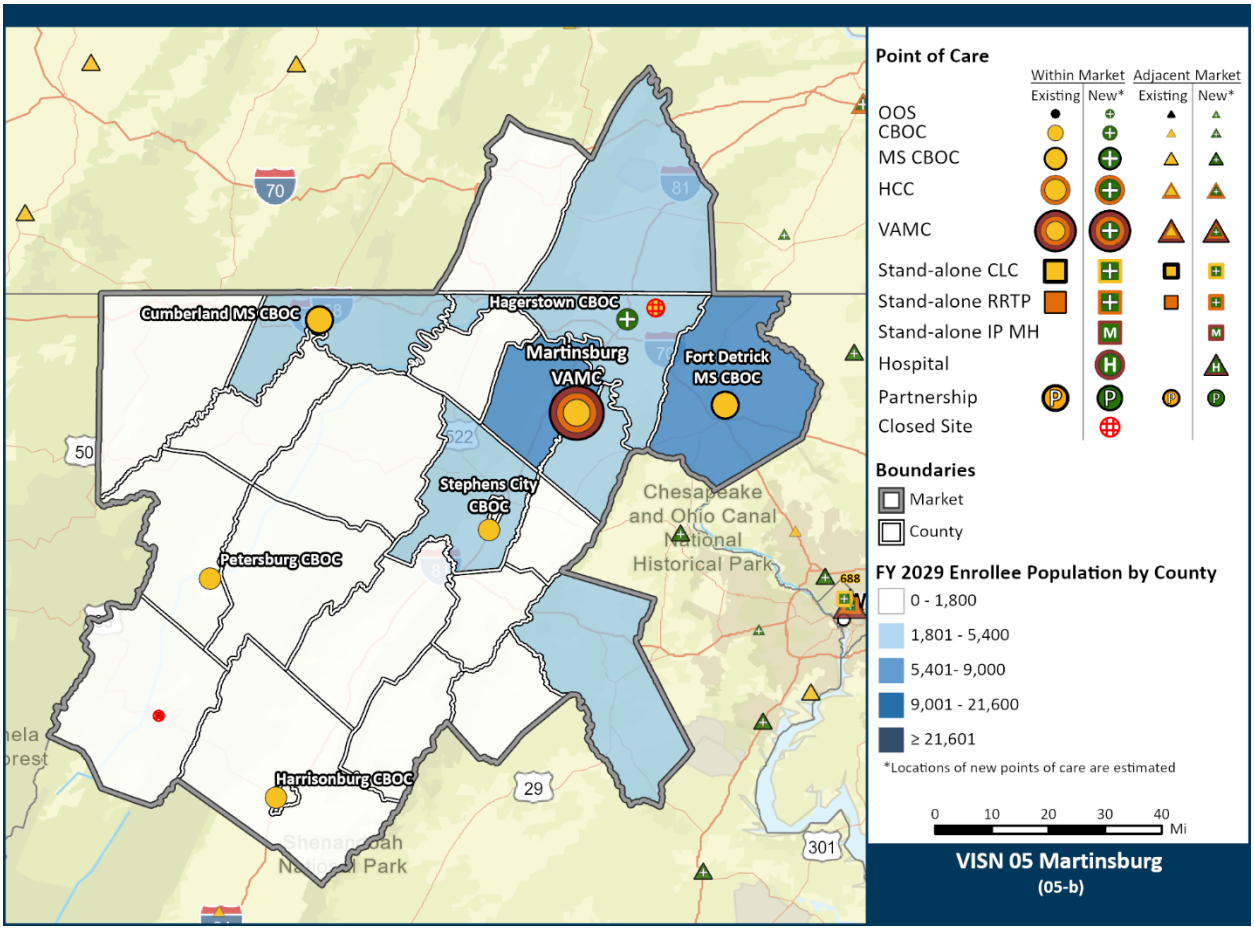
The Martinsburg VAMC was built in 1983 on 176.8 acres. Facility condition assessment (FCA) deficiencies are approximately $114.9M and annual operating and maintenance costs are an estimated $20.8M. The main facility is well maintained, and capital improvements have progressively addressed infrastructure issues, yet significant FCA deficiencies remain predominantly across the main hospital and domiciliary buildings.

[16] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[17] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[18] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[19] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[20] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[21] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

Recommendation and Justification

This section details the VISN 05 Martinsburg Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Relocating the Hagerstown CBOC to a new site in the vicinity of Hagerstown, Maryland, and closing the current Hagerstown CBOC:** Shifting facility placement to a better market location in the vicinity of Hagerstown, Maryland (Washington County), will increase access to primary care and outpatient mental health services. In FY 2019, there were 7,156 Veteran enrollees within a 30-minute drive time and 34,999 Veteran enrollees within a 60-minute drive time of the proposed new location. The new location will provide increased access by placing the site near interstate highway 81.

   1.2. **Relocating all services at the Franklin OOS and closing the Franklin OOS:** In FY 2019, the enrollee population of Pendleton County (where the Franklin OOS is located) was 289 and is

projected to decrease 5.5% by FY 2029. In FY 2019, there were 206 core uniques[22] at the Franklin OOS. Community providers in Franklin, West Virginia, and the surrounding areas will serve the Veteran population in the area.

Complementary Strategy

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

- **Develop a Facility Master Plan for the Martinsburg VAMC:** The Martinsburg VAMC campus dates to 1943 with 176.8 acres and over 70 buildings with FCA deficiencies over $114.9M. While well maintained, the main facility was constructed in 1983 and most facility infrastructure is outdated and not adapted to current space configurations and requirements. A progressive campus plan to address non-essential buildings can improve access for Veterans and allow for increased emphasis on core clinical services such as CLC and RRTP.
- **Improve the emergency department throughput by identifying distinct bed or service location (e.g., current medical and surgical or mental health units within Martinsburg facility) to support detox patients, including building appropriate transition of care protocols and security:** Bed availability and throughput is a concern as detox patients currently occupy emergency department beds. However, there is capacity within the acute medical and surgical and mental health units to accommodate these patients.
- **Add Adult Day Center to provide additional Veteran elder care support:** Adult Day Centers reduce CLC and community nursing home utilization, improving quality of life for Veterans and allowing them to continue to live at home and maintain their independence.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 05 Martinsburg Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[23] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care

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

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

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

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Martinsburg Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 5 Martinsburg Market	Status Quo	Modernization	VA Recommendation
Total Cost	$10,776,325,788	$11,134,967,535	$11,188,010,559
Capital Cost	$1,025,545,440	$1,384,187,187	$1,437,230,211
Operational Cost	$9,750,780,348	$9,750,780,348	$9,750,780,348
Total Benefit Score	8	10	11
CBI (normalized in $B)	**1.35**	**1.11**	**1.02**

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through seven VA points of care offering outpatient services, including the proposed relocated Hagerstown, Maryland CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Martinsburg, West Virginia VAMC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through the RRTP at the Martinsburg, West Virginia VAMC and the other facilities within VISN 05 offering RRTP, including the Perry Point, Maryland VAMC; Huntington, West Virginia VAMC; and Clarksburg, West Virginia VAMC; and the proposed new stand-alone RRTPs in Charleston, West Virginia and Washington, DC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01), the proposed new King of Prussia, Pennsylvania VAMC (VISN 04), and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the Martinsburg, West Virginia VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 43,619 enrollees within 30 minutes of VA primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 43,530 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with West Virginia University.
- **Research:** This recommendation does not impact the research mission in the market; the Martinsburg, West Virginia VAMC conducts limited or no research.[24]
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Martinsburg, West Virginia VAMC is not designated as a Primary Receiving Center.

Quality

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

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

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo (1.02 for VA Recommendation versus 1.35 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

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

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed relocated Hagerstown, Maryland CBOC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($11.2B for VA Recommendation versus $11.1B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.02 for VA Recommendation versus 1.11 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 05 Washington Market

The Veterans Integrated Service Network (VISN) 05 Washington Market serves the District of Columbia, portions of Maryland south of Baltimore, and northern Virginia. The recommendation includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[25]

VA's Commitment to Veterans in the Washington Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Washington Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

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

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation considers the increased market demand for outpatient services and improved access to care by investing in modern facilities close to where Veterans live. The recommendation maintains all sustainable outpatient points of care in the market and relocates the Southern Prince George's County-Andrews Air Force Base community-based outpatient clinic (CBOC) more proximate to where Veteran enrollees live, while expanding the site to a multi-specialty community-based outpatient clinic (MS CBOC). Additionally, the recommendation establishes three new MS CBOCs and one new

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

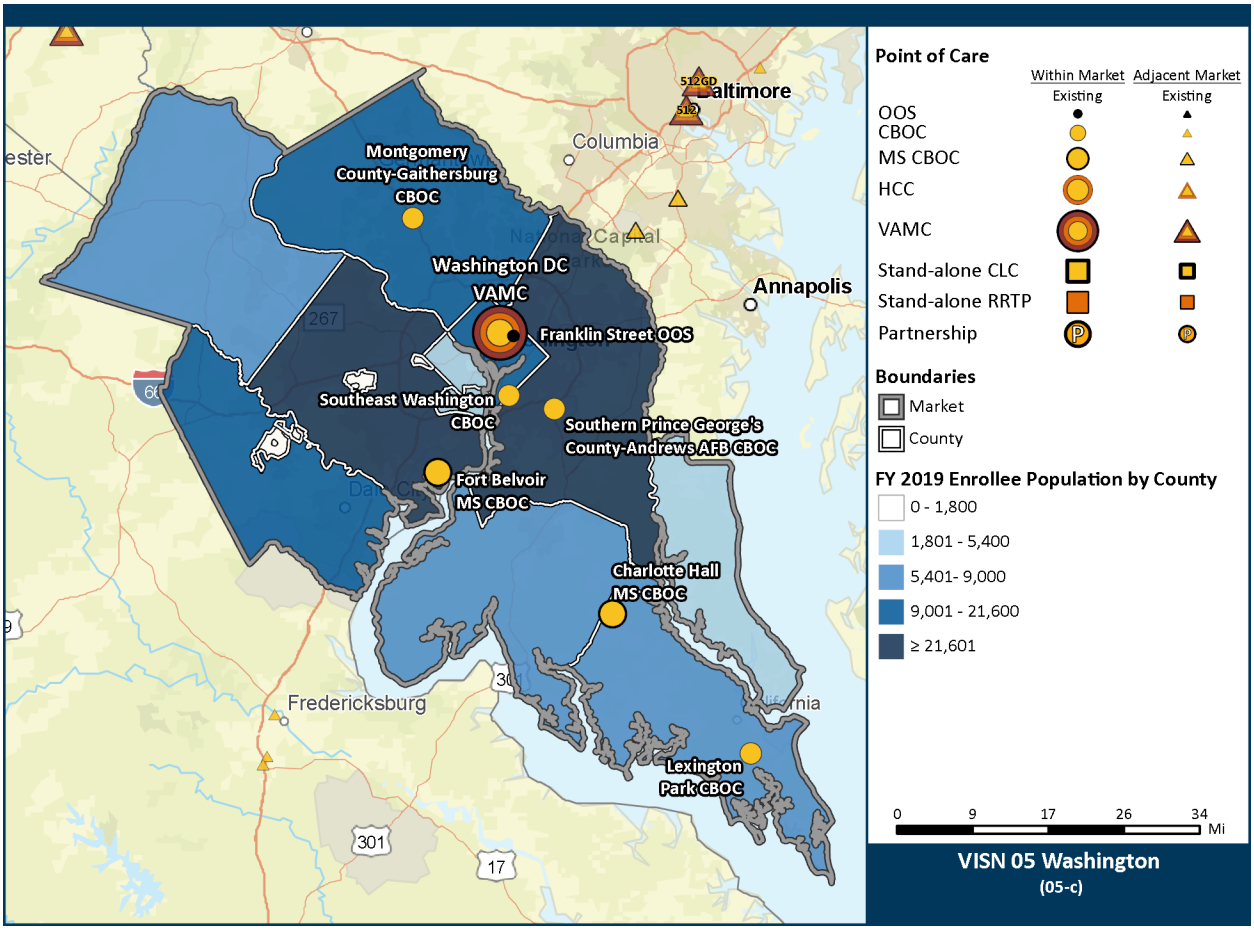
CBOC, provides outpatient services in a new, modern VAMC, and consolidates services from one clinic to a more sustainable site closer to where a greater population of Veteran enrollees reside.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation relocates and modernizes community living center (CLC) services in a new stand-alone site, establishes a new, modern residential rehabilitation treatment program (RRTP) stand-alone site, and invests in expanded inpatient mental health services at the VAMC to improve access to these services that may not be readily available in the community. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06), and demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region, including the West Haven VAMC in West Haven, Connecticut (VISN 01), the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04), and the Cleveland VAMC in Cleveland, Ohio (VISN 10).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation considers the projected overall increase in the number of enrollees in the future and the continued need for inpatient medical and surgical services by investing in a replacement Washington VAMC while continuing to strengthen regional partnerships with the Department of Defense (DoD) and existing academic affiliates.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Washington), two MS CBOC, four CBOCs, and one OOS.

