

DRAFT - VISN 1 North Market Assessment (New Hampshire and Vermont)

Market Area Health Systems Optimization Work Group
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Team:

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Working Draft, Pre-Decisional, Deliberative Document for Discussion Purposes Only



**Veterans Health
Administration**

VISN 1 – North Market Site Visit Overview

- Traveled to Manchester & White River Junction November 14-15, 2017
- Conducted data review prior to travel
- VISN Planner, VISN CAM and CFM played critical roles in the visit

Organization	Interviews	Facility Walking Tours	Campus Drive Throughs
VISN	<ul style="list-style-type: none"> • Dr. Michael Mayo-Smith, Director • Dr. Lisa Lehmann, Acting Chief Medical Officer • Dr. Craig Coldwell, Deputy Chief Medical Officer • Barrett Franklin, Deputy Network Director • Tammy Krueger, Strategic Planner • Sandra Davidson, BIM 	N/A	N/A
Manchester VAMC	<ul style="list-style-type: none"> • Alfred Montoya, Acting Medical Center Director, • Kevin Forrest, Associate Director • Brett Rusch, MD Acting Chief of Staff • Paul Zimmerman, DDA Acting Deputy Chief of Staff • Jennifer Winslow, Acting Nurse Exec • Wilfred Gagne, Facility Planner • Corey Wilson, Acting Chief Community Care • Charlene Eaton, Community Care • Bobby Edwards, for Steven Anderson, Group Practice Manager 	<ul style="list-style-type: none"> • Manchester VAMC, Manchester, NH with Chief, Engineer (Stumb) 	<ul style="list-style-type: none"> • Catholic Medical Center • Elliott Medical Center • Concord Medical Center
White River Junction VAMC	<ul style="list-style-type: none"> • Matthew Mulcahy, Acting Medical Center Director • Becky Rhodes, Acting Associate Director/Facility Planner • Brett Rusch, MD Chief of Staff • Laura Miraldi, Nurse Executive • Carol Hitchcock, Group Practice Manager • Lindsay Morse, Chief, Community Care 	<ul style="list-style-type: none"> • White River Junction VAMC, White River Junction, VT with Chief, Engineer (Nolin) 	

Key Themes Identified from the VISN 1 North Market Site Visits

Overarching Themes

- Significant decline of Veteran population with a stable number of enrollees across the region over the next 10 years, however, the enrollment is projected to decline by 13% in 20 years
- No significant DoD partners in the area
- Buyer's market for acute care; leaders perceive that care across the market has additional capacity for acute care. Some specialty care is scarce because of the rurality of the market
- Political landscape suggests strong support for VA mission and area Veterans
- Academic affiliations facilitate potential opportunity for provider recruitment at White River Junction; White River Junction leadership's desire would be to expand that affiliation agreement to Manchester. Manchester has no current academic affiliation.
- Facility Infrastructure in poor condition in the North market and throughout the VISN.
- There is currently minimal coordination between Manchester and White River Junction.

Demographics and Demand

- Across the North market, enrollee population is expected to remain stable over the next ten years. Leadership at both sites confirmed expectations for user growth.
- The market is largely rural (64% live in areas designated as rural), including large expanses of low-density population areas across the northern part of the market where Critical Access Hospitals (CAH) and FQHCs are located. The VISN is currently using FQHCs to serve a portion of their enrollees in the North.
- V01 North Enrollees are generally older and in a lower priority category than the national average
- Potential unknown demand scenario exists for Veterans covered under 20 mile CHOICE eligibility rule returning to VA for care

* CAHs are CMS-designated rural hospitals with 25 acute care beds or less and located more than 35 miles from another hospital

Key Themes Identified from the VISN 1 North Market Site Visits, continued

Supply

- While primary care supply for VA appears to be adequate, there was reference to limited supply of physicians in key specialties
- Strong non-VA specialty care capabilities exist in both Manchester and White River Junction, though the inability to meet the volume of Choice authorizations was reported at both facilities
- Lack of access through CHOICE due to delayed payments from TPAs
- Salary caps present major challenges in provider recruitment and retention, particularly among specialists in Manchester. The WRJ affiliation is a good source of provider recruitment.
- VAMCs have made important progress in telehealth but additional opportunities exist
- The market has successfully improved access to Community Care through over 745 provider agreements.
- New Hampshire Veterans fall under the 20 mile eligibility rule for CHOICE

Access / Satisfaction Quality / Cost

- Patient satisfaction was generally noted to be satisfactory across the market
- Acute inpatient services at White River Junction are essential to the success of the Dartmouth affiliation and the future of the medical center. Leadership is exploring options to expand affiliation/partnership to Manchester.
- The hospital facilities are significantly dated despite prior and ongoing renovation projects
- Inpatient and Outpatient Quality scores are below the national benchmarks

