VA Recommendations to the

ASSET AND INFRASTRUCTURE REVIEW COMMISSION

March 2022

Appendix H

Cost Benefit Analysis – VISN 08

Table of Contents

VISN 08 Miami

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Miami Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.32) is 33.2% lower than the Status Quo COA (1.97) and 13.0% lower than the Modernization COA (1.51).

The VA Recommendation COA is $1.4 B (8.6%) more expensive than the Status Quo COA and $469.9 M (2.8%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 13-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 1 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($15,779,185,989)	($16,663,248,150)	($17,133,141,664)
Benefit Analysis Score	8	11	13
CBI (Normalized in $Billions)	1.97	1.51	1.32
CBI % Change vs. Status Quo	N/A	-23.2%	-33.2%
CBI % Change vs. Modernization	N/A	N/A	-13.0%

Table 2 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs Status Quo	N/A	($884,062,161)	($1,353,955,675)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($884,062,161)	($1,353,955,675)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($469,893,514)

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

Table 3 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 08 Miami Market COA is detailed below.

- Modernize and realign the Miami VAMC by:
  - Constructing a replacement VAMC and relocating inpatient medical and surgical services and inpatient mental health services from the existing Miami VAMC to the new Miami VAMC
  - Relocating CLC services at the Miami VAMC to current or future VA facilities and discontinuing CLC services at the Miami VAMC
  - Relocating RRTP services at the Miami VAMC to current or future VA facilities and discontinuing RRTP services at the Miami VAMC
- Modernize by establishing a new stand-alone CLC in the vicinity of Fort Lauderdale, Florida
- Modernize by establishing a new stand-alone CLC in the vicinity of Homestead, Florida
- Modernize by establishing a new stand-alone RRTP in the vicinity of Miami, Florida
- Modernize and realign outpatient facilities in the market by:
  - Relocating the Hollywood CBOC to a new site in the vicinity of Hollywood, Florida, and closing the existing Hollywood CBOC
  - Relocating all services to the planned Delray Beach MS CBOC and closing the Deerfield CBOC

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Miami Market across a 30-year horizon. The cost of the VA Recommendation COA ($17.1 B) was higher than the Status Quo COA ($15.8 B) and the Modernization COA ($16.7 B).

For the VISN 08 Miami Market, the VA Recommendation COA is $1.4 B (8.6%) more expensive than the Status Quo COA and $469.9 M (2.8%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Miami: Capital and Operational Costs Detail.

Table 4 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($15,779,185,989)	($16,663,248,150)	($17,133,141,664)
Capital Cost Variance vs. Status Quo	N/A	($884,062,161)	($1,353,955,675)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($884,062,161)	($1,353,955,675)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($469,893,514)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Miami Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 5 – Benefit Analysis Scores by COA

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

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**8**	**11**	**13**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Miami: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Miami for this domain.

Table 6 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Fort Lauderdale CLC to provide inpatient community living center services; 85,680 enrollees live within 60 minutes of the proposed facility
- Establishes a new Homestead CLC to provide inpatient community living center services; 31,619 enrollees live within 60 minutes of the proposed facility
- Establishes a new Miami RRTP to provide inpatient residential rehabilitative services; 65,090 enrollees live within 60 minutes of the proposed facility
- Expands the Pembroke Pines CBOC to a MS CBOC, adding specialty care services

Access

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

The table below shows the CBA access scores for VISN 08 Miami for this domain.

Table 7 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Miami for this domain.

Table 8 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 Miami for this domain.

Table 9 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Miami for this domain.

Table 10 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 11 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Miami Market, two scenarios changed the outcome of the CBA:

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

Sensitivity Analysis Full Results

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

Table 12 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.97	1.51	1.32	VA Recommendation
+1	1.75	1.39	1.32	VA Recommendation
+2	1.58	1.28	1.32	Modernization
+3	1.43	1.19	1.32	Modernization

Table 13 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.97	1.51	1.32	VA Recommendation
50%	2.04	1.60	1.41	VA Recommendation
100%	2.10	1.69	1.50	VA Recommendation
150%	2.17	1.78	1.60	VA Recommendation
200%	2.24	1.87	1.69	VA Recommendation
250%	2.30	1.96	1.78	VA Recommendation
300%	2.37	2.04	1.87	VA Recommendation

Table 14 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.97	1.51	1.32	VA Recommendation
50%	2.75	2.08	1.79	VA Recommendation
100%	3.52	2.64	2.27	VA Recommendation
150%	4.29	3.20	2.75	VA Recommendation
200%	5.07	3.76	3.22	VA Recommendation
250%	5.84	4.33	3.70	VA Recommendation
300%	6.61	4.89	4.17	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.97	1.51	1.32	VA Recommendation
50%	2.12	1.62	1.41	VA Recommendation
100%	2.27	1.73	1.50	VA Recommendation
150%	2.41	1.84	1.59	VA Recommendation
200%	2.56	1.94	1.68	VA Recommendation
250%	2.71	2.05	1.77	VA Recommendation

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
300%	2.85	2.16	1.86	VA Recommendation

Appendix A – VISN 08 Miami: Capital and Operational Costs Detail

Table 16 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,445,218	1,828,573
Build New GSF	-	868,850	1,350,222
Renovate In Place GSF	-	152,609	-
Matched Convert To GSF	-	119,661	5,773
Demolition GSF	-	863,061	1,143,015
Total Build New Cost	$0	($747,309,325)	($1,100,740,211)
Total Renovate In Place Cost	$0	($47,349,702)	$0
Total Matched Convert To Cost	$0	($44,509,245)	($2,106,715)
Total Demolition Cost	$0	($28,824,013)	($21,717,285)
Total Lease Build-Out Cost	$0	($67,300,144)	($78,608,741)
Total New Lease Cost	$0	($269,409,423)	($251,484,796)
Total Existing Lease Cost	($73,714,642)	($73,714,600)	($63,329,172)
NRM Costs for Owned Facilities	($814,197,083)	($168,718,465)	($213,472,353)
FCA Correction Cost	($160,052,861)	N/A	N/A
Estimated Base Modernization Cost	($1,047,964,586)	($1,447,134,918)	($1,731,459,272)
Additional Common/Lobby Space Needed (GSF)	-	304,098	472,578
Cost of Additional Common/Lobby Space	$0	($223,884,397)	($347,923,853)
Additional Parking Cost	$0	($31,837,306)	($62,740,377)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($8,960,321)	($17,596,848)
Seismic Correction Cost	($84,981)	($84,981)	$0
Non-Building FCA Correction Cost	($9,612,055)	($9,612,055)	$0
Activation Costs	$0	($220,209,806)	($251,896,948)
Estimated Additional Costs for Modernization	($9,697,036)	($494,588,866)	($680,158,026)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,057,661,622)	($1,941,723,784)	($2,411,617,298)

Table 17 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($6,830,033,936)	($6,830,033,936)	($6,830,033,936)
Fixed Direct	($568,057,671)	($568,057,671)	($568,057,671)
VA Specific Direct	($387,087,463)	($387,087,463)	($387,087,463)
Indirect	($3,551,441,974)	($3,551,441,974)	($3,551,441,974)
VA Specific Indirect	($378,126,100)	($378,126,100)	($378,126,100)
Research and Education	($46,160,447)	($46,160,447)	($46,160,447)
VA Overhead	($612,521,637)	($612,521,637)	($612,521,637)
VA Care Operational Cost Total (PV)	($12,373,429,227)	($12,373,429,227)	($12,373,429,227)
CC Direct	($1,361,435,914)	($1,361,435,914)	($1,361,435,914)
Delivery and Operations	($55,486,029)	($55,486,029)	($55,486,029)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($52,871,392)	($52,871,392)	($52,871,392)
CC Overhead	($71,549,483)	($71,549,483)	($71,549,483)
Admin PMPM	($806,752,320)	($806,752,320)	($806,752,320)
Non-VA Care Operational Cost Total (PV)	($2,348,095,139)	($2,348,095,139)	($2,348,095,139)
Estimated Operational Costs (PV)	($14,721,524,366)	($14,721,524,366)	($14,721,524,366)

Appendix B – VISN 08 Miami: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	82	99	110	Over Supplied
IP Med/Surg	66	79	106	Over Supplied
IP MH	21	25	28	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	12	44%
Under Supplied	15	56%

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

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

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

Table 20 – New Facility Demand Guidelines

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

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

Access

Table 21 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.6%	98.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.6%	98.6%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.1%	96.1%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.7%	99.7%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.6%	98.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.6%	98.6%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.1%	96.1%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.7%	99.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.6%	98.6%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.6%	98.6%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.1%	96.1%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.7%	99.7%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 22 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (546) Miami	1967	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (546) Miami	IP Med	20 ADC	Yes	Replace
(V08) (546) Miami	IP Surg	1,600 Cases	Yes	Replace
(V08) (546) Miami	IP MH	8 ADC	Yes	Replace

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

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

Facilities and Sustainability

Table 24 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (546) Miami	1967	1990	Yes

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

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

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

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

Mission

Table 26 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (546) Miami	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 North

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 North Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (2.89) is 38.8% lower than the Status Quo COA (4.72) and 20.2% lower than the Modernization COA (3.62).