Enrollees: In FY 2019, the market had 124,246 enrollees and is projected to experience a 7.8% increase in enrolled Veterans by FY 2029. The largest enrollee populations are in Prince George's County in Maryland and Fairfax and Prince William's counties in Virginia.

Demand: Demand[26] in the market for inpatient medical and surgical services is projected to decrease by 13.1%, and demand for inpatient mental health services is projected to increase by 13.7% through FY 2029. Demand for long-term care[27] is projected to increase by 125.2%. Demand for all outpatient

[26] Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).
[27] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

services,[28] including primary care, mental health, specialty care, dental care, and rehabilitation therapies is projected to increase.

Rurality: 12.8% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 81.9% of enrollees in the market live within a 30-minute drive time of a VA primary care site, and 92.2% of enrollees live within a 60-minute drive time of a VA secondary care site. Only two locations in the market (the Washington VAMC and the Fort Belvoir MS CBOC) offer significant specialty care services, and lengthy public and private transportation commute times in the Nation's capital region present barriers to Veteran access to care. RRTP services are currently not offered in the market.

Community Capacity: As of 2019, community providers[29] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[30] of 72.8% (1,150 available beds)[31] and an inpatient mental health occupancy rate of 73.8% (17 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 86.5% (428 available beds). Community residential rehabilitation programs[32] that match the breadth of services provided by VA are not widely available in the market. The Washington VAMC partners with Walter Reed National Military Medical Center, a DoD facility, to support various clinical programs.

Mission: VA has academic affiliations in the market that include Georgetown University, George Washington University, and Howard University. The Washington VAMC is ranked 40 out of 154 VA training sites based on the number of trainees and is ranked 25 out of 103 VAMCs with research funding. The Washington VAMC holds no emergency designation.[33]

Facility Overview

Washington VAMC: The Washington VAMC is located in Washington, DC, and offers inpatient medical and surgical, inpatient mental health, CLC, and outpatient services. For FY 2019, the Washington VAMC had an inpatient medical and surgical average daily census (ADC) of 98.5, an inpatient mental health ADC of 13.1, and a CLC ADC of 68.4.

The Washington VAMC partners with Walter Reed National Military Medical Center, a DoD facility, to support various clinical programs.

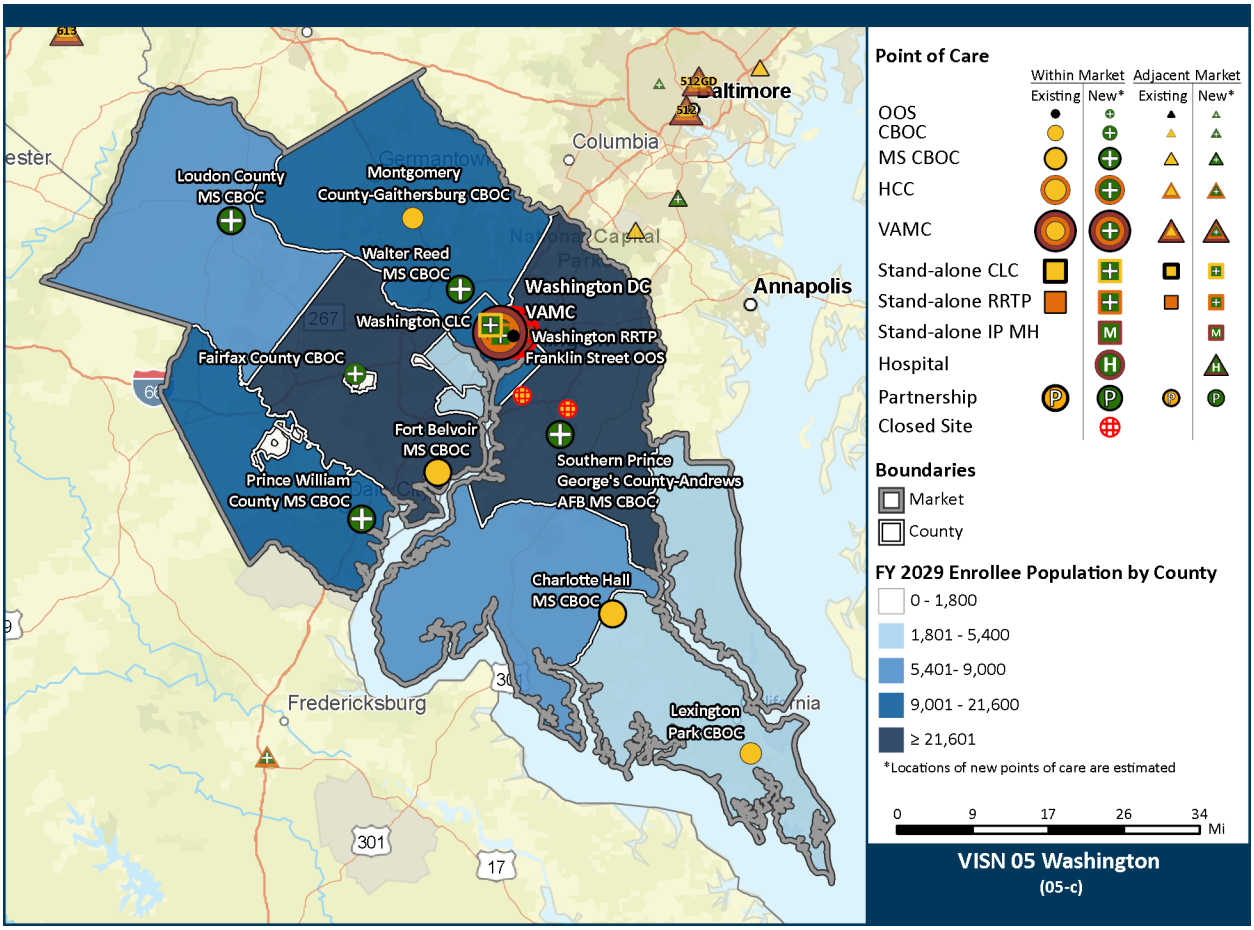
[28] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[29] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[30] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[31] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[32] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[33] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

The Washington VAMC was built in 1965 on 34.0 acres. The infrastructure does not meet current design standards for modern health care,[34] and limited expansion space on and surrounding the campus presents challenges to VA's ability to make necessary upgrades. Facility condition assessment (FCA) deficiencies are approximately $133.6M, and annual operations and maintenance costs are an estimated $25.3M.

Recommendation and Justification

This section details the VISN 05 Washington Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. Constructing a replacement VAMC with inpatient medical and surgical services, inpatient mental health services, outpatient surgery, emergency department services, and outpatient services in the vicinity of Washington, DC: The Washington VAMC offers inpatient acute care,

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

long-term care, and outpatient services. The VAMC has 164 inpatient acute care and 80 CLC beds. The market is projected to experience an increase in enrollees and demand for all services except RRTP and inpatient medical and surgical services through FY 2029. The facility is a major training center, supporting over 1,200 trainees from George Washington University, Georgetown University, and Howard University. The current VAMC has ongoing facility challenges, high operating and maintenance costs, and limited room for expansion. Completion of current projects will still result in Washington VAMC facilities that do not meet current VA planning standards or contemporary health care service standards[35]. By building a replacement facility, VA's recommendation will resolve these issues while maintaining its ability to provide tertiary and quaternary inpatient care and complex outpatient care in the market and across VISN 05. The new replacement VAMC will maintain clinical services by providing inpatient medical and surgical services (88 beds), inpatient mental health (76 beds), primary care, outpatient mental health, outpatient specialty care, outpatient surgery, and emergency department services. The new replacement facility may be on or in the vicinity of the existing Washington VAMC campus, based on space development requirements in Washington, DC.

1.2. **Relocating the CLC to a stand-alone site in the vicinity of Washington, DC:** A new, stand-alone site of care for CLC services will allow VA to design and construct a new VAMC that is focused on delivering acute care services and separately activate a CLC that can be more flexible in its design to focus on elder care needs in a more contemporary setting. In the Washington Market, 28.0% (34,814) of Veteran enrollees are over the age of 65. The number of Veteran enrollees in the Washington Market over the age of 65 is projected to increase by 36.5%, from 34,814 to 47,524 by FY 2029. In FY 2019, there were 140,432 enrollees within a 60-minute drive time of the proposed site. The Washington VAMC has 80 CLC beds. In-house demand for long-term care across the Washington Market is projected to reach an ADC of 136.9 by FY 2029. Community providers have limited capacity for long-term care within the district boundaries of Washington, DC. The CLC will be placed in an area of Washington, DC that is most convenient to the elderly Veteran population in need of those services and increase CLC beds from 80 to 120.

1.3. **Closing the current Washington VAMC:** On the completion of a new replacement Washington VAMC, relocation of services to the new VAMC will allow for closure of the existing VAMC.

2. ***Modernize by establishing a new stand-alone RRTP in the vicinity of Washington, DC:*** The Washington Market does not currently offer RRTP services. In FY 2019, there were 140,432 enrollees within a 60-minute drive time of the proposed location. The Washington Market is projected to have an RRTP bed need of 63 by FY 2028. The RRTP will be a stand-alone site with 66 beds to allow for the new Washington VAMC to be focused on the delivery of acute care services.

3. ***Strengthen the partnership with DoD's Walter Reed National Military Medical Center:*** To continue to support military readiness and provide Veterans as well as DoD beneficiaries and active-duty personnel with a comprehensive set of services, VA plans to expand partnerships with DoD to fill gaps in services and improve access.

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

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

   4.1. Establishing a new MS CBOC in the vicinity of Dale City, Virginia: A new MS CBOC near I-95 in the vicinity of Dale City, Virginia (Prince William County), will improve access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019, there were 30,804 Veteran enrollees within a 30-minute drive time and 110,447 Veteran enrollees within a 60-minute drive time of the proposed site. Prince William County is projected to have more than 21,400 Veteran enrollees by FY 2029.