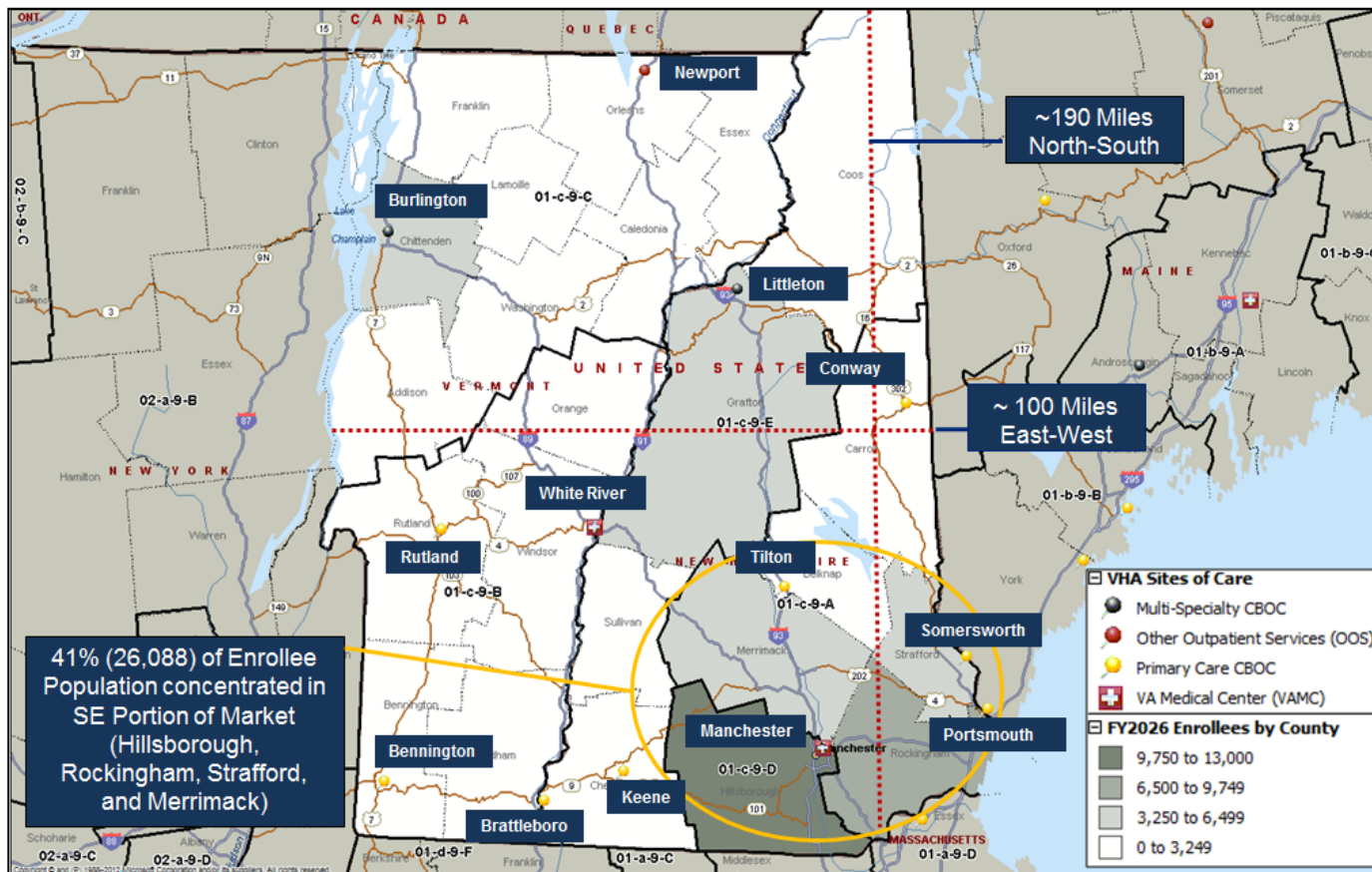
Guiding Principles for the Market Area Health System Optimization

Market Assessments

- 1) Market Area Health System Optimization will help VA to better meet the needs of Veterans in terms of **access, quality and satisfaction**. All recommendations will retain or improve what veterans need in each of these dimensions.
- 2) Apply **industry standards** for performance, quality, patient satisfaction, and health outcomes.
- 3) Invest **limited capital resources** in world-class facilities for foundational and locally-determined special emphasis services.
- 4) **VA Foundational Services** should primarily be delivered by VA
- 5) Optimize care for Veterans in each market using a mix of **VA care first**, supplemented by **DoD, Academic Affiliates, FQHCs and Community providers**.
- 6) Provide **timely access** near veterans. If that isn't possible within VA make arrangements for alternatives - "Hospital-in-a-Hospital" (HiH) ventures with DoD, Academic Affiliates or community hospitals.
- 7) For those Veterans needing **long term care services and supports**, give as many as possible the chance to receive that care **in home and community based settings** over institutions
- 8) Plan to **leverage or partner** rather than build where possible.
- 9) Assume we will have the **same level of VHA appropriation**, with only a minimal annual increase. **Work within our means**.
- 10) The process of the Market Assessment Optimization Initiative will be **VISN led-** to ensure full local participation in the process and full support of the resulting recommendations.