The VA Recommendation COA is $2.7 B (7.1%) more expensive than the Status Quo COA and $638.2 M (1.6%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 27 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($37,743,933,877)	($39,792,437,030)	($40,430,670,859)
Benefit Analysis Score	8	11	14
CBI (Normalized in $Billions)	4.72	3.62	2.89
CBI % Change vs. Status Quo	N/A	-23.3%	-38.8%
CBI % Change vs. Modernization	N/A	N/A	-20.2%

Table 28 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs Status Quo	N/A	($2,048,503,153)	($2,686,736,982)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,048,503,153)	($2,686,736,982)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($638,233,829)

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

Table 29 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 08 North Market COA is detailed below.

- Modernize by establishing a new VAMC with inpatient medical and surgical services, inpatient mental health, non-surgical outpatient services, and emergency services in the vicinity of Jacksonville, Florida
- Modernize and realign the Gainesville VAMC by:
  - Relocating CLC services at the Gainesville VAMC to current or future VA facilities and discontinuing CLC services at the Gainesville VAMC
  - Relocating the Gainesville RRTP to a new site in the vicinity of Gainesville, Florida and closing the existing Gainesville RRTP
- Modernize and realign the Lake City VAMC by:
  - Modernizing the CLC at the Lake City VAMC
  - Modernizing the RRTP at the Lake City VAMC
  - Modernizing the ambulatory facility at the Lake City VAMC. If unable to modernize the ambulatory facility, construct a replacement ambulatory facility in the vicinity of the Lake City VAMC
  - Relocating inpatient medical services at the Lake City VAMC to current or future VA facilities and discontinuing inpatient medical services at the Lake City VAMC
- Modernize by establishing a new stand-alone CLC in the vicinity of Gainesville, Florida
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new MS CBOC in the vicinity of The Villages/New Medical City, Florida
  - Establishing a new CBOC in the vicinity of Thomasville, Florida
  - Establishing a new CBOC in the vicinity of Bunnell, Florida
  - Relocating all services at the Jacksonville Southpoint CBOC and closing the Jacksonville Southpoint CBOC
  - Relocating all services to the Lake City VAMC and closing the Lake City Commerce Drive OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 North Market across a 30-year horizon. The cost of the VA Recommendation COA ($40.4 B) was higher than the Status Quo COA ($37.7 B) and the Modernization COA ($39.8 B).

For the VISN 08 North Market, the VA Recommendation COA is $2.7 B (7.1%) more expensive than the Status Quo COA and $638.2 M (1.6%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 North: Capital and Operational Costs Detail.

Table 30 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($37,743,933,877)	($39,792,437,030)	($40,430,670,859)
Capital Cost Variance vs. Status Quo	N/A	($2,048,503,153)	($2,686,736,982)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,048,503,153)	($2,686,736,982)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($638,233,829)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 North Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 31 – Benefit Analysis Scores by COA

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

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 North: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 North for this domain.

Table 32 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Jacksonville VAMC to provide inpatient medicine and surgery, inpatient mental health services, outpatient specialty care, and emergency services; 73,455 enrollees live within 60 minutes of the proposed facility
- Establishes a new Gainesville CLC to provide inpatient community living center services; 37,313 enrollees live within 60 minutes of the proposed facility
- Establishes a new Bunnell CBOC to provide primary care and outpatient mental health services; there are 5,751 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new Thomasville CBOC to provide primary care and outpatient mental health services; there are 2,647 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new The Villages MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 9,389 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Jacksonville MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 8,249 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Jacksonville RRTP to provide inpatient residential rehabilitative services; 73,276 enrollees live within 60 minutes of the proposed facility
- Expands the Valdosta CBOC to a MS CBOC, adding specialty care services
- Expands the Ocala CBOC to a MS CBOC, adding specialty care services

Access

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

The table below shows the CBA access scores for VISN 08 North for this domain.

Table 33 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 North for this domain.

Table 34 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 North for this domain.

Table 35 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

- Expands the Jacksonville Navy inpatient medicine and surgery partnership

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 North for this domain.

Table 36 – Mission Scoring Summary

Subdomain	Status Quo	Modernization	VA Recommendation
Education	2	2	3

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 37 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 North Market, one scenario changed the outcome of the CBA:

- Increasing the Modernization benefits score by three points

Sensitivity Analysis Full Results

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

Table 38 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	4.72	3.62	2.89	VA Recommendation
+1	4.19	3.32	2.89	VA Recommendation
+2	3.77	3.06	2.89	VA Recommendation
+3	3.43	2.84	2.89	Modernization

Table 39 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.72	3.62	2.89	VA Recommendation
50%	4.81	3.78	3.04	VA Recommendation
100%	4.90	3.94	3.19	VA Recommendation
150%	4.99	4.10	3.33	VA Recommendation
200%	5.09	4.26	3.48	VA Recommendation
250%	5.18	4.42	3.63	VA Recommendation
300%	5.27	4.58	3.78	VA Recommendation

Table 40 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.72	3.62	2.89	VA Recommendation
50%	6.37	4.82	3.83	VA Recommendation
100%	8.03	6.02	4.78	VA Recommendation
150%	9.68	7.23	5.72	VA Recommendation
200%	11.34	8.43	6.67	VA Recommendation
250%	12.99	9.63	7.62	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
300%	14.65	10.84	8.56	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	4.72	3.62	2.89	VA Recommendation
50%	5.33	4.06	3.24	VA Recommendation
100%	5.94	4.51	3.59	VA Recommendation
150%	6.55	4.95	3.94	VA Recommendation
200%	7.17	5.40	4.29	VA Recommendation
250%	7.78	5.84	4.64	VA Recommendation
300%	8.39	6.29	4.99	VA Recommendation

Appendix A – VISN 08 North: Capital and Operational Costs Detail

Table 42 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	2,605,743	3,460,308
Build New GSF	-	1,165,445	1,908,489
Renovate In Place GSF	-	587,634	559,784
Matched Convert To GSF	-	444,758	324,064
Demolition GSF	-	694,274	694,274
Total Build New Cost	$0	($1,024,946,197)	($1,582,623,422)
Total Renovate In Place Cost	$0	($145,281,716)	($135,585,118)
Total Matched Convert To Cost	$0	($155,679,947)	($113,243,073)
Total Demolition Cost	$0	($22,647,730)	($22,647,730)
Total Lease Build-Out Cost	$0	($194,732,433)	($218,673,481)
Total New Lease Cost	$0	($568,339,083)	($638,212,833)
Total Existing Lease Cost	($239,070,276)	($239,070,050)	($214,956,874)
NRM Costs for Owned Facilities	($971,507,786)	($304,201,214)	($403,965,410)
FCA Correction Cost	($237,477,231)	N/A	N/A
Estimated Base Modernization Cost	($1,448,055,293)	($2,654,898,370)	($3,329,907,942)
Additional Common/Lobby Space Needed (GSF)	-	407,906	667,971
Cost of Additional Common/Lobby Space	$0	($293,326,730)	($480,340,848)
Additional Parking Cost	$0	($141,580,134)	($168,338,250)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($1,268,337)	($15,295,638)
Seismic Correction Cost	($2,846,776)	($845,093)	($845,093)
Non-Building FCA Correction Cost	($24,729,732)	($24,729,730)	($24,729,732)
Activation Costs	$0	($407,486,560)	($474,044,719)
Estimated Additional Costs for Modernization	($27,576,508)	($869,236,584)	($1,163,594,279)
Cost Adjustment: In-Progress Construction	N/A	N/A	$331,133,439
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,475,631,800)	($3,524,134,954)	($4,162,368,783)

Table 43 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($16,084,162,917)	($16,084,162,917)	($16,084,162,917)
Fixed Direct	($1,472,750,142)	($1,472,750,142)	($1,472,750,142)
VA Specific Direct	($589,513,332)	($589,513,332)	($589,513,332)
Indirect	($6,244,398,356)	($6,244,398,356)	($6,244,398,356)
VA Specific Indirect	($822,173,761)	($822,173,761)	($822,173,761)
Research and Education	($36,645,609)	($36,645,609)	($36,645,609)
VA Overhead	($1,225,994,867)	($1,225,994,867)	($1,225,994,867)
VA Care Operational Cost Total (PV)	($26,475,638,985)	($26,475,638,985)	($26,475,638,985)
CC Direct	($7,090,404,844)	($7,090,404,844)	($7,090,404,844)
Delivery and Operations	($300,679,777)	($300,679,777)	($300,679,777)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($287,493,296)	($287,493,296)	($287,493,296)
CC Overhead	($378,423,217)	($378,423,217)	($378,423,217)
Admin PMPM	($1,735,661,956)	($1,735,661,956)	($1,735,661,956)
Non-VA Care Operational Cost Total (PV)	($9,792,663,091)	($9,792,663,091)	($9,792,663,091)
Estimated Operational Costs (PV)	($36,268,302,076)	($36,268,302,076)	($36,268,302,076)

Appendix B – VISN 08 North: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	136	164	136	Under Supplied
IP Med/Surg	196	235	227	Adequately Supplied
IP MH	52	62	48	Under Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