   4.2. Establishing a new MS CBOC in the vicinity of Leesburg, Virginia: A new MS CBOC in the vicinity of Leesburg, Virginia (Loudoun County), will improve access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019, there were 8,951 Veteran enrollees within a 30-minute drive time and 74,159 Veteran enrollees within a 60-minute drive time of the proposed site. This new site is located outside the 30-minute drive time of another VA facility. Loudoun County is projected to have more than 7,600 Veteran enrollees by FY 2029.

   4.3. Establishing a new MS CBOC in the vicinity of Bethesda, Maryland: A new MS CBOC in the vicinity of Bethesda, Maryland (Montgomery County), will improve access to primary care, outpatient mental health, and outpatient specialty care services. In FY 2019, there were 23,287 Veteran enrollees within a 30-minute drive time and 143,293 Veteran enrollees within a 60-minute drive time of the proposed site. The new site will support decompression of the overcrowded Washington, DC VAMC campus and allow for expansion of hospital services on the VAMC campus. Montgomery County is projected to have more than 11,000 Veteran enrollees by FY 2029.

   4.4. Establishing a new CBOC in the vicinity of Fairfax, Virginia: A new CBOC in the vicinity of Fairfax, Virginia (Fairfax County), will improve access to primary care and outpatient mental health services. In FY 2019, there were 30,620 Veteran enrollees within a 30-minute drive time of the proposed site. Fairfax County is projected to have more than 25,400 Veteran enrollees by FY 2029.

   4.5. Relocating the Southern Prince George's County-Andrews Air Force Base CBOC to a new site in the vicinity of Prince George's County, Maryland, and closing the existing Southern Prince George's County-Andrews Air Force Base CBOC: Shifting facility placement to a better market location and larger site in the vicinity of Prince George's County will increase access to primary care, outpatient mental health, and specialty care services. In FY 2019, there were 45,743 Veteran enrollees within a 30-minute drive time and 130,020 Veteran enrollees within a 60-minute drive time of the proposed site. It will also allow consolidation with the Southeast Washington CBOC, which is proposed to be closed. The current Southern Prince George's County-Andrew's Air Force Base and Southeast Washington CBOCs had combined core uniques[36] of 7,091 in FY 2019. The site will offer specialty care services, which may result in reclassification of the facility as an MS CBOC.

   4.6. Relocating all services at the Southeast Washington CBOC and closing the Southeast Washington CBOC: Closing the Southeast Washington CBOC and relocating the clinic's services

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

to the proposed relocated and expanded Southern Prince George's County-Andrews Air Force Base MS CBOC in Prince George's County, or to other VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a site while improving operational efficiency. In FY 2019, the Southeast Washington CBOC had 700 core uniques. The proposed relocated and expanded Southern Prince George's County-Andrews Air Force Base MS CBOC and the existing Southeast Washington CBOC are located approximately 15 minutes (10 miles) apart.

Complementary Strategy

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

- **Expand access to women's health services to most outpatient clinics:** With approximately 20,000 women Veterans enrolled in the market, and a projected increase of 17.4%, VA plans to expand services to meet their needs.
- **Expedite the development of a Facilities Master Plan for the Washington VAMC to incorporate long term planning for property and facility development:** The existing Facilities Master Plan is over 10 years old. Alongside the proposed replacement Washington VAMC, additional planning will occur to incorporate long term planning for the campus and future facility development.
- **Ensure there is adequate space to support the research initiative at the proposed new replacement Washington VAMC to maintain all existing programs:** The Office of Research and Development will be consulted in the planning for the proposed replacement Washington VAMC to ensure there is space to maintain existing research programs.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 05 Washington Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[37] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).

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

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

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Washington Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 5 Washington Market	Status Quo	Modernization	VA Recommendation
Total Cost	$18,004,231,937	$20,041,016,769	$22,011,958,945
Capital Cost	$909,025,594	$2,945,810,426	$4,916,752,602
Operational Cost	$17,095,206,343	$17,095,206,343	$17,095,206,343
Total Benefit Score	8	11	14
CBI (normalized in $B)	**2.25**	**1.82**	**1.57**

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through 11 VA points of care offering outpatient services, including the proposed new Walter Reed MS CBOC in Montgomery County, Maryland; Loudoun County, Virginia MS CBOC; Prince William County, Virginia MS CBOC; and Fairfax County, Virginia CBOC; the proposed replacement Washington, DC VAMC; and the proposed relocated and expanded Southern Prince George's County-Andrews Air Force Base MS CBOC in Prince George's County, Maryland; as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed new stand-alone CLC in Washington, DC, as well as community nursing homes.

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

Demand

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through the proposed new stand-alone RRTP in Washington, DC, and the other facilities within VISN 05 offering RRTP, including the Perry Point, Maryland VAMC; Martinsburg, West Virginia VAMC; Huntington, West Virginia VAMC; and Clarksburg, West Virginia VAMC; and the proposed new stand-alone RRTP in Charleston, West Virginia.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01), the proposed new King of Prussia, Pennsylvania VAMC (VISN 04), and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine, surgery, and mental health demand will be met through the proposed replacement Washington VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 130,053 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 130,208 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Georgetown University, George Washington University, and Howard University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Washington VAMC to maintain the current research mission by ensuring adequate research space at the proposed new replacement Washington VAMC to maintain all existing programs.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Washington VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new stand-alone CLC and stand-alone RRTP in Washington, DC; proposed new Walter Reed MS CBOC in Montgomery County, Maryland; Loudoun County, Virginia MS CBOC; Prince William County, Virginia MS CBOC; and Fairfax County, Virginia CBOC; the proposed replacement Washington, DC VAMC; and the proposed relocated and expanded Southern Prince George's County-Andrews Air Force Base MS CBOC in Prince George's County, Maryland. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (1.57 for VA Recommendation versus 2.25 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new stand-alone CLC and stand-alone RRTP in Washington, DC; proposed new Walter Reed MS CBOC in Montgomery County, Maryland; Loudoun County, Virginia MS CBOC; Prince William County, Virginia MS CBOC; Fairfax County, Virginia CBOC; the proposed replacement Washington, DC VAMC; and the proposed relocated Southern Prince George's County-Andrews Air Force Base MS CBOC in Prince George's County, Maryland. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff.
- **Reflects stewardship of taxpayer dollars:** While the cost of the market recommendation is more than the cost to modernize facilities in the market today ($22.0B for VA Recommendation versus $20.0B for

Sustainability
Modernization), there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (1.57 for VA Recommendation versus 1.82 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 05 Huntington Market

The Veteran Integrated Service Network (VISN) 05 Huntington Market serves western West Virginia and southern Ohio. The recommendation includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[38]

VA's Commitment to Veterans in the Huntington Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Huntington Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The three western West Virginia Markets of Huntington, Beckley, and Clarksburg share similar enrollee dynamics and similar facilities and infrastructure challenges. Each market faces significant decreasing enrollment that will require thoughtful placement of health care services for Veterans across the region. VA therefore recommends a comprehensive western West Virginia VA health care strategy that balances VA-delivered outpatient, residential rehabilitation treatment program (RRTP), and long-term care services with community-based partnerships to provide inpatient acute care, inpatient surgery, and complex specialty services.

The strategy for the Huntington Market is intended to provide Veterans with access to high quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation considers increased market demand for outpatient services and improved access to care by investing in modern facilities close to where Veterans live. The recommendation maintains all sustainable outpatient points of care in the market, expands one other outpatient services (OOS) site to a community-based outpatient clinic (CBOC), relocates one OOS site and expands the site to a CBOC, and relocates one multi-specialty community-based outpatient clinic (MS CBOC). Both of these relocations place facilities in locations more proximate to Veteran enrollee demand.

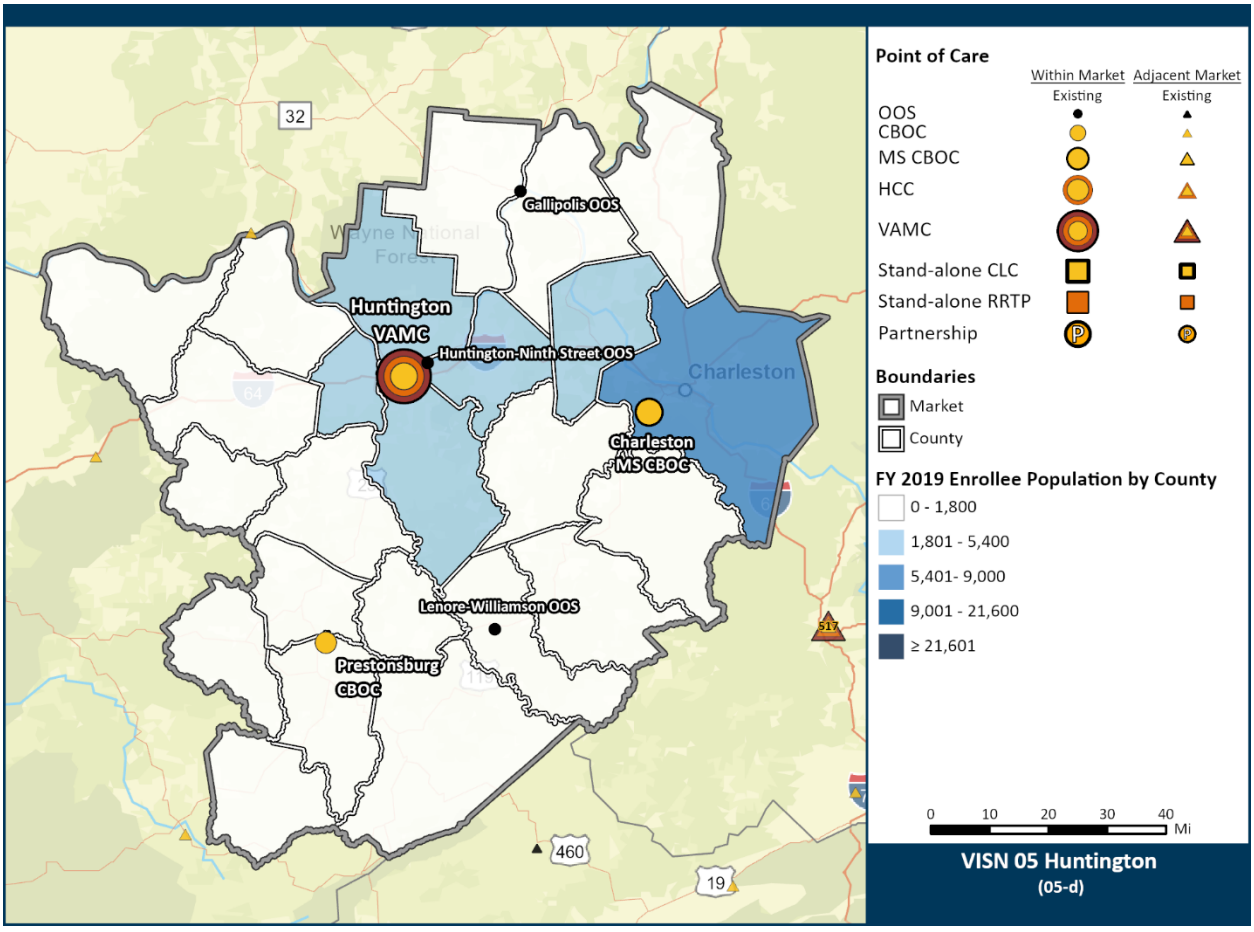
[38] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation establishes a new community living center (CLC) at the Huntington VAMC and a new stand-alone RRTP facility in the Charleston, West Virginia area to improve access to these services that may not be readily available in the community. Inpatient mental health demand will be met through inpatient mental health facilities in the community. Additionally, demand for inpatient spinal cord and injuries disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06) and demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region including the West Haven VAMC in West Haven, Connecticut (VISN 01), the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04), and the Cleveland VAMC in Cleveland, Ohio (VISN 10).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation establishes a strategic partnership to allow VA providers to deliver inpatient medical and surgical care within a partner space.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Huntington), one MS CBOC, one community-based outpatient clinics (CBOC), and three OOS sites.