VISN 1 North Market Overview

Projected FY2026 Enrollment



Source: BY16 VetPop and Enrollment

Key Market Statistics

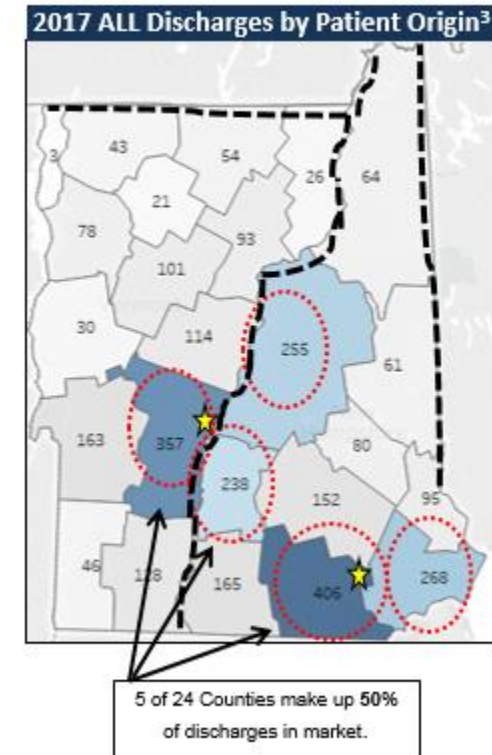
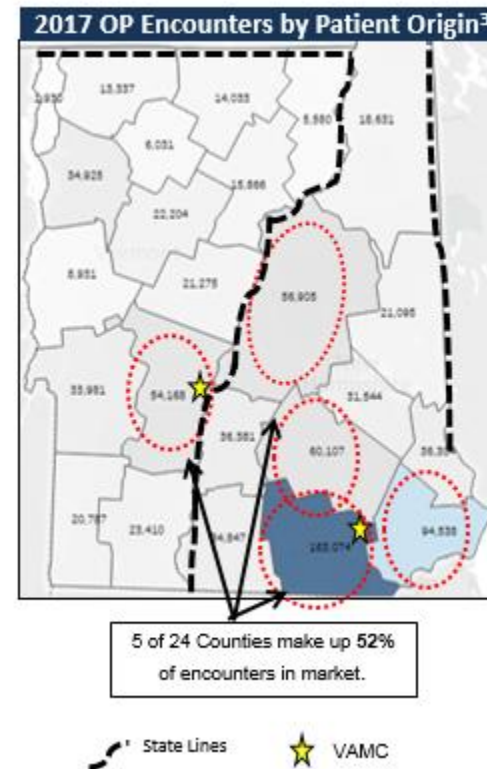
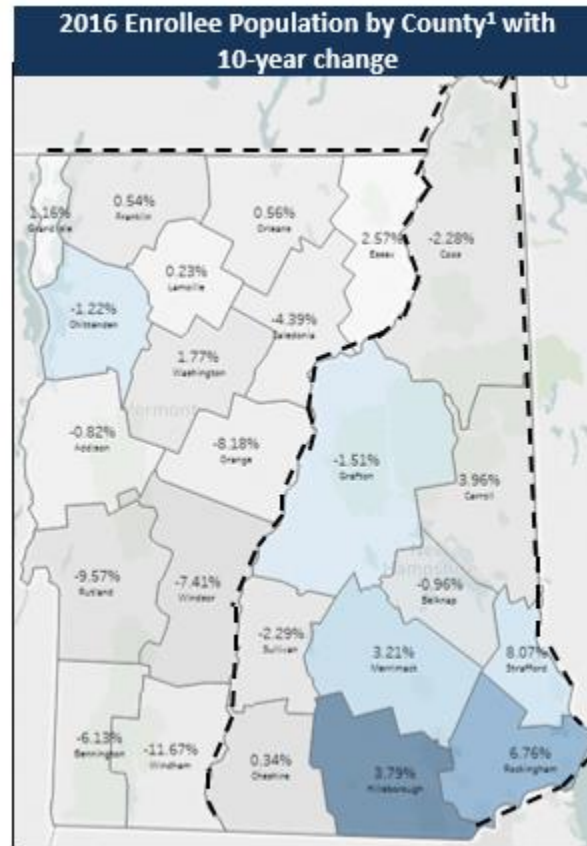
- Total 2016 Enrollee Population: 62,881
 - ✓ Top Counties: Hillsborough, Rockingham, Merrimack & Strafford: 41%
 - ✓ 60th of 96 markets¹
- 2016 Total Veteran Population: 149,105
- 2016 VA Users: 45,868
 - ✓ 42nd of 96 markets¹
- Estimated 10 year VA Veteran Population Change²: -23%
- Estimated 10 year Enrollee Growth³: 1%
- VA facilities:
 - ✓ Manchester VA Medical Center
 - ✓ White River Junction VA Medical Center
 - ✓ Eleven other points of care