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

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

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

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

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

Table 46 – New Facility Demand Guidelines

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

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

Access

Table 47 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	84.3%	84.3%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	86.3%	86.3%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.5%	96.5%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.9%	98.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	99.8%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	84.3%	84.3%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	86.3%	86.3%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.5%	96.5%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.9%	98.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	99.8%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	84.3%	87.9%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	86.3%	88.7%	Increased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	96.5%	97.7%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.9%	99.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.8%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 48 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (573) Gainesville	1966	Yes

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (573A4) Lake City	1953	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (573) Gainesville	IP Med	20 ADC	Yes	Maintain
(V08) (573) Gainesville	IP Surg	1,600 Cases	Yes	Maintain
(V08) (573) Gainesville	IP MH	8 ADC	Yes	Maintain
(V08) (573A4) Lake City	IP Med	20 ADC	Yes	Relocate
(V08) (573A4) Lake City	IP Surg	1,600 Cases	No Service	N/A
(V08) (573A4) Lake City	IP MH	8 ADC	No Service	N/A

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

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

Facilities and Sustainability

Table 50 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (573) Gainesville	1966	1998	Yes

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (573A4) Lake City	1953	1983	Yes

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

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

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

Facility	Expands VA's Ability to Recruit/Retain?
(V08) (573A5) Jacksonville Navy	Yes

Mission

Table 52 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (573) Gainesville	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities
(V08) (573A4) Lake City	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 Orlando

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Orlando Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.99) is 21.8% lower than the Status Quo COA (2.55) and 20.6% lower than the Modernization COA (2.51).

The VA Recommendation COA is $2.4 B (9.5%) more expensive than the Status Quo COA and $287.3 M (1.0%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 10 for the Status Quo COA and 11 for the Modernization COA.

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

Table 53 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($25,458,693,615)	($27,592,232,230)	($27,879,545,090)
Benefit Analysis Score	10	11	14
CBI (Normalized in $Billions)	2.55	2.51	1.99
CBI % Change vs. Status Quo	N/A	-1.5%	-21.8%
CBI % Change vs. Modernization	N/A	N/A	-20.6%

Table 54 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($2,133,538,615)	($2,420,851,475)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,133,538,615)	($2,420,851,475)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($287,312,860)

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

Table 55 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	3	3	3
Facilities and Sustainability	2	2	2
Mission	2	2	3
Total Benefit Score	**10**	**11**	**14**

VA Recommendation

The VA Recommendation for the VISN 08 Orlando Market COA is detailed below.

- Modernize and realign the Lake Baldwin VAMC by relocating RRTP services at the Lake Baldwin VAMC to current of future VA facilities and discontinuing RRTP services at the Lake Baldwin VAMC
- Modernize and realign the Orlando VAMC by modernizing the RRTP at the Orlando VAMC
- Modernize by establishing a new stand-alone CLC in the vicinity of Daytona Beach, Florida
- Modernize by establishing a new stand-alone CLC in the vicinity of Viera, Florida
- Modernize and realign outpatient facilities in the market by:
    - Establishing a new CBOC in the vicinity of Titusville, Florida
    - Relocating the Daytona Beach MS CBOC to a new site in the vicinity of Daytona Beach, Florida, and closing the existing Daytona Beach MS CBOC
    - Relocating the Port Orange OOS to a new site in the vicinity of Daytona Beach, Florida, and closing the existing Port Orange OOS
    - Relocating all services to the proposed Daytona Beach MS CBOC and the proposed Port Orange OOS and closing the Westside Pavilion OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Orlando Market across a 30-year horizon. The cost of the VA Recommendation COA ($27.9 B) was higher than the Status Quo COA ($25.5 B) and the Modernization COA ($27.6 B).

For the VISN 08 Orlando Market, the VA Recommendation COA is $2.4 B (9.5%) more expensive than the Status Quo COA and $287.3 B (1.0%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Orlando: Capital and Operational Costs Detail.

Table 56 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($25,458,693,615)	($27,592,232,230)	($27,879,545,090)
Capital Cost Variance vs. Status Quo	N/A	($2,133,538,615)	($2,420,851,475)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,133,538,615)	($2,420,851,475)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($287,312,860)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Orlando Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 57 – Benefit Analysis Scores by COA

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

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**10**	**11**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Orlando: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Orlando for this domain.

Table 58 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Daytona Beach CLC to provide inpatient community living center services; 69,469 enrollees live within 60 minutes of the proposed facility
- Establishes a new Viera CLC to provide inpatient community living center services; 69,310 enrollees live within 60 minutes of the proposed facility
- Establishes a new Titusville CBOC to provide primary care and outpatient mental health services; there are 5,168 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new Palm Bay CBOC to provide primary care and outpatient mental health services; there are 10,743 enrollees for which the proposed facility is the closest VA point of care within 30 minutes

Access

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

The table below shows the CBA access scores for VISN 08 Orlando for this domain.

Table 59 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Orlando for this domain.

Table 60 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 Orlando for this domain.

Table 61 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Orlando for this domain.

Table 62 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 63 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Orlando Market, one scenario changed the outcome of the CBA:

- Increasing the Status Quo benefits score by three points

Sensitivity Analysis Full Results

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

Table 64 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	2.55	2.51	1.99	VA Recommendation

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+1	2.31	2.30	1.99	VA Recommendation
+2	2.12	2.12	1.99	VA Recommendation
+3	1.96	1.97	1.99	Status Quo

Table 65 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.55	2.51	1.99	VA Recommendation
50%	2.56	2.62	2.09	VA Recommendation
100%	2.57	2.72	2.18	VA Recommendation
150%	2.58	2.83	2.28	VA Recommendation
200%	2.59	2.94	2.37	VA Recommendation
250%	2.61	3.05	2.47	VA Recommendation
300%	2.62	3.16	2.56	VA Recommendation

Table 66 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.55	2.51	1.99	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
50%	3.42	3.30	2.61	VA Recommendation
100%	4.29	4.09	3.24	VA Recommendation
150%	5.16	4.89	3.86	VA Recommendation
200%	6.04	5.68	4.48	VA Recommendation
250%	6.91	6.47	5.11	VA Recommendation
300%	7.78	7.27	5.73	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.55	2.51	1.99	VA Recommendation
50%	2.93	2.86	2.27	VA Recommendation
100%	3.32	3.21	2.55	VA Recommendation
150%	3.71	3.57	2.82	VA Recommendation
200%	4.10	3.92	3.10	VA Recommendation
250%	4.49	4.27	3.38	VA Recommendation
300%	4.88	4.63	3.66	VA Recommendation

Appendix A – VISN 08 Orlando: Capital and Operational Costs Detail

Table 68 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	3,075,688	3,289,614
Build New GSF	-	834,020	992,484
Renovate In Place GSF	-	1,246,269	1,237,144
Matched Convert To GSF	-	703,492	712,617
Demolition GSF	-	14,006	14,006
Total Build New Cost	$0	($747,554,055)	($880,115,917)
Total Renovate In Place Cost	$0	($82,597,640)	($88,631,434)
Total Matched Convert To Cost	$0	($255,427,007)	($260,509,780)
Total Demolition Cost	$0	($462,325)	($462,325)
Total Lease Build-Out Cost	$0	($74,502,219)	($104,376,593)
Total New Lease Cost	$0	($217,439,535)	($304,629,900)
Total Existing Lease Cost	($53,695,548)	($53,695,437)	($13,709,474)
NRM Costs for Owned Facilities	($146,745,328)	($359,063,850)	($384,038,176)
FCA Correction Cost	($35,478,843)	N/A	N/A
Estimated Base Modernization Cost	($235,919,719)	($1,790,742,068)	($2,036,473,600)
Additional Common/Lobby Space Needed (GSF)	-	291,907	347,369
Cost of Additional Common/Lobby Space	$0	($212,410,490)	($252,768,536)
Additional Parking Cost	$0	($19,372,729)	($25,845,393)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($6,602,137)	($8,530,174)
Seismic Correction Cost	$0	$0	$0
Non-Building FCA Correction Cost	($5,688,935)	($5,688,934)	($5,688,935)
Activation Costs	$0	($340,330,911)	($347,437,523)
Estimated Additional Costs for Modernization	($5,688,935)	($584,405,201)	($640,270,560)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$14,284,031
Estimated Facilities Costs (PV)	($241,608,654)	($2,375,147,269)	($2,662,460,129)

Table 69 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($9,807,837,211)	($9,807,837,211)	($9,807,837,211)
Fixed Direct	($1,302,066,847)	($1,302,066,847)	($1,302,066,847)
VA Specific Direct	($272,874,810)	($272,874,810)	($272,874,810)
Indirect	($4,601,699,679)	($4,601,699,679)	($4,601,699,679)
VA Specific Indirect	($615,163,695)	($615,163,695)	($615,163,695)
Research and Education	($691,385)	($691,385)	($691,385)
VA Overhead	($849,098,716)	($849,098,716)	($849,098,716)
VA Care Operational Cost Total (PV)	($17,449,432,343)	($17,449,432,343)	($17,449,432,343)
CC Direct	($5,691,852,156)	($5,691,852,156)	($5,691,852,156)
Delivery and Operations	($230,564,863)	($230,564,863)	($230,564,863)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($217,835,291)	($217,835,291)	($217,835,291)
CC Overhead	($283,961,496)	($283,961,496)	($283,961,496)
Admin PMPM	($1,343,438,811)	($1,343,438,811)	($1,343,438,811)
Non-VA Care Operational Cost Total (PV)	($7,767,652,618)	($7,767,652,618)	($7,767,652,618)
Estimated Operational Costs (PV)	($25,217,084,961)	($25,217,084,961)	($25,217,084,961)