Enrollees: In fiscal year (FY) 2019, the market had 31,748 enrollees and is projected to experience a 15.3% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in Kanawha and Cabell counties in West Virginia and Lawrence County, Ohio.

Demand: Demand[39] in the market for inpatient medical and surgical services is projected to decrease by 13.6%, and demand for inpatient mental health services is projected to decrease by 22.3% through FY 2029. Demand for long-term care[40] is projected to increase by 8.5%. Demand for all outpatient

[39] Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).
[40] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

services,[41] including primary care, mental health, medical and surgical specialty care, dental care, and rehabilitation therapies is projected to increase.

Rurality: 49.7% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 57.4% of enrollees in the market live within a 30-minute drive time of a VA primary care site, and 63.2% of enrollees live within a 60-minute drive time of a VA secondary care site. The Huntington VAMC is the only site in VISN 05 without a CLC.

Community Capacity: As of 2019, community providers[42] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[43] of 62.4% (492 available beds)[44] and an inpatient mental health occupancy rate of 67.2% (7 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 95.4%, indicating limited community availability. Community residential rehabilitation programs[45] that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with Marshall University. The Huntington VAMC is ranked 99 out of 154 VA training sites based on the number of trainees. The VAMC conducts limited or no research and holds no emergency designation.[46]

Facility Overview

Huntington VAMC: The Huntington VAMC is located in Huntington, West Virginia, and provides inpatient medical and surgical, a RRTP, and outpatient services. In FY 2019, the Huntington VAMC had an inpatient medical and surgical ADC of 22.8. RRTP utilization data is not available as this is a new site.

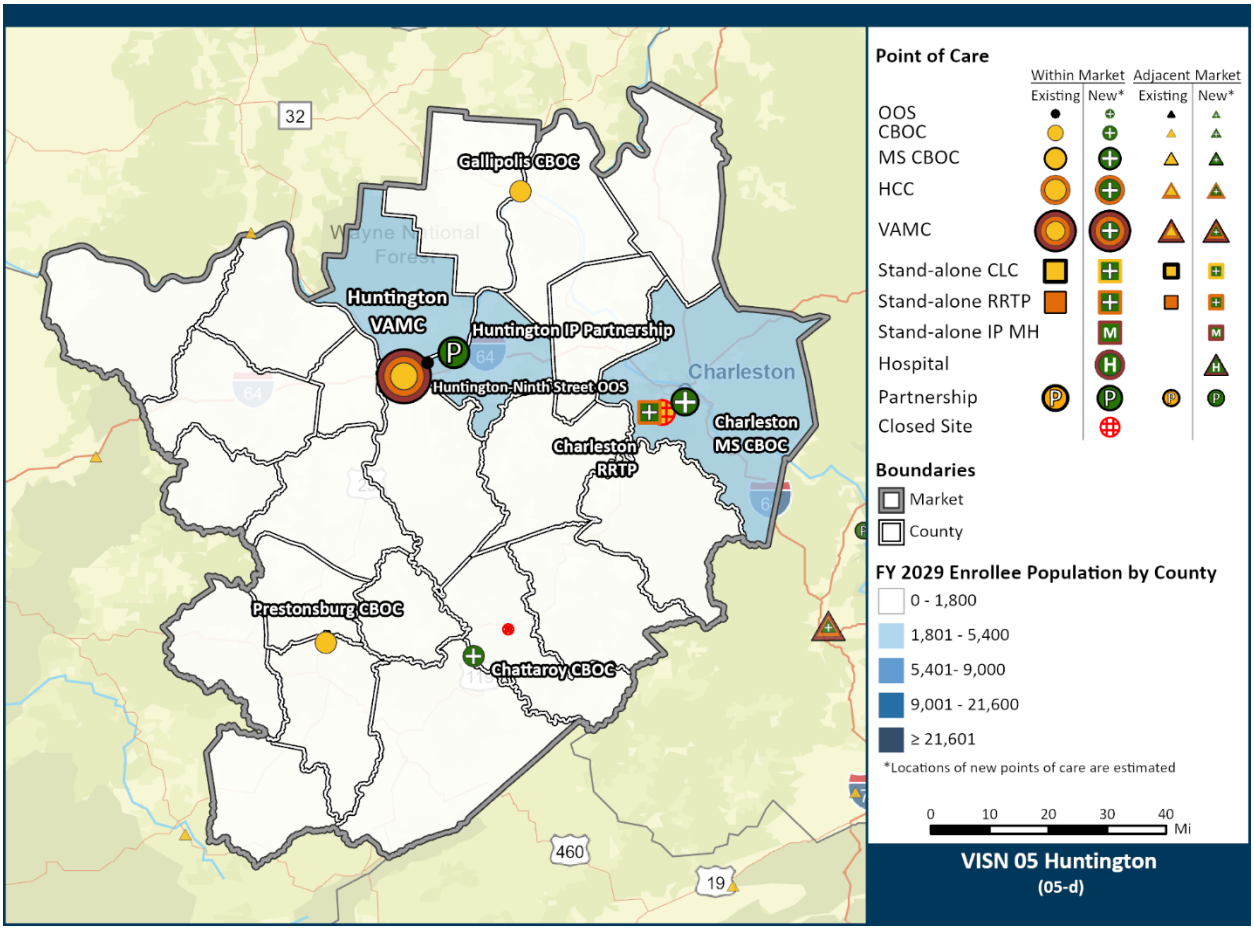
The main clinical facility at the Huntington VAMC was built in 1993 on 106.8 acres with the campus dating back to the 1930s. Facility condition assessment (FCA) deficiencies are approximately $37.1M, and annual operations and maintenance costs are an estimated $8.8M.

[41] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[42] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[43] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[44] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[45] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[46] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

Recommendation and Justification

This section details the VISN 05 Huntington Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Establishing a strategic collaboration to provide inpatient medical and surgical services and discontinuing those services at the Huntington VAMC. If unable to enter into a strategic collaboration for inpatient medical and surgical services, utilize community providers:** In FY 2019, the Huntington VAMC had an inpatient medical and surgical ADC of 22.8, and it is projected to decrease to an ADC of 18.9 by FY 2029. There is adequate community capacity for inpatient acute medical and surgical services in the Huntington Market. As of FY 2019, community providers within a 60-minute drive time of the Huntington VAMC had an inpatient acute medical and surgical occupancy rate of 62.4% (492 available beds). To partner, VA will consider establishing a sharing agreement or lease to allow VA providers to deliver inpatient medical and surgical care within a partner space. This will maintain Veteran access and minimize quality and recruitment/retention risks associated with low patient census, while maintaining a VA presence.

1.2. **Converting the emergency department at the Huntington VAMC to an urgent care center and discontinuing those services at the Huntington VAMC:** With the proposed inpatient medical and surgical services strategic collaboration, there is no longer a need to provide emergency department services at the Huntington VAMC. Replacing the emergency department with an urgent care center will allow the VAMC to serve low complexity patients during the hours when most Veterans seek care. Emergency department services will continue to remain available at community providers proximate to the Huntington VAMC.

1.3. **Establishing a new CLC at the Huntington VAMC:** The Huntington VAMC is the only site in VISN 05 that does not currently offer long-term care services. In FY 2019, 50.9% of the enrollee population was over the age of 65. There is high demand for long-term care and geriatric services, including Geriatric Psychiatry in this market. Total demand for long-term care across the Huntington Market is projected to reach an ADC of 83.0 by FY 2029. Capacity in the market for community nursing home beds, with over 95% occupancy, is also limited. A new, modern CLC with 48 beds at the Huntington VAMC will meet the demand for elderly care and improve access for Veterans.

2. ***Modernize by establishing a new stand-alone RRTP in the vicinity of Charleston, West Virginia:*** The Charleston, West Virginia area does not currently offer RRTP services. Projected demand is the major driver for the recommendation to establish a stand-alone RRTP in this area. The Huntington Market is projected to have an RRTP bed need of 18 by FY 2028. In FY 2019, there were 16,368 enrollees within a 60-minute drive time of the proposed site. The Huntington, West Virginia area is greatly affected by the opioid epidemic. A new stand-alone RRTP in the vicinity of Charleston, West Virginia will serve as a regional program, drawing from the Beckley and Clarksburg Markets, along with the Huntington Market. The new stand-alone RRTP will have 34 beds.

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

3.1. **Relocating the Lenore-Williamson OOS to a new site in the vicinity of Chattaroy, West Virginia, and closing the current Lenore-Williamson OOS:** Shifting facility placement to a better market location and larger site in the vicinity of Chattaroy, West Virginia (Mingo County), will increase access for the enrollee population in Mingo (734 FY 2019 enrollees), Pike (1,439 FY 2019 enrollees), and Logan (1,101 FY 2019 enrollees) counties, which are currently outside of a 30-minute drive time to a VA site of care. In FY 2019, there were 683 core uniques[47] at the Lenore-Williamson OOS. In FY 2019, there were 1,037 Veteran enrollees within a 30-minute drive time of the proposed location. It will also increase capacity to provide expanded outpatient services, which may result in reclassification of the facility as a CBOC.

3.2. **Relocating the Charleston MS CBOC to a new site in the vicinity of Charleston, West Virginia, and closing the current Charleston MS CBOC:** Shifting facility placement to a better market location in the vicinity of Charleston, West Virginia (Kanawha County), will increase access for the enrollee population as a centralized Charleston location more proximate to major highways. In FY 2019, there were 5,974 core uniques at the Charleston MS CBOC. With the state capital located in Charleston, a more centralized city location will be more accessible to

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

Veterans. In FY 2019, there were 6,305 Veteran enrollees within a 30-minute drive time and 15,583 Veteran enrollees within a 60-minute drive time of the proposed location.

Complementary Strategy

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

- **Expand outpatient services at the Gallipolis OOS, which may result in the classification of the facility as a CBOC (in progress):** Expanding services at the Gallipolis OOS (Mason County, Ohio) will increase access to primary care and outpatient mental health services and increase long-term sustainability of the facility. In FY 2019, there were 2,576 Veteran enrollees within a 30-minute drive time and 19,737 Veteran enrollees within a 60-minute drive time of the proposed expanded site.
- **Develop an Adult Day Center program to provide additional Veteran elder care support:** Adult Day Centers reduce CLC and community nursing home utilization, improving quality of life for Veterans, allowing them to live at home and maintain their independence.
- **Develop a comprehensive Pain Management program:** Given the Huntington, West Virginia, area is highly affected by the nation's opioid epidemic, a comprehensive and integrative pain management program will provide value in assisting Veterans to manage their pain. Currently, multiple specialties at the Huntington VAMC independently offer pain management services.

Cost Benefit Analysis

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

- **Costs:** The present value cost[48] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

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

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Huntington Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 5 Huntington Market	Status Quo	Modernization	VA Recommendation
Total Cost	$7,508,549,141	$7,923,652,079	$7,209,543,561
Capital Cost	$247,999,419	$663,102,357	$829,073,401
Operational Cost	$7,260,549,722	$7,260,549,722	$6,380,470,160
Total Benefit Score	9	10	13
CBI (normalized in $B)	**0.83**	**0.79**	**0.55**

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through six VA points of care offering outpatient services, including the proposed new Chattaroy, West Virginia CBOC, the proposed relocated Charleston, West Virginia MS CBOC, and the proposed expanded Gallipolis, Ohio CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed new CLC at the Huntington, West Virginia VAMC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through the Huntington, West Virginia VAMC, proposed new stand-alone RRTP in Charleston, West Virginia, and the other facilities within VISN 05 offering RRTP, including the Perry

Demand

Point, Maryland VAMC; Martinsburg, West Virginia VAMC; and Clarksburg, West Virginia VAMC; and the proposed new stand-alone RRTP in Washington, DC.

- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region including the West Haven, Connecticut VAMC (VISN 01); the proposed new King of Prussia, Pennsylvania VAMC (VISN 04); and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the proposed new Huntington, West Virginia partnership, as well as through community providers; inpatient mental health demand will be met through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 27,460 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 27,668 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with Marshall University.
- **Research:** This recommendation does not impact the research mission in the market and allows the Huntington, West Virginia VAMC to maintain the current research mission.
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Huntington, West Virginia VAMC is not designated as a Primary Receiving Center.

Quality

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

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

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (0.55 for VA Recommendation versus 0.83 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new CLC at the Huntington, West Virginia VAMC; Huntington, West Virginia partnership; Chattaroy, West Virginia CBOC; and stand-alone RRTP in Charleston, West Virginia; the proposed relocated Charleston, West Virginia MS CBOC; and the proposed expanded Gallipolis, Ohio CBOC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in a community partner space.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($7.2B for VA Recommendation versus $7.9B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (0.55 for VA Recommendation versus 0.79 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 05 Beckley Market

The Veterans Integrated Service Network (VISN) 05 Beckley Market serves Southern West Virginia. This recommendation summary includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[49]

VA's Commitment to Veterans in the Beckley Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Beckley Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The three western West Virginia Markets of Huntington, Beckley, and Clarksburg share similar enrollee dynamics and similar facilities and infrastructure challenges. Each market faces significant decreasing enrollment that will require thoughtful placement of health care services for Veterans across the region. VA therefore recommends a comprehensive western West Virginia VA health care strategy that balances VA-delivered outpatient, RRTP, and long-term care services with community-based partnerships to provide inpatient acute care, inpatient surgery, and complex specialty services.

The strategy for the Beckley Market is intended to provide Veterans with access to high quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation considers the increased demand for outpatient services in the Beckley Market and improves access to care in modern facilities close to where Veterans reside. The recommendation maintains all sustainable outpatient points of care in the market and establishes a new replacement Beckley VAMC with primary care, outpatient mental health, and non-surgical outpatient specialty care services.

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

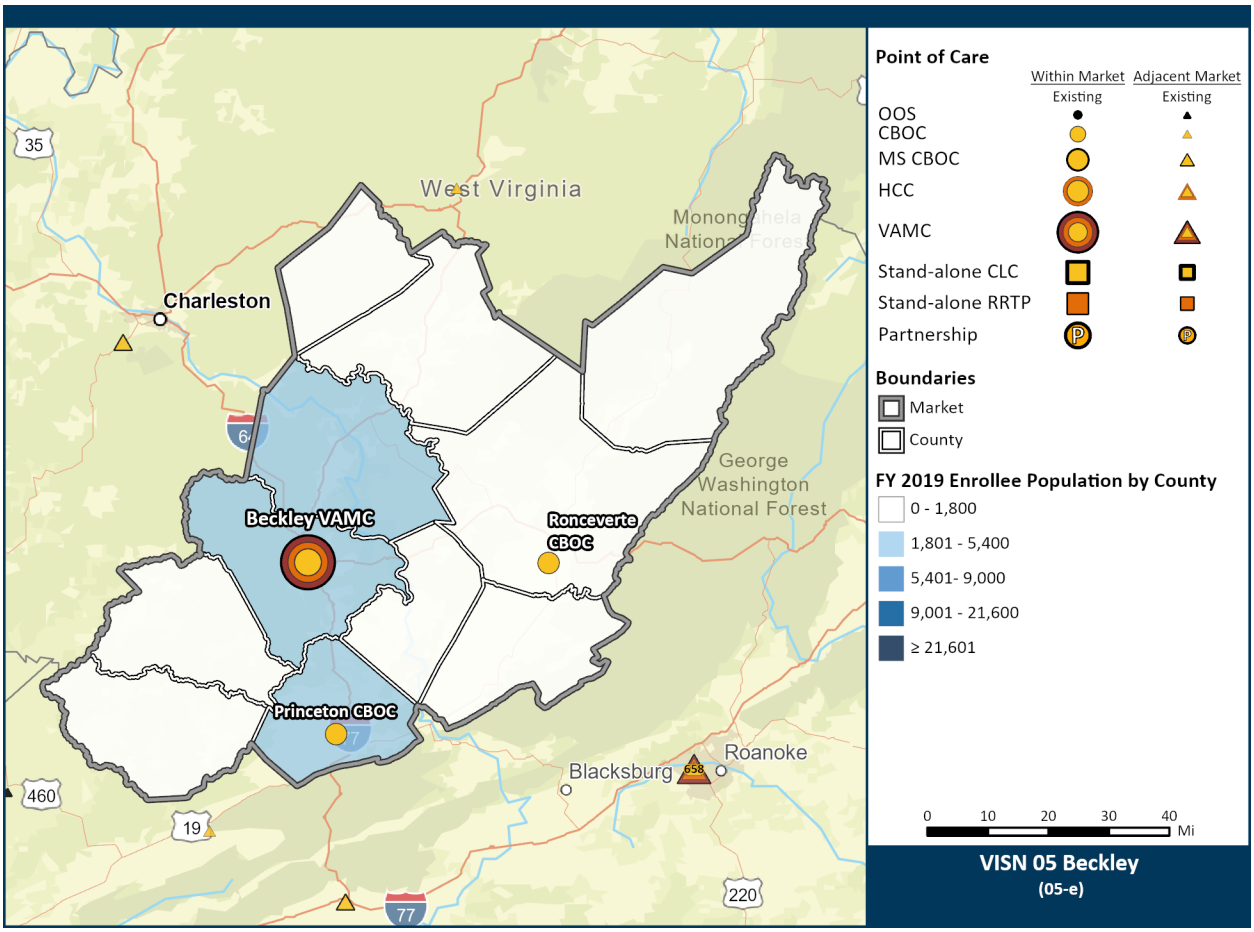
Additionally, the recommendation establishes one new other outpatient services (OOS) site and creates a partnership with community providers for outpatient surgical care.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation invests in modern community living center (CLC) facilities at a new Beckley VAMC to maintain care for Veteran enrollees with the most complex needs. Demand for inpatient mental health will continue to be met through community providers and residential rehabilitation treatment program (RRTP) demand will be met through other facilities within VISN 05 offering RRTP, including the Martinsburg VAMC in Martinsburg, West Virginia; the Clarksburg VAMC in Clarksburg, West Virginia; the Perry Point VAMC in Perry Point, Maryland; the Huntington VAMC in Huntington, West Virginia; and the proposed new stand-alone RRTPs in Charleston, West Virginia and Washington, DC. In addition, demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06) and demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region, including the West Haven VAMC in West Haven, Connecticut (VISN 01), the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04), and the Cleveland VAMC in Cleveland, Ohio (VISN 10).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation establishes a strategic partnership to allow VA providers to deliver inpatient medical and surgical care within a partner space.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Beckley) and two community-based outpatient clinics (CBOCs).

Enrollees: In fiscal year (FY) 2019, the market had 14,964 enrollees and is projected to experience a 12.5% decrease in enrolled Veterans by FY 2029. The Beckley Market is among the smallest in the country, ranking 94 out of 95 markets. The largest enrollee populations are in Raleigh, Mercer, and Fayette counties in West Virginia.

Demand: Demand[50] in the market for acute inpatient medical and surgical services is projected to decrease by 13.9%, and demand for inpatient mental health services is projected to decrease by 22.0% between FY 2019 and FY 2029. Demand for long-term care[51] is projected to decrease by 21.3%. Demand

[50] Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).
[51] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.)

for all outpatient services,[52] including primary care, mental health, specialty care, dental, and rehabilitation therapies, is projected to increase.

Rurality: 70.4% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 44.9% of enrollees in the market are within a 30-minute drive time of a VA primary care site, and 75.1% of enrollees live within a 60-minute drive time of a VA secondary care site. Veterans in the Beckley Market are known to have difficulty accessing care due to the geography of the market.

Community Capacity: As of 2019, community providers[53] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[54] of 61.0% (305 available beds)[55] and an inpatient mental health occupancy rate of 67.8% (17 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 94.0%, indicating limited community availability. Community residential rehabilitation programs[56] that match the breadth of services provided by VA are not widely available in the community.

Mission: VA has an academic affiliation in the market with the West Virginia School of Osteopathic Medicine. The Beckley VAMC is ranked 114 out of 154 VA training sites based on the number of trainees. The Beckley VAMC conducts limited or no research and holds no emergency designation.[57]

Facility Overview

Beckley VAMC: The Beckley VAMC is located in Beckley, West Virginia, and offers inpatient medical and surgical, CLC, and outpatient services. For FY 2019, the Beckley VAMC had an inpatient medical and surgical ADC of 8.5 and a CLC ADC of 34.2.

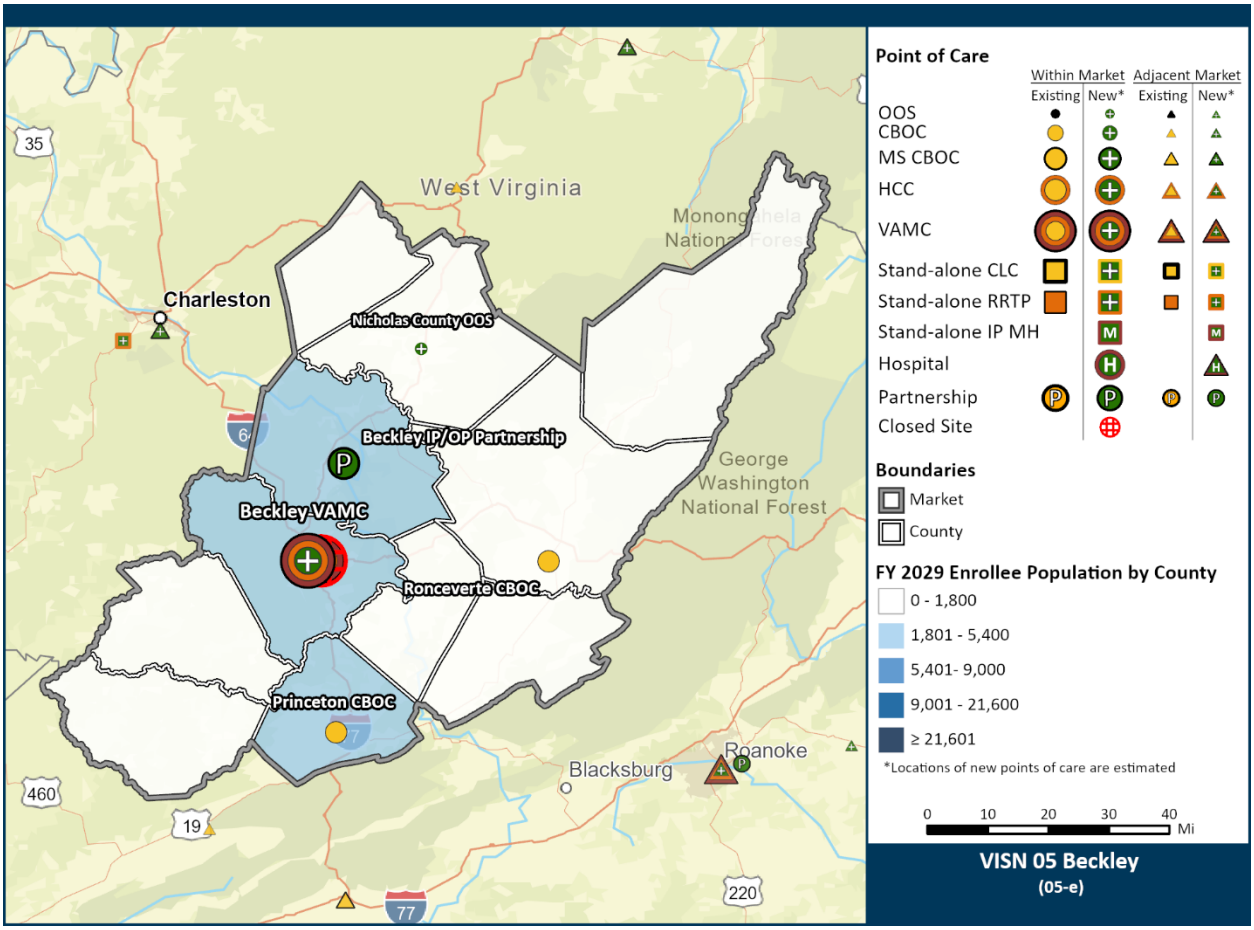
The Beckley VAMC was built in 1950 and renovations to the main hospital building were completed in 2002. The VAMC sits on 36.4 acres, and an estimated 70% of existing structures are in the original layout. The age of the facility suggests less than optimal ability to renovate to contemporary surgical services/operating room standards. These facility conditions are concerning for patient safety. Facility condition assessment (FCA) deficiencies are approximately $94.2M, and annual operations and maintenance costs are an estimated $6.5M.