Key Takeaways

- The market encompasses 24 New Hampshire and Vermont counties and is not heavily populated however a large portion of enrollees live in the southern portion of the market in counties such as Hillsborough, NH (19%), Rockingham, NH (14%), Merrimack, NH (7%) and Strafford, NH (6%) in FY16.
- V01 North Enrollees are generally older and lower priority than the national average
- There is a significant decline in eligible Veterans and enrollees within the VISN and V01 North Market in the 10 year horizon

VISN 1 North Market – Where is demand expected to be over next 10 years?

Veteran demand for care at VA sites is tied heavily to population centers as demand growth is expected to follow future Veteran enrollee population around the south eastern portion of the market (near Manchester VAMC).



North Market VA Facility Workload/Trends – Inpatient Services

Inpatient Occupancy by Campus¹

Bed Type		Operating Beds	FY 16 ADC	FY 17 ADC
Manchester VAMC	Community Living Center (CLC)	112*	21.8	39.4
	Subtotal	112	21.8	39.4
White River Junction VAMC	Internal Medicine	34	25.9	21.3
	Surgical	9	4.3	4.9
	Total Med/Surg	43	30.2	26.2
	Psychiatry	12	7.3	8.6
	Domiciliary	14	10.8	11.3
	Subtotal	69	48.3	46.1
Grand Total		181	70.1	85.5

Notes:

ADC = Average Daily Census

Med/Surg represents the aggregate of internal medicine and surgical volumes. ADC utilized the data from the PTF Cube, the data differs slightly from the CDW

*CLC Bed Discrepancy Note – The Bed Control System shows 112 official Authorized and Operating CLC beds, however, Manchester only has 41 beds, of which 6 are Palliative Care