Appendix B – VISN 08 Orlando: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	139	167	120	Under Supplied
IP Med/Surg	94	113	94	Under Supplied
IP MH	33	40	40	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

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

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

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

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

Table 72 – New Facility Demand Guidelines

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

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

Access

Table 73 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	94.8%	94.8%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	96.9%	96.9%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	94.8%	94.8%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	96.9%	96.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	94.8%	98.3%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	96.9%	98.2%	Increased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 74 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (675) Orlando	2015	No

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (675GG) Lake Baldwin	1981	No

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (675) Orlando	IP Med	20 ADC	Yes	Maintain
(V08) (675) Orlando	IP Surg	1,600 Cases	Yes	Maintain
(V08) (675) Orlando	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 76 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (675) Orlando	2015	N/A	No
(V08) (675GG) Lake Baldwin	1981	2012	No

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

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

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

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

Mission

Table 78 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (675) Orlando	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 Central

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Central Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (2.26) is 22.2% lower than the Status Quo COA (2.90) and 20.8% lower than the Modernization COA (2.85).

The VA Recommendation COA is $2.6 B (9.0%) more expensive than the Status Quo COA and $262.8 M (0.8%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 10 for the Status Quo COA and 11 for the Modernization COA.

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

Table 79 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($29,032,712,234)	($31,377,678,819)	($31,640,433,605)
Benefit Analysis Score	10	11	14
CBI (Normalized in $Billions)	2.90	2.85	2.26
CBI % Change vs. Status Quo	N/A	-1.7%	-22.2%
CBI % Change vs. Modernization	N/A	N/A	-20.8%

Table 80 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($2,344,966,585)	($2,607,721,371)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,344,966,585)	($2,607,721,371)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($262,754,787)

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

Table 81 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	3	3	3
Facilities and Sustainability	2	2	2
Mission	2	2	3
Total Benefit Score	**10**	**11**	**14**

VA Recommendation

The VA Recommendation for the VISN 08 Central Market COA is detailed below.

- Modernize and realign the Tampa VAMC by:
  - Modernizing the emergency department at the existing Tampa VAMC
  - Relocating CLC services at the Tampa VAMC to current or future VA facilities and discontinuing CLC services at the Tampa VAMC
- Modernize by establishing a new stand-alone CLC in the vicinity of Tampa, Florida
- Relocate the Tampa RRTP to a new site in the vicinity of Tampa, Florida and close the existing Tampa RRTP
- Modernize and realign outpatient facilities in the market by:
  - Establishing a new MS CBOC in the vicinity of Tampa, Florida
  - Establishing a new CBOC in the vicinity of Winter Haven/Lake Wales, Florida
  - Relocating the Lecanto CBOC to a new site in the vicinity of Lecanto, Florida, and closing the existing Lecanto CBOC
  - Relocating all services to the planned Zephyrhills MS CBOC and closing the Medical View Lane OOS
  - Relocating all services to the planned New Port Richey MS CBOC and closing the Deer Park OOS
  - Relocating all services to the planned New Port Richey MS CBOC and closing the Little Road OOS
  - Relocating all services at the Bruce B. Downs OOS and closing the Bruce B. Downs OOS
  - Relocating all services at the 46th Street North OOS and closing the 46th Street North OOS
  - Relocating all services at the 46th Street South OOS and closing the 46th Street South OOS
  - Relocating all services at the Winner's Circle OOS and closing the Winner's Circle OOS

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Central Market across a 30-year horizon. The cost of the VA Recommendation COA ($31.6 B) was higher than the Status Quo COA ($29.0 B) and the Modernization COA ($31.4 B).

For the VISN 08 Central Market, the VA Recommendation COA is $2.6 B (9.0%) more expensive than the Status Quo COA and $262.8 M (0.8%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Central: Capital and Operational Costs Detail.

Table 82 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($29,032,712,234)	($31,377,678,819)	($31,640,433,605)
Capital Cost Variance vs. Status Quo	N/A	($2,344,966,585)	($2,607,721,371)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($2,344,966,585)	($2,607,721,371)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($262,754,787)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Central Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 83 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	3
Quality	3	3	3
Facilities and Sustainability	2	2	2
Mission	2	2	3
Total Benefit Score	**10**	**11**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Central: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Central for this domain.

Table 84 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Winter Haven/Lake Wells CBOC to provide primary care and outpatient mental health services; there are 9,379 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes a new Lecanto MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 10,016 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new New Port Richey MS CBOC to provide primary care, specialty care, and outpatient mental health services; there are 13,993 enrollees for which the proposed facility is the closest VA point of care within 60 minutes
- Establishes a new Tampa CLC to provide inpatient community living center services; 142,078 enrollees live within 60 minutes of the proposed facility

Access

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

The table below shows the CBA access scores for VISN 08 Central for this domain.

Table 85 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Central for this domain.

Table 86 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 Central for this domain.

Table 87 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Central for this domain.

Table 88 – Mission Scoring Summary

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

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

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.

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

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

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

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 89 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Central Market, one scenario changed the outcome of the CBA:

- Increasing the Status Quo benefits score by three points

Sensitivity Analysis Full Results

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

Table 90 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	2.90	2.85	2.26	VA Recommendation
+1	2.64	2.61	2.26	VA Recommendation
+2	2.42	2.41	2.26	VA Recommendation
+3	2.23	2.24	2.26	Status Quo

Table 91 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.90	2.85	2.26	VA Recommendation
50%	2.96	3.01	2.39	VA Recommendation
100%	3.01	3.17	2.52	VA Recommendation
150%	3.07	3.32	2.66	VA Recommendation
200%	3.12	3.48	2.79	VA Recommendation
250%	3.18	3.63	2.92	VA Recommendation

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
300%	3.23	3.79	3.05	VA Recommendation

Table 92 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.90	2.85	2.26	VA Recommendation
50%	4.02	3.86	3.06	VA Recommendation
100%	5.13	4.88	3.85	VA Recommendation
150%	6.24	5.89	4.65	VA Recommendation
200%	7.36	6.90	5.44	VA Recommendation
250%	8.47	7.91	6.24	VA Recommendation
300%	9.58	8.93	7.03	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.90	2.85	2.26	VA Recommendation
50%	3.19	3.11	2.46	VA Recommendation
100%	3.47	3.37	2.66	VA Recommendation

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
150%	3.75	3.63	2.87	VA Recommendation
200%	4.04	3.88	3.07	VA Recommendation
250%	4.32	4.14	3.27	VA Recommendation
300%	4.60	4.40	3.47	VA Recommendation

Appendix A – Central: Capital and Operational Costs Detail

Table 94 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	2,382,876	2,790,238
Build New GSF	-	1,153,388	1,455,138
Renovate In Place GSF	-	437,502	436,917
Matched Convert To GSF	-	388,300	388,885
Demolition GSF	-	762,294	762,294
Total Build New Cost	$0	($1,045,320,358)	($1,292,202,639)
Total Renovate In Place Cost	$0	($107,696,523)	($107,494,980)
Total Matched Convert To Cost	$0	($142,437,060)	($142,651,973)
Total Demolition Cost	$0	($25,458,651)	($25,458,651)
Total Lease Build-Out Cost	$0	($131,270,511)	($167,018,519)
Total New Lease Cost	$0	($589,700,576)	($749,333,451)
Total Existing Lease Cost	($215,708,801)	($215,708,686)	($136,046,799)
NRM Costs for Owned Facilities	($684,870,263)	($278,183,144)	($325,739,706)
FCA Correction Cost	($145,778,561)	N/A	N/A
Estimated Base Modernization Cost	($1,046,357,625)	($2,535,775,509)	($2,945,946,718)
Additional Common/Lobby Space Needed (GSF)	-	403,686	509,298
Cost of Additional Common/Lobby Space	$0	($297,203,864)	($374,958,503)
Additional Parking Cost	$0	($119,341,791)	($132,998,128)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($1,078,595)	($4,979,147)
Seismic Correction Cost	$0	$0	$0
Non-Building FCA Correction Cost	($47,686,919)	($47,686,919)	($47,686,919)
Activation Costs	$0	($437,924,451)	($473,895,731)
Estimated Additional Costs for Modernization	($47,686,919)	($903,235,620)	($1,034,518,428)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$278,699,230
Estimated Facilities Costs (PV)	($1,094,044,544)	($3,439,011,129)	($3,701,765,916)