[52] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[53] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[54] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[55] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[56] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[57] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

Recommendation and Justification

This section details the VISN 05 Beckley Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Constructing a new replacement VAMC with CLC, Adult Day Care, and non-surgical outpatient services in the vicinity of Beckley, West Virginia:** In FY 2019, inpatient medical and surgical average daily census was 8.5 and it is projected to decrease to an ADC of 5.2 by FY 2029. The Beckley VAMC is a level 2 complexity facility. The main hospital building was built in 1950. The aging infrastructure of the VAMC suggests the need for modernization to support ongoing Veteran care and clinical services. The new, modernized Beckley VAMC will provide the non-surgical outpatient services most needed in the market. Inpatient medical and surgical services and outpatient surgical services will be provided through strategic collaboration with a community provider. The new facility would also provide adult day care and a CLC (50 beds) to serve local demand that is currently over capacity for this service. There is inadequate community nursing home capacity across the Beckley Market. As of 2019, community providers within a 30-minute drive time of the Beckley VAMC had a nursing home occupancy rate of 94.0%, indicating no available beds.

1.2. **Establishing a strategic collaboration to provide inpatient medical and surgical services and outpatient surgical services and discontinuing those services at the Beckley VAMC. If unable to enter into a strategic collaboration for inpatient medical and surgical services and outpatient surgical services, utilize community providers:** In FY 2019, inpatient medical and surgical average daily census was 8.5, and it is projected to decrease to an average daily census of 5.2 in FY 2029. In FY 2019, the Beckley VAMC had 385 outpatient surgical cases. There is adequate acute inpatient medical and surgical capacity within the community. As of FY 2019, community providers within a 60-minute drive time of the Beckley VAMC had an inpatient acute occupancy rate of 61.0% (305 available beds). To partner, VA will consider establishing a sharing agreement or lease to allow VA providers to deliver inpatient medical and surgical care within a partner space. This will maintain Veteran access and minimize quality and recruitment and retention risks associated with low patient census and low surgical volumes, while maintaining a VA presence.

1.3. **Relocating emergency department services to community providers and discontinuing those services at the Beckley VAMC:** With the proposed inpatient medical and surgical services strategic collaboration there is no longer a need to provide emergency department services at the Beckley VAMC. A collaboration with existing, modern emergency care facilities operated by community providers furnishes sustainable, quality care to meet Veteran demand in the market.

1.4. **Closing the existing Beckley VAMC:** Closing and distributing services to more modern and conveniently located facilities for Veterans, including a new replacement Beckley VAMC, will allow for closure of the existing VAMC.

2. ***Modernize and realign outpatient facilities in the market by establishing a new OOS site in the vicinity of Summersville, West Virginia:*** A new OOS site near a high-volume interstate in the vicinity of Summersville, West Virginia (Nicholas County), will improve access to care and reduce drive times. In FY 2019, there were 1,614 Veteran enrollees within a 30-minute drive time of the proposed site.

Complementary Strategy

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

- **Increase home-based primary care (HBPC) coverage in Beckley Market:** The extension of primary care delivery through HBPC may contribute to the reduction of ambulatory care sensitive condition hospitalizations, leading to overall improved quality of life for Veterans. The expansion of the HBPC program will benefit Veterans who are isolated and unable to keep their clinic visits due to their complex health care needs in heavily rural areas around Beckley, West Virginia.
- **Explore broadband expansion to support telehealth in highly rural areas:** Approximately 70.4% of enrollees in the Beckley Market live in rural areas, 55.1% of enrollees live outside a 30-minute drive time from a VA primary care site, and 24.9% live outside of a 60-minute drive time from a

VA secondary care site. The expansion of telehealth support will provide more accessible care to Veterans.

- **Incorporate Whole Health best-practice elements in primary care delivery:** Incorporating Whole Health best-practice elements into delivery of primary care services is an effective method to decrease utilization of inpatient health care services, improving quality of life for Veterans.
- **Increase availability of ophthalmology across the Beckley Market:** As identified in the Section 203 criteria analysis, there is a potential lack of high-quality ophthalmologists. Increased availability may be achieved through a variety of tactics (e.g., telehealth, CCN recruitment, hiring additional VA providers) as appropriate.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 05 Beckley Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[58] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).
- **Benefits:** Benefits were evaluated based on five key domains: Demand and Supply, Access, Facilities and Sustainability, Quality, and Mission.

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Beckley Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

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

VISN 5 Beckley Market	Status Quo	Modernization	VA Recommendation
Total Cost	$3,389,986,899	$3,491,194,559	$3,418,607,676
Capital Cost	$339,418,146	$440,625,806	$675,439,710
Operational Cost	$3,050,568,753	$3,050,568,753	$2,743,167,966
Total Benefit Score	7	10	14
CBI (normalized in $B)	**0.48**	**0.35**	**0.24**

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through five VA points of care offering outpatient services, including the proposed new Nicholas County, West Virginia OOS; Raleigh County, West Virginia partnership; and the proposed relocated Beckley, West Virginia VAMC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the proposed replacement Beckley, West Virginia VAMC, including new CLC, as well as community nursing homes.

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

- **SCI/D:** Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through other facilities within VISN 05 offering RRTP, including the Martinsburg, West Virginia VAMC; Clarksburg, West Virginia VAMC; Perry Point, Maryland VAMC; and Huntington, West Virginia VAMC; and the proposed new stand-alone RRTPs in Charleston, West Virginia and Washington, DC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01); the proposed new King of Prussia, Pennsylvania VAMC (VISN 04); and the Cleveland, Ohio VAMC (VISN 10).

Demand

- **Inpatient acute:** Inpatient medicine and surgery demand will be met through the proposed new Raleigh County, West Virginia partnership, as well as through community providers; inpatient mental health demand will be met through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 12,720 enrollees within 30 minutes of primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 13,001 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with West Virginia School of Osteopathic Medicine.
- **Research:** This recommendation does not impact the research mission in the market; the Beckley, West Virginia VAMC does not have a research program.[59]
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Beckley, West Virginia VAMC is not designated as a Primary Receiving Center.

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

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Raleigh County, West Virginia partnership; the proposed new Nicholas County, West Virginia OOS; and the proposed replacement Beckley, West Virginia VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (0.24 for VA Recommendation versus 0.48 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

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

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Raleigh County, West Virginia partnership; the proposed new Nicholas County, West Virginia OOS; and the proposed replacement Beckley, West Virginia VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in a community partner space.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($3.4B for VA Recommendation versus $3.5B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (0.24 for VA Recommendation versus 0.35 for Modernization), reflecting effective stewardship of taxpayer dollars.

VISN 05 Clarksburg Market

The Veterans Integrated Service Network (VISN) 05 Clarksburg Market serves northern West Virginia. The recommendation summary includes justification for the proposed action, the results of the cost-benefit analysis, and an overview of how the market recommendation is consistent with the MISSION Act Section 203 selection criteria.[60]

VA's Commitment to Veterans in the Clarksburg Market

The Department of Veterans Affairs (VA) is committed to providing equitable Veteran access to safe and high-quality care and services in VISN 05's Clarksburg Market. We will operate a high-performing integrated delivery network that provides access to VA care, supplemented by care provided by Federal partners, academic affiliates, and community providers.

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

Market Strategy

The three western West Virginia Markets of Huntington, Beckley, and Clarksburg share similar enrollee dynamics and similar facilities and infrastructure challenges. Each market faces significant decreasing enrollment that will require thoughtful placement of health care services for Veterans across the region. VA therefore recommends a comprehensive western West Virginia VA health care strategy that balances VA-delivered outpatient, RRTP, and long-term care services with community-based partnerships to provide inpatient acute care, inpatient surgery, and complex specialty services.

The strategy for the Clarksburg Market is intended to provide Veterans with access to high-quality and conveniently located care in modern infrastructure. Key elements of the strategy are described below:

- **Provide equitable access to outpatient care through modern facilities close to where Veterans live and through the integration of virtual care:** VA's recommendation considers increased market demand for outpatient services and improved access to care by investing in new and expanded outpatient points of care in the market offering primary care, mental health, and low acuity specialty services to better distribute care. The recommendation establishes one new multi-specialty community-based outpatient clinic (MS CBOC), relocates one community-based outpatient clinic (CBOC) to a location more proximate to Veteran enrollee demand and expands the site to an MS CBOC, and expands one CBOC to an MS CBOC.