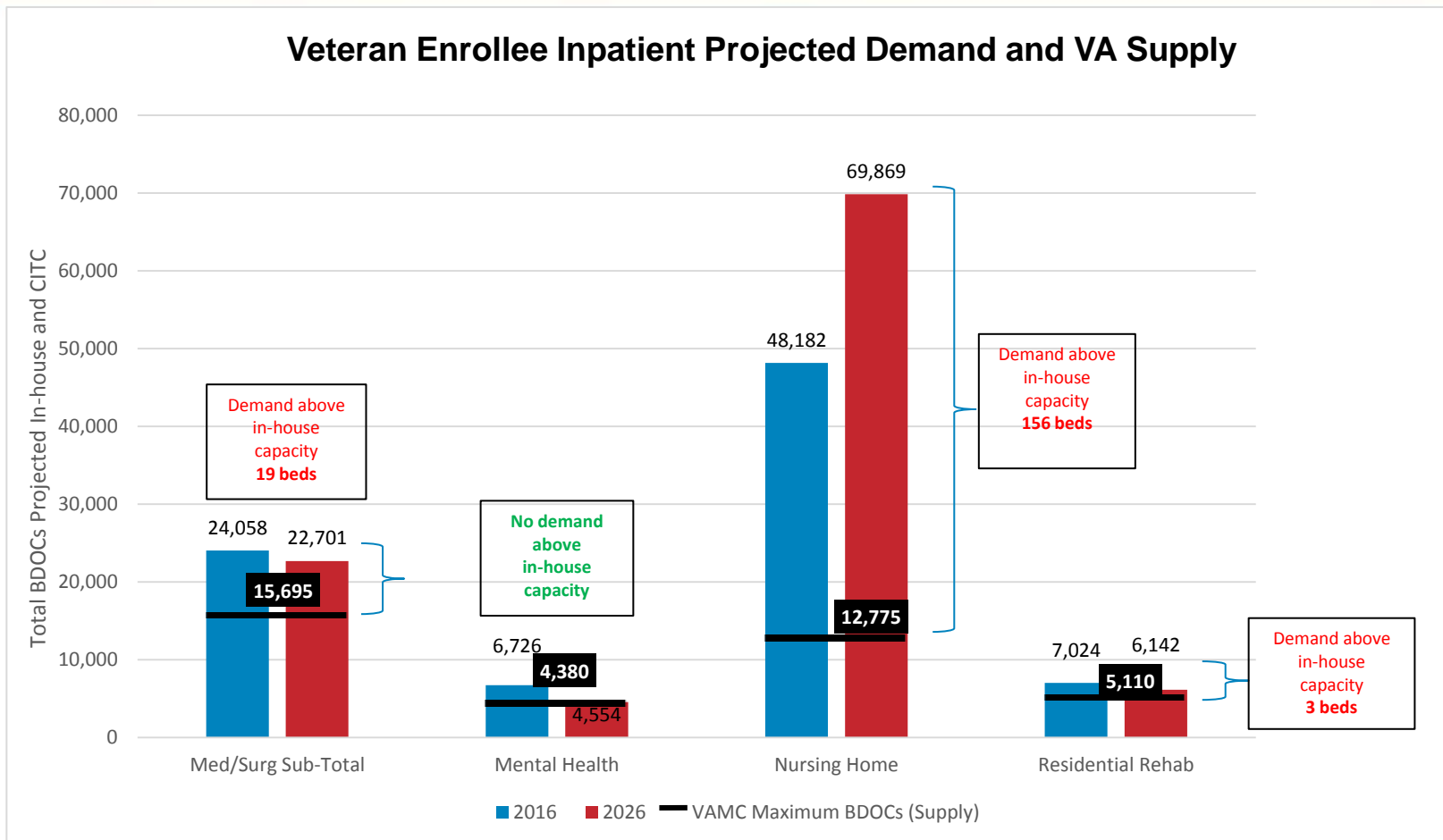
Sources: 1. Beds from PTF Cube

Key Takeaways

- *White River Junction and Manchester’s existing service compliment each other well for a full service health care system*
- *Inpatient Veteran Demand: Based on the EHCPM, there is an expected decrease in Veteran inpatient demand, with an exception for long term support services.*
- *V01 North Market provides services to Veterans outside of their market boundaries. Particularly noticeable from the lower portion of York County, ME and some portions of Northern MA.*
- *Acute inpatient services at White River Junction are essential to the success of the Dartmouth affiliation and the future of the medical center.*

*Industry target inpatient utilization ranges typically between 75-85%, depending on the service

VISN 1 North Market - Comparing Total Market Veteran Demand vs. VA Medical Center Supply – Inpatient Services



VA does **not** currently have in-house capacity to absorb the full future Veteran enrollee market demand for Med/Surg, Nursing Home, and Rehab Services, and there appears to be available beds in the market (AHA, 2015 Ed.)

VISN 1 North Market Facility Workloads/Trends – All Outpatient Services

Outpatient Utilization by Campus¹

Manchester Area Outpatient Encounters			
Facility	FY 16	FY 17	% Change
Manchester VAMC	349,588	340,845	-3%
Portsmouth CBOC	6,787	5,875	-13%
Somersworth CBOC	8,717	9,430	8%
Conway CBOC	4,109	3,811	-7%
Tilton CBOC	7,595	7,936	4%
Total	376,796	367,897	-11%

White River Junction Area Outpatient Encounters			
Facility	FY 16	FY 17	% Change
White River Junction VAMC	360,414	354,114	-2%
Bennington VA Clinic	14,330	14,206	-1%
Brattleboro VA Clinic	8,009	8,493	6%
Burlington VA Clinic	36,080	38,164	6%
Littleton VA Clinic *	14,209	13,934	-2%
Keene VA Clinic	5,198	4,877	-6%
Rutland VA Clinic	10,871	10,729	-1%
Newport VA Clinic		1,783	N/A
Total	449,111	446,300	1%

Sources: 1. VSSC Outpatient Encounters Cube 2. Connected Care Report 3. Percent of Population
 * Per WRJ leadership on 03/19/18, Littleton FY17 encounters updated to adjust for inappropriate workload mapping.