Table 95 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($13,184,520,545)	($13,184,520,545)	($13,184,520,545)
Fixed Direct	($1,454,705,502)	($1,454,705,502)	($1,454,705,502)
VA Specific Direct	($465,054,367)	($465,054,367)	($465,054,367)
Indirect	($5,589,984,096)	($5,589,984,096)	($5,589,984,096)
VA Specific Indirect	($501,025,330)	($501,025,330)	($501,025,330)
Research and Education	($3,427,542)	($3,427,542)	($3,427,542)
VA Overhead	($1,071,650,091)	($1,071,650,091)	($1,071,650,091)
VA Care Operational Cost Total (PV)	($22,270,367,474)	($22,270,367,474)	($22,270,367,474)
CC Direct	($3,998,301,188)	($3,998,301,188)	($3,998,301,188)
Delivery and Operations	($173,995,530)	($173,995,530)	($173,995,530)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($169,965,872)	($169,965,872)	($169,965,872)
CC Overhead	($216,455,427)	($216,455,427)	($216,455,427)
Admin PMPM	($1,109,582,199)	($1,109,582,199)	($1,109,582,199)
Non-VA Care Operational Cost Total (PV)	($5,668,300,216)	($5,668,300,216)	($5,668,300,216)
Estimated Operational Costs (PV)	($27,938,667,690)	($27,938,667,690)	($27,938,667,690)

Appendix B – Central: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	53	63	55	Adequately Supplied
IP Med/Surg	181	217	184	Adequately Supplied
IP MH	31	37	40	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

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

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

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

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

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

Table 98 – New Facility Demand Guidelines

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

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

Access

Table 99 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.2%	92.2%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	93.7%	93.7%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.2%	92.2%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	93.7%	93.7%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%

COA	Measure	Current	Future	Result
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.2%	98.7%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	93.7%	98.7%	Increased 1% or more
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 100 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (673) Tampa	1972	No

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (673) Tampa	IP Med	20 ADC	Yes	Maintain
(V08) (673) Tampa	IP Surg	1,600 Cases	Yes	Maintain
(V08) (673) Tampa	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 102 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (673) Tampa	1972	1995	No

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

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

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

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

Mission

Table 104 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (673) Tampa	No impact on training	Maintains or Has Plan to Transition	Maintains PRC-designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 Puerto Rico Virgin Islands

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Puerto Rico Virgin Islands Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (0.94) is 38.3% lower than the Status Quo COA (1.52) and 14.6% lower than the Modernization COA (1.10).

The VA Recommendation COA is $37.8 M (0.3%) more expensive than the Status Quo COA and $114.2 M (0.9%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 13-point benefits score compared to 8 for the Status Quo COA and 11 for the Modernization COA.

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

Table 105 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($12,124,892,001)	($12,048,469,469)	($12,162,677,928)
Benefit Analysis Score	8	11	13
CBI (Normalized in $Billions)	1.52	1.10	0.94
CBI % Change vs. Status Quo	N/A	-27.7%	-38.3%
CBI % Change vs. Modernization	N/A	N/A	-14.6%

Table 106 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	$76,422,532	($37,785,927)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	$76,422,532	($37,785,927)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($114,208,459)

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

Note: When the VA Recommendation COA shifts care across markets, operational costs are still incurred by the originating market in the future state. This is done to better compare COAs in each market and because the costs remain with the VHA at the national level.

Table 107 – Benefit Analysis Scores by COA

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

VA Recommendation

The VA Recommendation for the VISN 08 Puerto Rico Virgin Islands Market COA is detailed below.

- Modernize and realign the San Juan VAMC by establishing a strategic collaboration to allow VA to provide and expand inpatient medical and surgical services, outpatient services, outpatient surgery, and emergency services
    - Relocating CLC services at the San Juan VAMC to current or future VA facilities and discontinuing CLC services at the San Juan VAMC
    - Relocating inpatient blind rehabilitation services to current or future VA facilities and discontinuing inpatient blind rehabilitation services at the San Juan VAMC
- Modernize by establishing a new stand-alone CLC in the vicinity of San Juan, Puerto Rico
- Modernize by establishing a new stand-alone RRTP in the vicinity of San Juan, Puerto Rico

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Puerto Rico Virgin Islands Market across a 30-year horizon. The cost of the VA Recommendation COA ($12.2 B) was higher than the Status Quo COA ($12.1 B) and the Modernization COA ($12.0 B).

For the VISN 08 Puerto Rico Virgin Islands Market, the VA Recommendation COA is $37.8 M (0.3%) more expensive than the Status Quo COA and $114.2 M (0.9%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Puerto Rico Virgin Islands: Capital and Operational Costs Detail.

Table 108 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($12,124,892,001)	($12,048,469,469)	($12,162,677,928)
Capital Cost Variance vs. Status Quo	N/A	$76,422,532	($37,785,927)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	$76,422,532	($37,785,927)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($114,208,459)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Puerto Rico Virgin Islands Virgin Islands Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 109 – Benefit Analysis Scores by COA

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

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**8**	**11**	**13**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Puerto Rico Virgin Islands Virgin Islands: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Puerto Rico Virgin Islands Virgin Islands for this domain.

Table 110 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new San Juan CLC to provide inpatient community living center services; 36,198 enrollees live within 60 minutes of the proposed facility
- Establishes a new San Juan RRTP to provide inpatient residential rehabilitation treatment services; 36,198 enrollees live within 60 minutes of the proposed facility

Access

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

The table below shows the CBA access scores for VISN 08 Puerto Rico Virgin Islands Virgin Islands for this domain.

Table 111 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Puerto Rico Virgin Islands Virgin Islands for this domain.

Table 112 – Quality Scoring Summary

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

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

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

staff. Second, the COA includes facilities with projected future demand at or above VA planning guidelines for maintaining programs. VA's planning guidelines reflect that sufficient volume and diversity of cases are required for all members of the care team to maintain proficiency and quality care delivery.

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 Puerto Rico Virgin Islands Virgin Islands for this domain.

Table 113 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Puerto Rico Virgin Islands Virgin Islands for this domain.

Table 114 – Mission Scoring Summary

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

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

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

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

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

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

- **Education:** The COA received a score of 3 because inpatient acute services remain VA-delivered and thus the COA maintains existing training programs. Additionally, the COA includes new (not replacement) infrastructure that creates new opportunities for training within the market.

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 115 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Puerto Rico Virgin Islands Market, two scenarios changed the outcome of the CBA:

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

Sensitivity Analysis Full Results

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

Table 116 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.52	1.10	0.94	VA Recommendation
+1	1.35	1.00	0.94	VA Recommendation

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+2	1.21	0.93	0.94	Modernization
+3	1.10	0.86	0.94	Modernization

Table 117 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.52	1.10	0.94	VA Recommendation
50%	1.60	1.16	0.99	VA Recommendation
100%	1.69	1.22	1.05	VA Recommendation
150%	1.78	1.28	1.10	VA Recommendation
200%	1.87	1.34	1.16	VA Recommendation
250%	1.96	1.40	1.21	VA Recommendation
300%	2.04	1.46	1.27	VA Recommendation

Table 118 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.52	1.10	0.94	VA Recommendation
50%	2.08	1.50	1.28	VA Recommendation

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
100%	2.64	1.91	1.63	VA Recommendation
150%	3.20	2.32	1.97	VA Recommendation
200%	3.77	2.73	2.32	VA Recommendation
250%	4.33	3.14	2.67	VA Recommendation
300%	4.89	3.55	3.01	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.52	1.10	0.94	VA Recommendation
50%	1.62	1.17	1.00	VA Recommendation
100%	1.73	1.25	1.07	VA Recommendation
150%	1.84	1.33	1.13	VA Recommendation
200%	1.94	1.41	1.20	VA Recommendation
250%	2.05	1.48	1.26	VA Recommendation
300%	2.16	1.56	1.33	VA Recommendation

Appendix A – VISN 08 Puerto Rico Virgin Islands: Capital and Operational Costs Detail

Table 120 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,325,122	1,674,473
Build New GSF	-	335,038	593,816
Renovate In Place GSF	-	571,757	542,250
Matched Convert To GSF	-	301,064	330,571
Demolition GSF	-	462,061	462,061
Total Build New Cost	$0	($308,012,520)	($524,944,826)
Total Renovate In Place Cost	$0	($110,514,083)	($94,592,362)
Total Matched Convert To Cost	$0	($107,260,626)	($119,041,924)
Total Demolition Cost	$0	($14,893,334)	($14,893,334)
Total Lease Build-Out Cost	$0	($30,795,698)	($30,795,704)
Total New Lease Cost	$0	($154,736,051)	($154,736,155)
Total Existing Lease Cost	($130,519,806)	($130,519,664)	($130,519,806)
NRM Costs for Owned Facilities	($971,641,618)	($154,698,238)	($195,482,304)
FCA Correction Cost	($253,169,112)	N/A	N/A
Estimated Base Modernization Cost	($1,355,330,536)	($1,011,430,214)	($1,265,006,415)
Additional Common/Lobby Space Needed (GSF)	-	117,263	207,836
Cost of Additional Common/Lobby Space	$0	($83,320,666)	($147,676,218)
Additional Parking Cost	$0	($51,006,118)	($98,292,412)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($108,978)	($2,511,093)
Seismic Correction Cost	($24,144,799)	($5,405,198)	($5,405,198)
Non-Building FCA Correction Cost	($30,966,422)	($30,966,422)	($30,966,422)
Activation Costs	$0	($151,781,630)	($205,369,927)
Estimated Additional Costs for Modernization	($55,111,222)	($322,589,012)	($490,221,270)
Cost Adjustment: In-Progress Construction	N/A	N/A	$307,000,000
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($1,410,441,758)	($1,334,019,226)	($1,448,227,685)