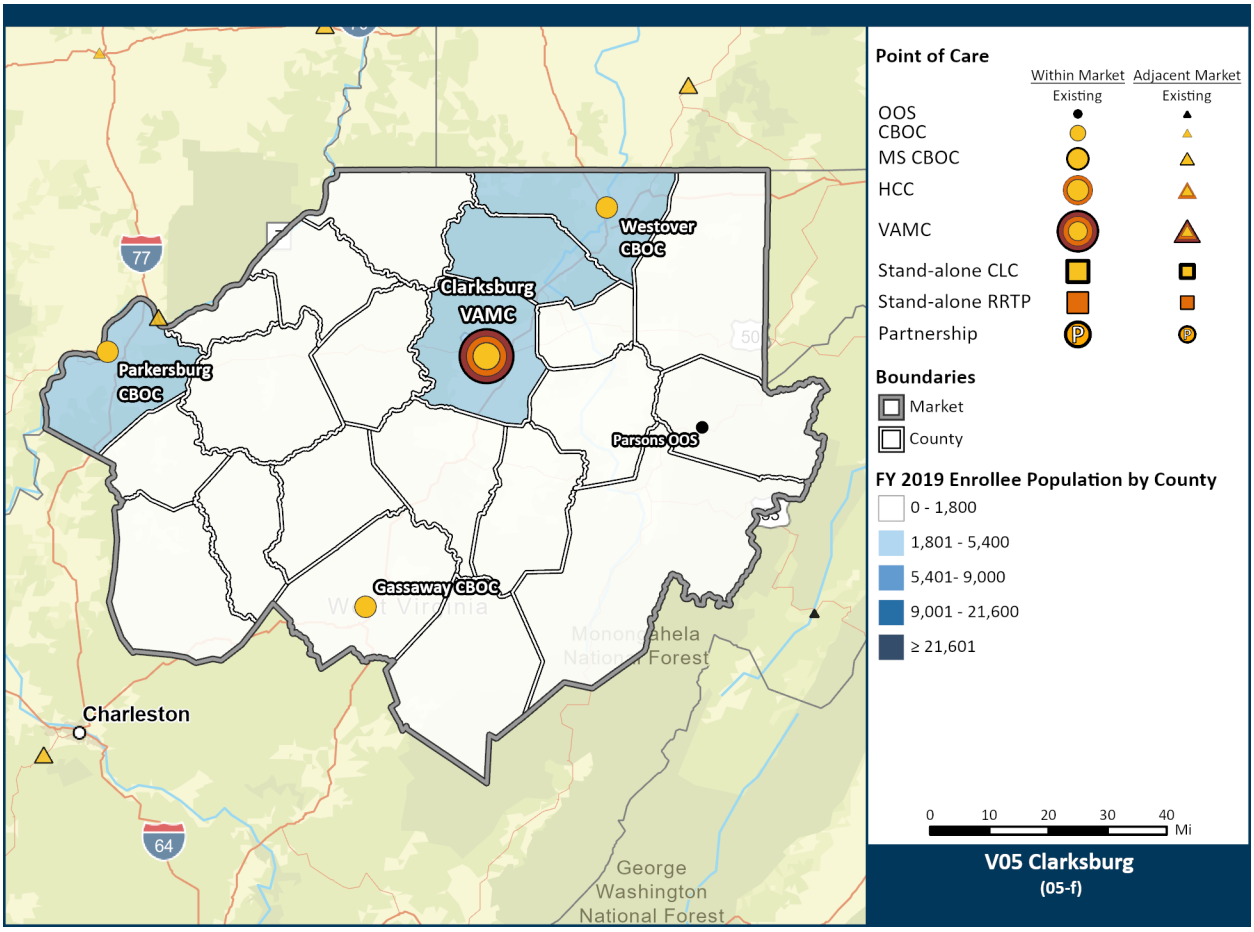
[60] Please see the Volume II Reading Guide for more information concerning the purpose of each Market Recommendation section and key definitions.

- **Enhance VA's unique strengths in caring for Veterans with complex needs:** VA's recommendation invests in a modern CLC facility at the Clarksburg VAMC to maintain care for Veterans with the most complex needs and maintains inpatient mental health and RRTP services at the Clarksburg VAMC to provide comprehensive care that may not be readily available in the community. Demand for inpatient spinal cord injuries and disorders (SCI/D) services will be met through the SCI/D Hub at the Richmond VAMC in Richmond, Virginia (VISN 06) and demand for inpatient blind rehabilitation services will be met through regional centers in the Northeast Region including the West Haven VAMC in West Haven, Connecticut (VISN 01); the proposed new King of Prussia VAMC in King of Prussia, Pennsylvania (VISN 04); and the Cleveland VAMC in Cleveland, Ohio (VISN 10).
- **Provide equitable access to quality inpatient medical and surgical care through the optimized use of care delivered in VA facilities and through partnerships, community providers, and virtual care:** VA's recommendation establishes partnerships with an academic affiliate to allow VA providers to deliver inpatient medical and surgical care at the academic affiliate's facility.

Market Overview

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

Market Map



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

Facilities: The market has one VAMC (Clarksburg), three CBOCs, and one OOS site.

Enrollees: In fiscal year (FY) 2019, the market had 22,189 enrollees and is projected to experience a 12.5% decrease in enrolled Veterans by FY 2029. The largest enrollee populations are in the counties of Harrison, Wood, and Marion in West Virginia.

Demand: Demand[61] in the market for inpatient medical and surgical care is projected to decrease by 22.5% and demand for inpatient mental health services is projected to decrease by 21.5% through FY 2029. Demand for long-term care[62] is projected to increase by 3.7%. Demand for all outpatient

[61] Projected market demand for inpatient medical and surgical services is based on VA's Enrollee Health Care Projection Model (EHCPM) in bed days of care (BDOC).
[62] Projected market demand for inpatient Long-Term Services and Supports (LTSS) is based on VA's EHCPM in BDOC.

services,[63] including primary care, mental health, medical and surgical specialty care, dental care, and rehabilitation therapies, is projected to increase.

Rurality: 80.4% of enrollees in the market live in rural areas compared to the VA national average of 32.5%.

Access: 58.0% of enrollees in the market live within a 30-minute drive time of a VA primary care site, and 57.9% of enrollees live within a 60-minute drive time of a VA secondary care site. Travel times to seek health care services can pose a significant access barrier, particularly for Veterans in more rural areas of the market.

Community Capacity: As of 2019, community providers[64] in the market within a 60-minute drive time of the VAMC had an inpatient acute occupancy rate[65] of 74.6% (158 available beds)[66] and an inpatient mental health occupancy rate of 73.1% (3 available beds). Community nursing homes within a 30-minute drive time of the VAMC were operating at an occupancy rate of 79.0% (72 available beds). Community residential rehabilitation programs[67] that match the breadth of services provided by VA are not widely available in the market.

Mission: VA has an academic affiliation in the market with West Virginia University. The Clarksburg VAMC is ranked 108 out of 154 VA training sites based on the number of trainees and is ranked 103 out of 103 VAMCs with research funding and holds no emergency designation.[68]

Facility Overview

Clarksburg VAMC: The Clarksburg VAMC is located in Clarksburg, West Virginia, and offers inpatient medical and surgical, inpatient mental health, residential rehabilitation treatment program (RRTP), CLC, and outpatient services. For FY 2019, the Clarksburg VAMC had an inpatient medical and surgical ADC of 18.2, an inpatient mental health ADC of 4.7, an RRTP ADC of 14.2, and a CLC ADC of 21.8.

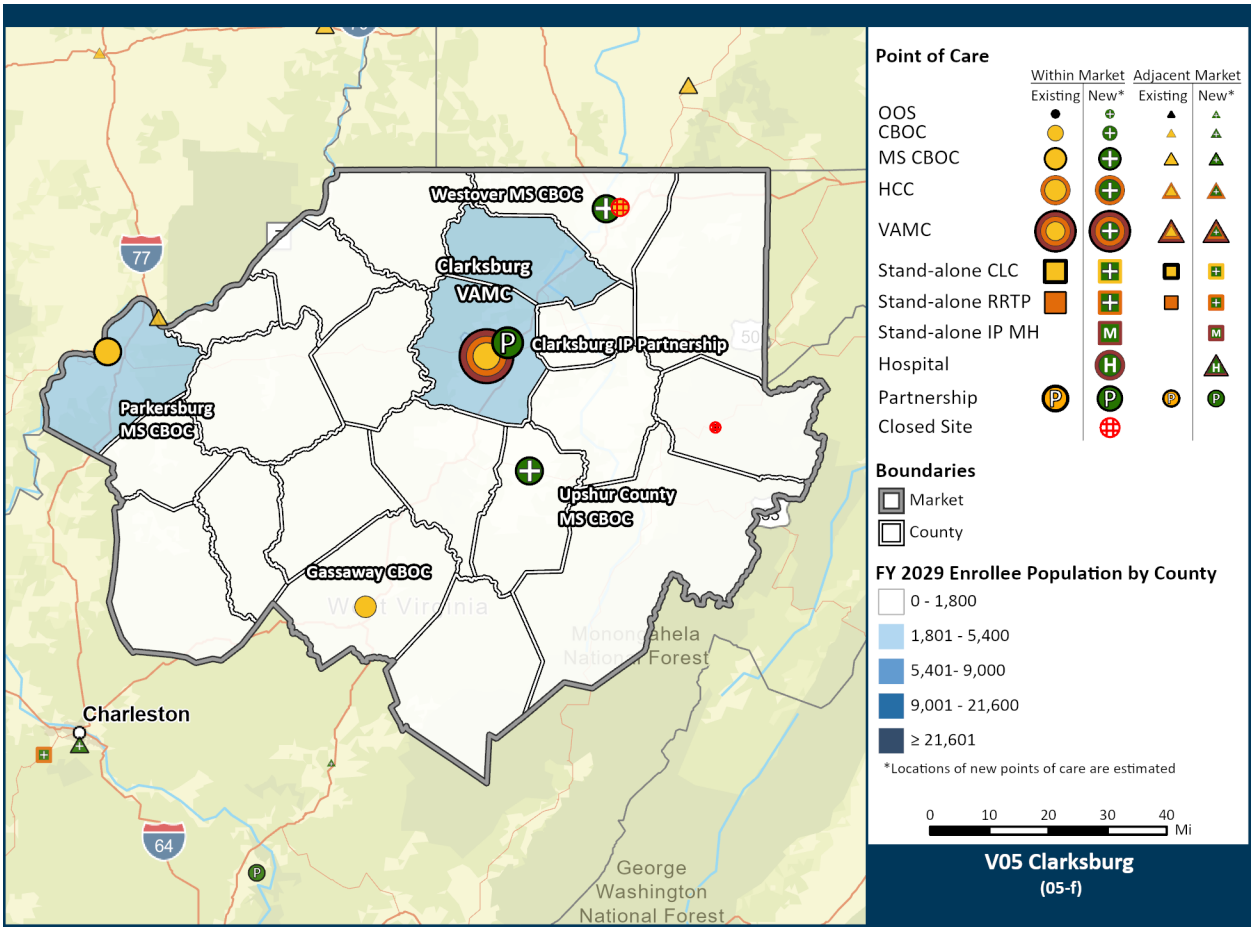
The Clarksburg VAMC sits on 26.5 acres, was built in 1946, and was renovated in 1991. Facility condition assessment (FCA) deficiencies are approximately $24.0M and operating and maintenance costs are an estimated $7.1M. The facility's interior environment is in good condition and well maintained, but ongoing challenges with infrastructure are indicative of the age of the facility.

[63] Projected market demand for outpatient services is based on VA's EHCPM in relative value units (RVUs).
[64] Community providers include Veterans Community Care Program (VCCP) providers and potential VCCP providers.
[65] Occupancy rates are calculated by dividing the total average daily census (ADC) by the total number of operating beds. Beds at hospitals or nursing homes above the target occupancy rates are excluded.
[66] Available beds in the community are estimated using a target occupancy rate of 80% for hospitals and 90% for community nursing homes.
[67] Includes community residential rehabilitation programs similar to VA's RRTP, blind rehabilitation, and rehabilitative SCI/D services.
[68] VAMCs participating in the National Disaster Medical System are designated as Federal Coordinating Centers. Select Federal Coordinating Centers are also designated as Primary Receiving Centers.

Recommendation and Justification

This section details the VISN 05 Clarksburg Market recommendation and justification for each element of the recommendation.

Future Market Map



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

   1.1. **Establishing a strategic collaboration to provide inpatient medical and surgical services and discontinuing those services at the Clarksburg VAMC. If unable to enter into a strategic collaboration for inpatient medical and surgical services, utilize community providers**: In FY 2019, inpatient medical and surgical ADC was 18.2 and it is projected to decrease to an ADC of 13.3 by FY 2029. Inpatient medical and surgical service utilization is low, and demand is projected to decrease. There is adequate acute inpatient medical and surgical capacity in the Clarksburg Market. In FY 2019, community providers within a 60-minute drive time of the Clarksburg VAMC had an acute inpatient medical and surgical occupancy rate of 74.6% (158 available beds). To partner, VA will consider establishing a sharing agreement or lease with an academic affiliate to allow VA providers to deliver inpatient medical and surgical care at the academic affiliate's facility.