FY17 Telehealth Utilization²

Telehealth Utilization ³	Manchester	WRJ	National
Telehealth Use	5.48%	10.64%	12.24%
Home Telehealth	2.64%	1.83%	2.45%
Clinical Video Telehealth	1.95%	8.91%	5.66%
Store and Forward Telehealth	1.26%	0.44%	5.15%
eConsult	4.04%	9.48%	8.03%
Scan Echo	0	0	0.03%

Note: Telehealth utilization is based on percentage of unique patients leveraging telehealth-related tools/technology

Key Takeaways

- *Outpatient Veteran Demand: Based on the EHCPM, substantial increase in Veteran outpatient RVU demand is expected across all outpatient service types.*
- *Opportunities may exist for Patients to be seen for Primary Care at Newport in Northern Portion of the Market.*
- *40% of the market's mental health encounters are originating from the southeastern portion of the market.*
 - *Manchester VAMC is the chosen facility for patients in 5 counties.*
 - *White River Junction is the chosen facility for patients in 11 counties*
- *While there is VA-provided coverage for primary care outpatient services, there are gaps in very rural areas; Critical Access Hospitals and telehealth may help bridge access gaps*
- *The majority of all Veteran Primary Care services in 2017 appear to have been provided by VA*
- *Productivity based on panel fullness suggests that VA should be able absorb some outpatient growth*

VISN 1 North Market Utilization Demand Projections

Inpatient Care (Bed Days of Care)

Health Systems Planning Group	FY2016	FY2026	% Change
Acute Inpatient Medicine	17,000	16,477	-3%
Acute Inpatient Mental Health	6,726	4,554	-32%
Acute Inpatient Surgery	7,058	6,224	-12%
Inpatient Blind Rehab	278	395	42%
Inpatient LTSS	48,182	69,869	45%
Inpatient Residential Rehab	7,024	6,142	-13%
Inpatient Spinal Cord Injury	599	614	3%

Outpatient Care (RVUs)*

Health Systems Planning Group	FY2016	FY2026	% Change
Amb Dental Clinic	887,674	1,221,195	38%
Amb LTSS Home and Community Based	20,114	26,440	31%
Amb Medical Specialties	188,197	296,530	58%
Amb Mental Health Programs	220,485	334,881	52%
Amb Pathology	11,472	17,060	49%
Amb Primary Care	157,405	230,109	46%
Amb Radiology	43,968	70,743	61%
Amb Rehab Therapies	2,848,719	4,790,361	68%
Amb Surgical Specialties	98,640	170,017	72%

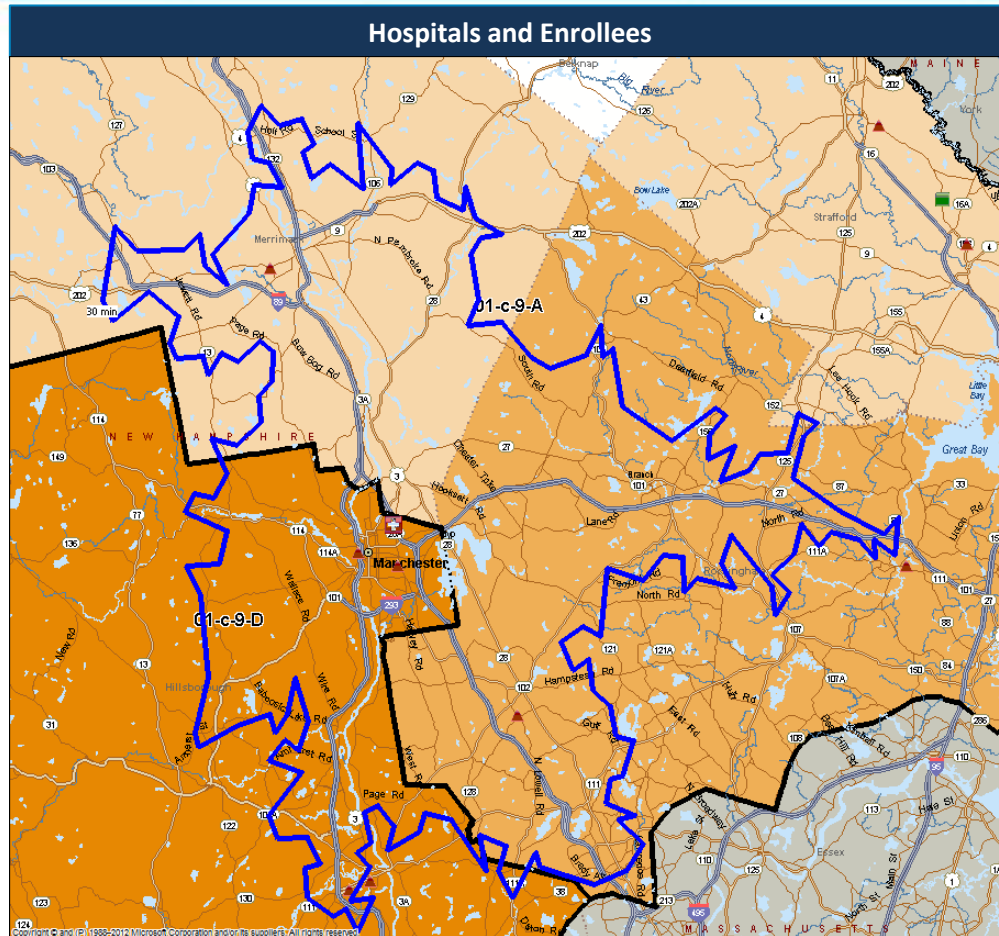
* The absolute values for outpatient RVUs will be modified based upon recent allocation discoveries. However, the directional trends are expected to stay relatively constant. Updated projections are expected to be produced in FY19Q1.