Table 121 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($4,969,693,651)	($4,969,693,651)	($4,969,693,651)
Fixed Direct	($441,064,545)	($441,064,545)	($441,064,545)
VA Specific Direct	($191,068,325)	($191,068,325)	($191,068,325)
Indirect	($2,721,162,697)	($2,721,162,697)	($2,721,162,697)
VA Specific Indirect	($249,427,403)	($249,427,403)	($249,427,403)
Research and Education	($1,867,465)	($1,867,465)	($1,867,465)
VA Overhead	($433,881,614)	($433,881,614)	($433,881,614)
VA Care Operational Cost Total (PV)	($9,008,165,700)	($9,008,165,700)	($9,008,165,700)
CC Direct	($824,325,170)	($824,325,170)	($824,325,170)
Delivery and Operations	($38,618,083)	($38,618,083)	($38,618,083)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($38,963,438)	($38,963,438)	($38,963,438)
CC Overhead	($47,304,064)	($47,304,064)	($47,304,064)
Admin PMPM	($757,073,788)	($757,073,788)	($757,073,788)
Non-VA Care Operational Cost Total (PV)	($1,706,284,543)	($1,706,284,543)	($1,706,284,543)
Estimated Operational Costs (PV)	($10,714,450,243)	($10,714,450,243)	($10,714,450,243)

Appendix B – VISN 08 Puerto Rico Virgin Islands: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	48	58	119	Over Supplied
IP Med/Surg	86	103	193	Over Supplied
IP MH	16	19	32	Over Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	20	74%
Under Supplied	7	26%

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

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

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

Table 124 – New Facility Demand Guidelines

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

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

Access

Table 125 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.6%	75.6%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.2%	84.2%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	92.4%	92.4%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.3%	98.3%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.6%	99.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.6%	75.6%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.2%	84.2%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	92.4%	92.4%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.3%	98.3%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.6%	99.6%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	75.6%	75.6%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	84.2%	84.2%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	92.4%	92.4%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	98.3%	98.3%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	99.6%	99.6%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 126 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (672) San Juan	1969	Yes

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (672) San Juan	IP Med	20 ADC	Yes	Maintain
(V08) (672) San Juan	IP Surg	1,600 Cases	Yes	Maintain
(V08) (672) San Juan	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 128 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (672) San Juan	1969	N/A	Yes

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

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

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

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

Mission

Table 130 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (672) San Juan	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 Gulf

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Gulf Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.92) is 29.7% lower than the Status Quo COA (2.74) and 20.3% lower than the Modernization COA (2.41).

The VA Recommendation COA is $2.3 B (9.4%) more expensive than the Status Quo COA and $388.6 M (1.5%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 14-point benefits score compared to 9 for the Status Quo COA and 11 for the Modernization COA.

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

Table 131 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($24,628,489,790)	($26,555,897,269)	($26,944,531,499)
Benefit Analysis Score	9	11	14
CBI (Normalized in $Billions)	2.74	2.41	1.92
CBI % Change vs. Status Quo	N/A	-11.8%	-29.7%
CBI % Change vs. Modernization	N/A	N/A	-20.3%

Table 132 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($1,927,407,479)	($2,316,041,709)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,927,407,479)	($2,316,041,709)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($388,634,229)

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

Table 133 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	3
Access	2	2	2
Quality	3	3	3
Facilities and Sustainability	1	2	3
Mission	2	2	3
Total Benefit Score	**9**	**11**	**14**

VA Recommendation

The VA Recommendation for the VISN 08 Gulf Market COA is detailed below.

- Modernize and realign the market by establishing a strategic collaboration to provide inpatient medical and surgical services in the vicinity of Lee County, Florida. If unable to enter into a strategic collaboration for inpatient medical and surgical services, utilize community providers:
- Modernize by establishing a new stand-alone CLC in the vicinity of Lee County, Florida
- Modernize and realign outpatient facilities in the market by:
    - Relocating the Sebring CBOC to a new site in the vicinity of Sebring, Florida, and closing the existing Sebring CBOC
    - Relocating the Bradenton MS CBOC to a new site in the vicinity of Bradenton, Florida, and closing the existing Bradenton MS CBOC
    - Relocating the Port Charlotte MS CBOC to a new site in the vicinity of Port Charlotte, Florida, and closing the existing Port Charlotte MS CBOC

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Gulf Market across a 30-year horizon. The cost of the VA Recommendation COA ($26.9 B) was higher than the Status Quo COA ($24.6 B) and the Modernization COA ($26.6 B).

For the VISN 08 Gulf Market, the VA Recommendation COA is $2.3 B (9.4%) more expensive than the Status Quo COA and $388.6 M (1.5%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Gulf: Capital and Operational Costs Detail.

Table 134 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($24,628,489,790)	($26,555,897,269)	($26,944,531,499)
Capital Cost Variance vs. Status Quo	N/A	($1,927,407,479)	($2,316,041,709)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,927,407,479)	($2,316,041,709)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($388,634,229)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Gulf Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 135 – Benefit Analysis Scores by COA

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

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Total Benefit Score	**9**	**11**	**14**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Gulf: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Gulf for this domain.

Table 136 – Demand and Supply Scoring Summary

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

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

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

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

- Establishes a new Lee County CLC to provide inpatient community living center services; 42,644 enrollees live within 60 minutes of the proposed facility
- Establishes a new Pinellas CBOC to provide primary care and outpatient mental health services; there are 15,954 enrollees for which the proposed facility is the closest VA point of care within 30 minutes
- Establishes the new North Fort Myers, FL (Lee) inpatient medicine and surgery partnership

Access

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

The table below shows the CBA access scores for VISN 08 Gulf for this domain.

Table 137 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Gulf for this domain.

Table 138 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

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

The table below shows the scores for VISN 08 Gulf for this domain.

Table 139 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

- Establishes the new North Fort Myers, FL (Lee) inpatient medicine and surgery partnership

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Gulf for this domain.

Table 140 – Mission Scoring Summary

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

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

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

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

- **Education:** The COA received a score of 2 because it does not impact inpatient acute service lines and thus maintains existing training programs.
- **Research:** The COA received a score of 2 because all existing facilities with research programs are maintained.

- **Emergency Preparedness:** The COA received a score of 2 because it maintains the current count of Primary Receiving Center-designated VAMCs in the market.

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

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

Sensitivity Analysis

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

The table below outlines the sensitivity analysis scenarios completed.

Table 141 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Gulf Market, one scenario changed the outcome of the CBA:

- Increasing the Modernization benefits score by three points

Sensitivity Analysis Full Results

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

Table 142 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	2.74	2.41	1.92	VA Recommendation
+1	2.46	2.21	1.92	VA Recommendation
+2	2.24	2.04	1.92	VA Recommendation
+3	2.05	1.90	1.92	Modernization

Table 143 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.74	2.41	1.92	VA Recommendation
50%	2.79	2.55	2.04	VA Recommendation
100%	2.84	2.68	2.16	VA Recommendation
150%	2.90	2.81	2.28	VA Recommendation
200%	2.95	2.94	2.39	VA Recommendation
250%	3.01	3.07	2.51	VA Recommendation
300%	3.06	3.21	2.63	VA Recommendation

Table 144 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.74	2.41	1.92	VA Recommendation
50%	3.66	3.17	2.52	VA Recommendation
100%	4.58	3.92	3.11	VA Recommendation
150%	5.50	4.67	3.70	VA Recommendation
200%	6.42	5.43	4.29	VA Recommendation
250%	7.34	6.18	4.88	VA Recommendation
300%	8.26	6.93	5.47	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	2.74	2.41	1.92	VA Recommendation
50%	3.13	2.74	2.18	VA Recommendation
100%	3.52	3.06	2.43	VA Recommendation
150%	3.92	3.38	2.68	VA Recommendation
200%	4.31	3.70	2.94	VA Recommendation
250%	4.70	4.02	3.19	VA Recommendation

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
300%	5.10	4.35	3.44	VA Recommendation

Appendix A – VISN 08 Gulf: Capital and Operational Costs Detail

Table 146 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	2,794,678	2,968,786
Build New GSF	-	1,139,790	1,268,759
Renovate In Place GSF	-	732,893	701,887
Matched Convert To GSF	-	523,068	554,074
Demolition GSF	-	395,523	395,523
Total Build New Cost	$0	($1,022,106,529)	($1,133,368,900)
Total Renovate In Place Cost	$0	($164,796,923)	($164,929,545)
Total Matched Convert To Cost	$0	($187,647,032)	($199,037,758)
Total Demolition Cost	$0	($13,209,450)	($13,209,450)
Total Lease Build-Out Cost	$0	($79,776,440)	($121,628,593)
Total New Lease Cost	$0	($251,273,015)	($383,306,598)
Total Existing Lease Cost	($38,040,166)	($38,040,090)	($16,036,952)
NRM Costs for Owned Facilities	($765,102,823)	($326,257,950)	($346,583,790)
FCA Correction Cost	($163,053,024)	N/A	N/A
Estimated Base Modernization Cost	($966,196,013)	($2,083,107,428)	($2,378,101,585)
Additional Common/Lobby Space Needed (GSF)	-	398,927	444,066
Cost of Additional Common/Lobby Space	$0	($293,699,945)	($326,932,549)
Additional Parking Cost	$0	($103,823,240)	($145,408,061)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($3,924,241)	($3,924,242)
Seismic Correction Cost	$0	$0	$0
Non-Building FCA Correction Cost	($8,824,587)	($8,824,587)	($8,824,587)
Activation Costs	$0	($409,048,638)	($427,871,285)
Estimated Additional Costs for Modernization	($8,824,587)	($819,320,651)	($912,960,723)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($975,020,600)	($2,902,428,079)	($3,291,062,309)