1.2. **Converting the emergency department at the Clarksburg VAMC to an urgent care center and discontinuing those services at the Clarksburg VAMC:** With the proposed inpatient medical and surgical services strategic collaboration, there is no longer a need for emergency care services at the Clarksburg VAMC. A community hospital has an emergency department less than 10 minutes away from the Clarksburg VAMC, and most complex emergency patients are transferred to other hospital facilities to receive care. Replacing the emergency department with an urgent care center will allow the VAMC to serve low complexity patients during the hours when most Veterans seek care. Emergency department services will continue to remain available at community providers proximate to the Clarksburg VAMC.

1.3. **Modernizing the CLC at the Clarksburg VAMC:** In FY 2019, 54.4% of the enrollee population was over the age of 65. The Clarksburg CLC is currently located within the main hospital which was built in 1946 and does not meet current design standards for modern health care. [69] The community shows limited ability to absorb long-term Veteran care needs, with a 79.0% occupancy rate in FY19. Modernization will improve safety for long-term Veteran care and will increase the number of CLC beds from 38 to 48.

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

2.1. **Establishing a new MS CBOC in the vicinity of Buckhannon, West Virginia:** A new MS CBOC in the vicinity of Buckhannon, West Virginia (Upshur County), will improve access to primary care, outpatient mental health, and specialty care services. In FY 2019, there were 2,478 Veteran enrollees within a 30-minute drive and 10,575 enrollees within a 60-minute drive time of the proposed site. Buckhannon, West Virginia is located 40 minutes (27 miles) from the Clarksburg VAMC.

2.2. **Relocating the Westover CBOC to a new site in the vicinity of Westover, West Virginia and closing the existing Westover CBOC:** Shifting facility placement to a better market location and larger site in the vicinity of Westover, West Virginia (Monongalia County), will improve access to primary care and outpatient mental health services. In FY 2019, there were 5,381 Veteran enrollees within a 30-minute drive time and 20,255 Veteran enrollees within a 60-minute drive time of the proposed site. In FY 2019, the current Westover CBOC had 2,709 core uniques.[70] The new site will also offer specialty care services, which may result in reclassification of the facility as an MS CBOC**.**

2.3. **Relocating all services at the Parsons OOS and closing the Parsons OOS:** Closing the Parsons OOS (Tucker County) and relocating the clinic's services to the proposed new Upshur County MS CBOC (Upshur County), or to other current or proposed VA points of care, will consolidate more services together in a single location. By consolidating services, VA will provide greater access to a range of services at a more sustainable site and improve operational efficiency. In FY 2019, the enrollee population of Tucker County was 331 and is projected to decrease by 17.5% to 273

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

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

enrollees by FY 2029. In FY 2019, the Parsons OOS had 1,087 core uniques. The proposed new Upshur County MS CBOC and the existing Parsons OOS are located approximately 55 minutes (45 miles) apart.

Complementary Strategy

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

- **Expand outpatient specialty care services at the Parkersburg CBOC, which may result in the classification of the facility as a MS CBOC (in progress):** Expanding services at the Parkersburg CBOC (Wood County) will increase access to primary care, outpatient mental health, and outpatient specialty services, and increase long-term sustainability of the facility. In FY 2019, there were 5,702 Veteran enrollees within a 30-minute drive time and 12,823 Veteran enrollees within a 60-minute drive time of the proposed expanded site.
- **Expand tele-sleep studies to support West Virginia markets (Huntington and Beckley) with potential broader application:** The Clarksburg VAMC is an established referral center for tele-sleep studies for other VA markets.
- **Add Adult Day Center services at the Clarksburg VAMC to provide additional Veteran elder care support:** Adult Day Centers reduce CLC and community nursing home utilization, improving quality of life for Veterans and allowing them to continue to live at home and maintain their independence.
- **Increase home-based primary care (HBPC) coverage in the Clarksburg Market:** The extension of primary care delivery through HBPC may contribute to the reduction of ambulatory care sensitive condition hospitalizations, leading to overall improved quality of life for Veterans. The expansion of the HBPC program will benefit Veterans who are isolated and unable to keep their clinic visits due to their complex health care needs in the heavily rural areas around Clarksburg.

Cost Benefit Analysis

The Cost Benefit Analysis (CBA) evaluated the costs and benefits of three courses of action (COAs) for the VISN 05 Clarksburg Market: Status Quo, Modernization, and VA Recommendation. Status Quo includes costs associated with FCA deficiencies and represents no significant change in capital and operational costs. Modernization seeks to modernize all existing health care infrastructure. The VA Recommendation implements the market recommendation and seeks to modernize any remaining health care infrastructure.

- **Costs:** The present value cost[71] over a thirty-year period was calculated for each COA, inclusive of capital and operational costs. Capital costs included costs associated with construction of new facilities, modernization of current facilities, leases, land acquisition, and demolition. VA operational costs included direct costs (e.g., medical service costs), indirect costs (e.g., administrative costs), and VA special direct costs (e.g., suicide prevention coordinators). Non-VA

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

care costs include direct costs (e.g., payments for patient care), indirect costs (e.g., care coordination), overhead costs (e.g., national program costs), and administrative per member per month costs (e.g., third party administration of the Community Care Network).

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

The CBA leveraged both the costs and benefits to generate the Cost Benefit Index (CBI) – a simple metric used to compare the costs and benefits associated with each COA. The COA with the lowest CBI score is the preferred COA. The results of the CBA for the VISN 05 Clarksburg Market are provided in the following table. For more detailed information on the market CBA, please see Appendix H.

VISN 5 Clarksburg Market	Status Quo	Modernization	VA Recommendation
Total Cost	$4,762,154,060	$5,314,147,130	$4,965,243,368
Capital Cost	$153,843,255	$705,836,325	$754,335,531
Operational Cost	$4,608,310,805	$4,608,310,805	$4,210,907,838
Total Benefit Score	7	10	14
CBI (normalized in $B)	**0.68**	**0.53**	**0.35**

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

Section 203 Criteria Analysis

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

Demand

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

- **Summary:** Following implementation of the recommendation, the capacity available through VA facilities and community providers would be able to support 100% of the projected enrollee demand.
- **Outpatient:** Outpatient demand will be met through five VA points of care offering outpatient services, including the proposed new Upshur County, West Virginia, MS CBOC; the proposed relocated and expanded Westover, West Virginia MS CBOC; and proposed expanded Parkersburg, West Virginia, MS CBOC, as well as community providers in the market.
- **CLC:** Long-term care demand will be met through the Clarksburg, West Virginia VAMC, as well as community nursing homes.

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

Demand

- **SCI/D**: Demand for inpatient SCI/D will be met through the SCI/D Hub at the Richmond, Virginia VAMC (VISN 06).
- **RRTP:** RRTP demand will be met through the Clarksburg, West Virginia VAMC and the other facilities within VISN 05 offering RRTP, including the Perry Point, Maryland VAMC; Martinsburg, West Virginia VAMC; and Huntington, West Virginia VAMC; and the proposed new stand-alone RRTPs in Charleston, West Virginia, and Washington, DC.
- **Blind rehabilitation:** Inpatient blind rehabilitation demand will be met through the facilities in the Northeast Region, including the West Haven, Connecticut VAMC (VISN 01); the proposed new King of Prussia, Pennsylvania VAMC (VISN 04); and the Cleveland, Ohio VAMC (VISN 10).
- **Inpatient acute**: Inpatient medical and surgical demand will be met through partnerships with West Virginia University-affiliated hospitals, as well as through community providers; inpatient mental health demand will be met through the Clarksburg, West Virginia VAMC, as well as through community providers.

Access

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

- **Access to primary care:** Following implementation of the recommendation, the number of enrollees within 30 minutes of primary care available through VA facilities and community providers is projected to be maintained, with 19,920 enrollees within 30 minutes of VA primary care in the future state.
- **Access to specialty care:** Following implementation of the recommendation, the number of Veterans within 60 minutes of specialty care available through VA facilities and community providers is projected to be maintained, with 20,132 enrollees within 60 minutes of specialty care in the future state.

Mission

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

- **Education:** The recommendation for this market supports VA's ability to maintain its education mission in VISN 05. The recommendation allows for continued relationships with key academic partners, including but not limited to, the affiliation with West Virginia University.
- **Research:** This recommendation does not impact the research mission in the market; the Clarksburg, West Virginia VAMC has no research program.[72]
- **Emergency preparedness:** This recommendation maintains VA's ability to execute its emergency preparedness mission; the Clarksburg, West Virginia VAMC is not designated as a Primary Receiving Center.

Quality

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

- **Quality among providers:** The recommendation ensures that all providers included within the high-performing integrated delivery network meet the established quality standards by provider type (outlined in Appendix E).
- **Quality improvements through new infrastructure:** Quality is improved through the proposed new Upshur County, West Virginia, MS CBOC; the proposed relocated and expanded Westover, West Virginia MS CBOC; proposed expanded Parkersburg, West Virginia, MS CBOC; and the Clarksburg, West Virginia partnership; as well as the modernization of the CLC at the Clarksburg, West Virginia VAMC. This new infrastructure will aid in improving the patient experience with care delivery provided in modern spaces and aid in the recruitment of staff with facilities offering the latest technology.
- **Promoting recruitment of top clinical and non-clinical talent:** The recommendation maintains VA's academic and non-academic partnerships, which supports the recruitment and retention of top clinical and non-clinical talent.

Cost Effectiveness

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

- **CBI:** The CBI is the primary metric for cost effectiveness. The CBI for the VA Recommendation COA is lower than the Status Quo COA (0.35 for VA Recommendation versus 0.68 for Status Quo), indicating that the VA Recommendation is more cost-effective than the Status Quo.

Sustainability

This recommendation is consistent with the Sustainability criterion, creating a sustainable health care delivery system for Veterans. It ensures that the health care delivery system proposed for the market is aligned with

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

Sustainability

future demand, allowing it to sustainably operate and provide a safe and welcoming health care environment that meets modern health care standards.

- **Aligns investment in care and services with projected Veteran care needs:** All facilities in the future state of this market meet the minimum demand threshold to support sustainable services.
- **Sustainability improvements through new infrastructure:** Within this recommendation, sustainability is improved through the proposed new Upshur County, West Virginia, MS CBOC, the proposed relocated and expanded Westover, West Virginia MS CBOC; proposed expanded Parkersburg, West Virginia, MS CBOC; and the Clarksburg, West Virginia partnership; as well as the modernization of the CLC at the Clarksburg, West Virginia VAMC. This new infrastructure modernizes VA facilities to include state-of-the-art equipment that will aid in the recruitment of providers and support staff. The proposed partnerships also help VA in recruiting and retaining staff, by embedding providers in a community partner space.
- **Reflects stewardship of taxpayer dollars:** The cost of the market recommendation is less than the cost to modernize facilities in the market today ($5.0B for VA Recommendation versus $5.3B for Modernization). In addition, there are benefits realized through the market recommendation in at least one of the five domains assessed by the CBA that are not realized through the modernization approach. As a result, the CBI score for the VA Recommendation COA is lower than the Modernization COA (0.35 for VA Recommendation versus 0.53 for Modernization), reflecting effective stewardship of taxpayer dollars.