Patient Satisfaction – 2016 Survey of Enrollees

Category	Sub-Category	National	V01 North
Insurance <i>(Reliance)</i>	Have Private Insurance Plan	28.3%	35.1%
	Uninsured	20.0%	16.0%
	Planned Use of VA as Primary Source of Care	41.0%	43.4%
Satisfaction <i>(Best Care Anywhere)</i>	Appointments are Always Easy to Get with VA	42.3%	52.6%
	Satisfied with Respect given by Health Care Professionals	69.6%	75.7%
	Satisfied with the Ability to get referrals	46.8%	60.2%
Access <i>(Choose VA)</i>	Believes Care in the Community Quality is Better than VA	46.1%	37.7%
	Believes Care in the Community is easier to get to than VA	69.1%	70.6%
Internet Use <i>(Telehealth Potential)</i>	Internet Use to look at Health Care (Answered Yes)	75.2%	77.3%
	Used internet to make medical appointments	31.6%	36.1%

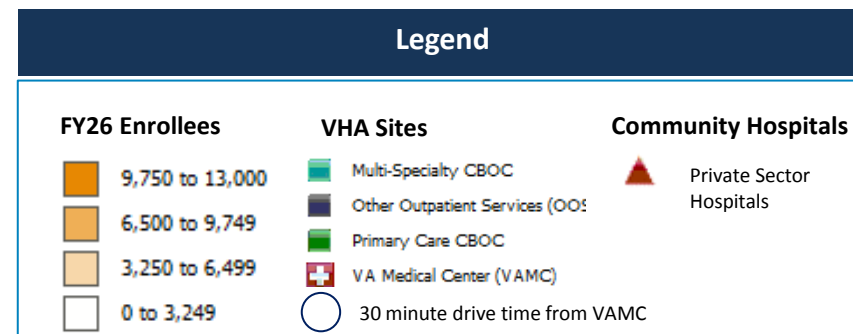
Source: 2016 Survey of Enrollees

Comparing Veteran Demand vs. Community Hospital Capacity w/in 30 Minutes of Manchester VAMC



Hospital	Beds	BDOC	ADC	Available
Saint Joseph Hospital	208	21,123	57.9	128
Parkland Medical Center	82	10,468	28.7	45
Concord Hospital	206	57,689	158.1	41
Catholic Medical Center	251	53,418	146.4	89
Elliot Hospital	236	52,709	144.4	78
Total				381

Note: Available beds column assumes community provider will operate at a maximum of 85% occupancy rate.



Key Takeaways

- Excess capacity in the community far exceeds future Veteran demand
- VA currently has successful relationships with three of the cited hospitals that could be extended to provide a broader scope of inpatient and outpatient services
- Local leadership has high interest in developing Hospital in a Hospital arrangement
- Use of community hospitals would allow for Veterans to receive treatment closer to their homes without transfer
- By using community hospitals, limited space at the Manchester VAMC could be used for Foundational Services

Existing Outpatient Sites of Care: Opportunities for Future Planning

Station Number	Station Name	FY16 Classification	Potential Opportunity
405	White River Junction VA Medical Center		
405GA	Bennington VA Clinic	Primary Care CBOC	Maintain Current Operations – Re-evaluate at lease term
405GC	Brattleboro VA Clinic	Primary Care CBOC	Expand services by combining with Keene in a more centralized location, possibly Windham county
405HA	Burlington Lakeside VA Clinic	Multi-Specialty CBOC	Maintain Current Operations – Re-evaluate at lease term
405HC	Littleton VA Clinic	Multi-Specialty CBOC	Maintain Current Operations – Re-evaluate at lease term
405HE	Keene VA Clinic	Primary Care CBOC	Expand services by combining with Brattleboro in a more centralized location, possibly Windham county
405HF	Rutland VA Clinic	Primary Care CBOC	Maintain Current Operations – Re-evaluate at lease term
405QB	Newport VA Clinic	Other Outpatient Services (OOS)	Increase Mental Health Services to meet demand and gain Primary Care CBOC classification
608	Manchester VA Medical Center		
608GA	Portsmouth VA Clinic	Primary Care CBOC	Continue at existing site until Somersworth lease is up. Begin planning to expand services by combining with Somersworth (Dover) Convert to Multi-Specialty now.
608GC	Somersworth VA Clinic	Primary Care CBOC	Expand services by combining with Portsmouth (Dover) converting to Multi-Specialty CBOC ASAP with new lease since lease has expired
608GD	Conway VA Clinic	Primary Care CBOC	Consider option of using FQHC in area instead of CBOC
608HA	Tilton VA Clinic	Primary Care CBOC	Consider option of using FQHC in area instead of CBOC

Potential Opportunities for Consideration – Manchester

The following are preliminary opportunities identified that can be further explored and vetted by the VISN for viability and sustainment.