Table 147 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($9,395,072,720)	($9,395,072,720)	($9,395,072,720)
Fixed Direct	($1,098,784,119)	($1,098,784,119)	($1,098,784,119)
VA Specific Direct	($155,126,402)	($155,126,402)	($155,126,402)
Indirect	($4,681,315,458)	($4,681,315,458)	($4,681,315,458)
VA Specific Indirect	($437,531,163)	($437,531,163)	($437,531,163)
Research and Education	($546,942)	($546,942)	($546,942)
VA Overhead	($798,827,298)	($798,827,298)	($798,827,298)
VA Care Operational Cost Total (PV)	($16,567,204,103)	($16,567,204,103)	($16,567,204,103)
CC Direct	($5,157,460,346)	($5,157,460,346)	($5,157,460,346)
Delivery and Operations	($221,178,482)	($221,178,482)	($221,178,482)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($228,008,020)	($228,008,020)	($228,008,020)
CC Overhead	($288,148,955)	($288,148,955)	($288,148,955)
Admin PMPM	($1,191,469,284)	($1,191,469,284)	($1,191,469,284)
Non-VA Care Operational Cost Total (PV)	($7,086,265,087)	($7,086,265,087)	($7,086,265,087)
Estimated Operational Costs (PV)	($23,653,469,190)	($23,653,469,190)	($23,653,469,190)

Appendix B – VISN 08 Gulf: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	101	122	112	Adequately Supplied
IP Med/Surg	135	162	151	Adequately Supplied
IP MH	36	43	41	Adequately Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	8	30%
Under Supplied	19	70%

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

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

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

Table 150 – New Facility Demand Guidelines

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

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

Access

Table 151 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.7%	92.7%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	92.7%	92.7%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	94.7%	94.7%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.5%	99.5%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.7%	92.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	92.7%	92.7%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	94.7%	94.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.5%	99.5%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.7%	Maintained within 1%

COA	Measure	Current	Future	Result
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	92.7%	92.9%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	92.7%	92.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	94.7%	94.8%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.5%	99.7%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.7%	99.8%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 152 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (516) Bay Pines	1983	No

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (516) Bay Pines	IP Med	20 ADC	Yes	Maintain
(V08) (516) Bay Pines	IP Surg	1,600 Cases	Yes	Maintain
(V08) (516) Bay Pines	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 154 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (516) Bay Pines	1983	N/A	Yes

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

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

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

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

Facility	Expands VA's Ability to Recruit/Retain?
(V08) North Fort Myers, FL (Lee) IP Partnership	Yes

Mission

Table 156 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (516) Bay Pines	No impact on training	Maintains or Has Plan to Transition	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities

VISN 08 Atlantic

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

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

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

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

Overview of COAs and Methodology

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

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

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

Summary of Results

The VA Recommendation COA is the leading COA analyzed in the VISN 08 Atlantic Market due to its leading Cost Benefit Index (CBI) score. The CBI score for the VA Recommendation COA (1.12) is 14.9% lower than the Status Quo COA (1.32) and 13.6% lower than the Modernization COA (1.30).

The VA Recommendation COA is $1.4 B (10.6%) more expensive than the Status Quo COA and $306.8 M (2.2%) more expensive than the Modernization COA. While the VA Recommendation COA increases cost compared to the Status Quo and Modernization COAs, it also increases benefits as seen by a 13-point benefits score compared to 10 for the Status Quo COA and 11 for the Modernization COA.

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

Table 157 – CBI Scores by COA

	Status Quo	Modernization	VA Recommendation
COA PV ($)	($13,171,726,818)	($14,267,504,398)	($14,574,319,078)
Benefit Analysis Score	10	11	13
CBI (Normalized in $Billions)	1.32	1.30	1.12
CBI % Change vs. Status Quo	N/A	-1.5%	-14.9%
CBI % Change vs. Modernization	N/A	N/A	-13.6%

Table 158 – Cost Analysis Cost Variance by COA

Cost Variance	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($1,095,777,580)	($1,402,592,260)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,095,777,580)	($1,402,592,260)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($306,814,681)

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

Table 159 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	3
Quality	3	3	3
Facilities and Sustainability	2	2	2
Mission	2	2	3
Total Benefit Score	**10**	**11**	**13**

VA Recommendation

The VA Recommendation for the VISN 08 Atlantic Market COA is detailed below.

- Modernize and realign outpatient facilities in the market by:
  - Establishing a new CBOC in the vicinity of Belle Glade, Florida
  - Relocating the Fort Pierce CBOC to a new site in the vicinity of Lakewood Park, Florida, and closing the existing Fort Pierce CBOC
  - Relocating all services to the planned Delray Beach MS CBOC and closing the Boca Raton CBOC

Cost Analysis

The Cost Analysis highlighted the estimated Present Value (PV) of each COA for the VISN 08 Atlantic Market across a 30-year horizon. The cost of the VA Recommendation COA ($14.6 B) was higher than the Status Quo COA ($13.2 B) and the Modernization COA ($14.3 B).

For the VISN 08 Atlantic Market, the VA Recommendation COA is $1.4 B (10.6%) more expensive than the Status Quo COA and $306.8 M (2.2%) more expensive than the Modernization COA. The cost difference between the VA Recommendation COA and Status Quo COA can be attributed to new facilities, closing or modernizing existing facilities, and scaling capacity of existing facilities up or down to meet future Veteran in-house demand to accommodate changes in demand.

The table below outlines the costs associated with each of the COAs. For more detail refer to Appendix A – VISN 08 Atlantic: Capital and Operational Costs Detail.

Table 160 – Total Cost Summary by COA

	Status Quo	Modernization	VA Recommendation
Total Costs (PV)	($13,171,726,818)	($14,267,504,398)	($14,574,319,078)

	Status Quo	Modernization	VA Recommendation
Capital Cost Variance vs. Status Quo	N/A	($1,095,777,580)	($1,402,592,260)
Operational Cost Variance vs. Status Quo	N/A	$0	$0
Non-VA Care Operational Cost Variance	N/A	$0	$0
VA Care Operational Cost Variance	N/A	$0	$0
Estimated Total Cost Variance vs. Status Quo	N/A	($1,095,777,580)	($1,402,592,260)
Estimated Total Cost Variance vs. Modernization	N/A	N/A	($306,814,681)

Benefit Analysis

This section describes the non-financial benefit analysis results for the VISN 08 Atlantic Market across five domains: Demand and Supply, Access, Quality, Facilities and Sustainability, and Mission. The results indicate that the VA Recommendation COA provides the most benefit (greatest Total Benefit Score) in comparison to the Status Quo and Modernization COAs.

Table 161 – Benefit Analysis Scores by COA

Key Benefit Domain	Status Quo	Modernization	VA Recommendation
Demand and Supply	1	2	2
Access	2	2	3
Quality	3	3	3
Facilities and Sustainability	2	2	2
Mission	2	2	3
Total Benefit Score	**10**	**11**	**13**

The scoring and rationale within each domain are described in the following sections. The data underlying the analysis is provided in Appendix B – VISN 08 Atlantic: Benefits Analysis Key Data. Additional information regarding the scoring methodology is provided in the CBA Methodology.

Demand and Supply

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

The table below shows the scores for VISN 08 Atlantic for this domain.

Table 162 – Demand and Supply Scoring Summary

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

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

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

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

Access

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

The table below shows the CBA access scores for VISN 08 Atlantic for this domain.

Table 163 – Access Scoring Summary

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

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

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

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

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

Quality

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

The table below shows the scores for VISN 08 Atlantic for this domain.

Table 164 – Quality Scoring Summary

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

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

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

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

Facilities and Sustainability

Within the Facilities and Sustainability domain, the CBA considers how each COA impacts the sustainability of Veteran care in the future. Each COA is assessed based on two benefit components: (1)

the useful life of the main patient care facilities; (2) changes that strengthen VA's ability to recruit and retain providers.

The table below shows the scores for VISN 08 Atlantic for this domain.

Table 165 – Facilities and Sustainability Scoring Summary

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

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

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

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

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

Mission

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

A COA's overall score in the Mission domain is determined by the rounded average (unweighted) of its component (e.g., Education, Research, Emergency Preparedness) scores. The table below shows the scores for VISN 08 Atlantic for this domain.

Table 166 – Mission Scoring Summary

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

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

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

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

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

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

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

Sensitivity Analysis

A sensitivity analyses study shows how various sources of uncertainty in a mathematical model contribute to the model's overall uncertainty. The market is considered sensitive to a scenario when the

VA Recommendation is no longer the leading COA due to changes in benefit scores, VA capital costs, VA operational costs, or non-VA operational costs.