Potential Opportunities

Initial Rationale

Non-Capital

Accelerate Telehealth Program	<ul style="list-style-type: none"> • Telehealth utilization is below national average
Initiate HBPC in all CBOCs	<ul style="list-style-type: none"> • Additional HBPC Programs in all CBOCs will offer access beyond the outlying clinics – increasing overall access to care • Increasing Caregiver Support LTSS programs will make it possible to postpone institutionalizing Veterans and ultimately reduce the number of required LTSS beds
Leverage Dental Care capabilities in the Community	<ul style="list-style-type: none"> • Dental Care is widely available in the Community and space is needed in the medical center for Foundational Services
Consider options for Urgent Care Center	<ul style="list-style-type: none"> • Current Urgent Care Center operates 24/7 with minimal utilization after Midnight – resources expended outweigh services provided

Programmatic/ Service Line

Leverage community Outpatient Surgical Capacity	<ul style="list-style-type: none"> • Community has underutilized Outpatient Centers that could be used for Outpatient Surgery instead of building/renovating on the VAMC campus • Community has underutilized space that could be used for Outpatient Surgery instead of building/renovating on the VAMC campus • Existing Agreement should be extended to provide OP Endo Surgery • Vacated space can be used for Foundational Services
Continue Acute Care in the Community – Hospital in a Hospital (Hospitalist Team Concept)	<ul style="list-style-type: none"> • Existing staff could create a Hospitalist Team that could round on patients in the community and create Hospital in a Hospital concept
Leverage Specialty Care Capacity in the Community	<ul style="list-style-type: none"> • Lack of in-house specialists or 1-deep specialists and availability in the community allow for continuity and sustainment of services

Potential Opportunities for Consideration – Manchester, cont’d

The following are preliminary opportunities identified that can be further explored and vetted by the VISN for viability and sustainment

Potential Opportunities

Initial Rationale

Address increase in demand for Inpatient LTSS care	<ul style="list-style-type: none"> • Long Term Services and Supports projections show a significant deficit in beds. Community resources are scarce and the population base in Manchester could support additional beds for the future • Develop programs for Veterans to “Choose Home” to postpone institutionalization and ultimately reducing the number of required LTSS beds
Address increase in demand for Mental Health (Acute Inpatient Psych and Residential Rehabilitation - PTSD or SMI)	<ul style="list-style-type: none"> • If appropriate resources/staff can be found the opportunity exists to meet the demand for this services at Manchester • Hospitalist Team (Acute Care) could round for these services • Investigate ability of private facilities’ willingness to provide inpatient mental health services space
Expand Primary Care and Mental Health Footprint	<ul style="list-style-type: none"> • Space gained from moving Specialty Care and Outpatient Surgery to the Community will open up space within the medical center for expanding Foundational Service footprint
Expand services by combining Somersworth & Portsmouth CBOCs	<ul style="list-style-type: none"> • The current proximity of the clinics is too close together (15 miles). Combining the sites into a centralized location will allow for economies of scale as well increase services by offering additional specialty care
Reconsider Operating Room, Sterile Supply & Post Anesthesia Unit Project	<ul style="list-style-type: none"> • Capacity exists in the community • Infrastructure will not adequately support renovation and capacity exists in the community • Vacated space can be used for Foundational Services

**Facilities/
Project**

Potential Opportunities for Consideration – White River Junction services available for Manchester area Veterans

The following are preliminary opportunities identified that can be further explored and vetted by the VISN for viability and sustainment

**Programmatic/
Service Line**

<u>Potential Opportunities</u>	<u>Initial Rationale</u>
Address increase in demand for LTSS Care.	<ul style="list-style-type: none"> • Long Term Services and Supports projections show a significant deficit in beds. Community resources are scarce and the population base in Manchester could support additional beds for the future
Pursue Wellness Center Concept for Outpatient Pain Management Center	<ul style="list-style-type: none"> • With the opioid epidemic at its highest level in this area, alternatives for opioid prescribing should be explored and are in line with VHA strategic direction
Coordinate services between Manchester and White River Junction	<ul style="list-style-type: none"> • Complementary Services between the two sites to provide a high performing network for the entire market