The table below outlines the sensitivity analysis scenarios completed.

Table 167 – Sensitivity Analysis Scenarios

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

Sensitivity Analysis Results Summary

In the VISN 08 Atlantic Market, five scenarios changed the outcome of the CBA:

- Increasing the Modernization benefits score by two points
- Increasing the Status Quo benefits score by three points
- Increasing the VA Capital cost by 200%; Status Quo becomes the preferred COA
- Increasing the VA Capital cost by 250%; Status Quo becomes the preferred COA
- Increasing the VA Capital cost by 300%; Status Quo becomes the preferred COA

Sensitivity Analysis Full Results

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

Table 168 – Sensitivity Analyses – Benefit Score Increase

Status Quo and Modernization Benefit Score Change	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
+0	1.32	1.30	1.12	VA Recommendation
+1	1.20	1.19	1.12	VA Recommendation
+2	1.10	1.10	1.12	Modernization
+3	1.01	1.02	1.12	Status Quo

Table 169 – Sensitivity Analyses – VA Capital Cost Increase

VA Capital Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.32	1.30	1.12	VA Recommendation
50%	1.33	1.36	1.18	VA Recommendation
100%	1.34	1.42	1.25	VA Recommendation
150%	1.35	1.48	1.31	VA Recommendation
200%	1.36	1.54	1.37	Status Quo
250%	1.37	1.60	1.43	Status Quo
300%	1.38	1.66	1.50	Status Quo

Table 170 – Sensitivity Analyses – VA Operational Cost Increase

VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.32	1.30	1.12	VA Recommendation
50%	1.79	1.73	1.49	VA Recommendation
100%	2.27	2.17	1.86	VA Recommendation
150%	2.75	2.60	2.22	VA Recommendation
200%	3.23	3.03	2.59	VA Recommendation
250%	3.70	3.47	2.96	VA Recommendation
300%	4.18	3.90	3.33	VA Recommendation

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

Non-VA Operational Cost Increase %	Status Quo CBI	Modernization CBI	VA Recommendation CBI	Leader (lowest CBI)
0%	1.32	1.30	1.12	VA Recommendation
50%	1.49	1.45	1.25	VA Recommendation
100%	1.66	1.61	1.38	VA Recommendation
150%	1.83	1.76	1.51	VA Recommendation
200%	2.00	1.91	1.64	VA Recommendation
250%	2.17	2.07	1.77	VA Recommendation
300%	2.34	2.22	1.91	VA Recommendation

Appendix A – VISN 08 Atlantic: Capital and Operational Costs Detail

Table 172 – Capital Costs by COA

	Status Quo	Modernization	VA Recommendation
VAMC Ideal Square Footage	-	1,631,282	1,690,378
Build New GSF	-	456,794	500,569
Renovate In Place GSF	-	709,855	708,852
Matched Convert To GSF	-	304,755	305,758
Demolition GSF	-	-	-
Total Build New Cost	$0	($423,032,282)	($456,840,409)
Total Renovate In Place Cost	$0	($230,441,531)	($231,480,633)
Total Matched Convert To Cost	$0	($109,563,816)	($110,461,032)
Total Demolition Cost	$0	$0	$0
Total Lease Build-Out Cost	$0	($1,906,666)	($44,872,296)
Total New Lease Cost	$0	($8,402,736)	($197,502,921)
Total Existing Lease Cost	($7,004,245)	($7,004,230)	($7,004,245)
NRM Costs for Owned Facilities	($165,741,027)	($190,440,109)	($197,339,160)
FCA Correction Cost	($45,736,446)	N/A	N/A
Estimated Base Modernization Cost	($218,481,719)	($970,791,370)	($1,245,500,697)
Additional Common/Lobby Space Needed (GSF)	-	159,878	175,199
Cost of Additional Common/Lobby Space	$0	($116,337,543)	($127,486,280)
Additional Parking Cost	$0	($21,603,097)	($36,171,339)

	Status Quo	Modernization	VA Recommendation
Potential Land Acquisition Cost	$0	($82,439)	($70,660)
Seismic Correction Cost	$0	$0	$0
Non-Building FCA Correction Cost	($4,758,119)	($4,758,119)	($4,758,119)
Activation Costs	$0	($205,444,849)	($211,845,003)
Estimated Additional Costs for Modernization	($4,758,119)	($348,226,047)	($380,331,401)
Cost Adjustment: In-Progress Construction	N/A	N/A	$0
Cost Adjustment: In-Progress Lease	N/A	N/A	$0
Estimated Facilities Costs (PV)	($223,239,838)	($1,319,017,417)	($1,625,832,098)

Table 173 – Operational Costs by COA

	Status Quo	Modernization	VA Recommendation
VA Direct	($5,574,303,557)	($5,574,303,557)	($5,574,303,557)
Fixed Direct	($768,902,747)	($768,902,747)	($768,902,747)
VA Specific Direct	($137,509,417)	($137,509,417)	($137,509,417)
Indirect	($2,377,986,561)	($2,377,986,561)	($2,377,986,561)
VA Specific Indirect	($236,399,035)	($236,399,035)	($236,399,035)
Research and Education	($421,608)	($421,608)	($421,608)
VA Overhead	($455,754,237)	($455,754,237)	($455,754,237)
VA Care Operational Cost Total (PV)	($9,551,277,162)	($9,551,277,162)	($9,551,277,162)
CC Direct	($2,350,953,183)	($2,350,953,183)	($2,350,953,183)
Delivery and Operations	($98,264,210)	($98,264,210)	($98,264,210)

	Status Quo	Modernization	VA Recommendation
Care Coordination	($100,874,190)	($100,874,190)	($100,874,190)
CC Overhead	($122,806,639)	($122,806,639)	($122,806,639)
Admin PMPM	($724,311,596)	($724,311,596)	($724,311,596)
Non-VA Care Operational Cost Total (PV)	($3,397,209,818)	($3,397,209,818)	($3,397,209,818)
Estimated Operational Costs (PV)	($12,948,486,980)	($12,948,486,980)	($12,948,486,980)

Appendix B – VISN 08 Atlantic: Benefits Analysis Key Data

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

Demand and Supply

Inpatient

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

Service Line	100% of FY29 In-house Bed Need	120% of FY29 In-house Bed Need	Operating Beds	Supply Adequacy (within 100-120% of in-house demand)
IP CLC	78	94	120	Over Supplied
IP Med/Surg	67	80	104	Over Supplied
IP MH	21	25	25	Adequately Supplied

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

Source: Enrollee Healthcare Projection Model Base Year 2019

Outpatient

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

Physician Supply Adequacy	Count of Specialties	Percentage
Adequately Supplied	11	41%
Under Supplied	16	59%

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

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

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

Table 176 – New Facility Demand Guidelines

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

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

Access

Table 177 – Access Key Data Points for Scoring

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.7%	98.7%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.8%	98.8%	Maintained within 1%

COA	Measure	Current	Future	Result
Status Quo	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	95.9%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.1%	99.1%	Maintained within 1%
Status Quo	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Status Quo	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.7%	98.7%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.8%	98.8%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	95.9%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.1%	99.1%	Maintained within 1%
Modernization	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
Modernization	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

COA	Measure	Current	Future	Result
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Mental Health	98.7%	99.2%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of VA-provided OP Primary Care	98.8%	99.2%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of VA-provided OP Specialty Care	95.9%	99.4%	Increased 1% or more
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Mental Health	99.1%	99.5%	Maintained within 1%
VA Recommendation	% of enrollees within 30 minutes of HPIDN-provided OP Primary Care	99.9%	99.9%	Maintained within 1%
VA Recommendation	% of enrollees within 60 minutes of HPIDN-provided OP Specialty Care	100.0%	100.0%	Maintained within 1%

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

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

Quality

Main Patient Care Facility Construction Date

Table 178 – Quality Key Data Points for Scoring – Age

Facility	Main Patient Care Facility Construction Date	Built Pre-1970?
(V08) (548) West Palm Beach	1995	No

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

Inpatient Acute Demand

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

Facility	Service	Demand Guideline	Meets or Exceeds Guideline?	VA Recommendation
(V08) (548) West Palm Beach	IP Med	20 ADC	Yes	Maintain
(V08) (548) West Palm Beach	IP Surg	1,600 Cases	Yes	Maintain
(V08) (548) West Palm Beach	IP MH	8 ADC	Yes	Maintain

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

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

Facilities and Sustainability

Table 180 – Facilities and Sustainability Key Data Points for Scoring

Facility	Main Patient Care Facility Construction Date	Most Recent Main Patient Care Facility Renovation Date	Exceeds Useful Life?
(V08) (548) West Palm Beach	1995	N/A	No

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

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

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

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

Mission

Table 182 – Mission Key Data Points for Scoring

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

Facility	Training Impact	Research Impact	4th Mission Impact	Market Plan Includes New Facilities/Services To Increase Training/Research Opportunities
(V08) (548) West Palm Beach	No impact on training	No Research Program	No PRC Designation	Increases Research Opportunities, Increases Training Opportunities