

services. The changes described will occur over an extended period. In particular, the complexity of realigning clinical services and campuses necessitate careful planning in order to ensure a seamless transition in services. The Draft National CARES Plan contains the capital requirements to enhance the current infrastructure so that VA health care services are delivered in a modern functional health care environment. CARES is another step in the dynamic improvement process that characterizes the VA health care system. The CARES process follows the many improvements achieved in the processes and outcomes by the VA.

Quality is an essential component in any assessment. A recent judgment presented in an authoritative medical journal provided a definitive indication of how VA care compares with the medical community at large. Simply stated, VA care was found to be significantly better than care provided in the fee-for-service program paid for through Medicare. This conclusion was reported in a study published in the *New England Journal of Medicine*, which compared VA care with the Medicare fee-for-service program on 11 similar quality indicators for the period from 1997 to 1999. VA scores were better in all 11 categories. The study noted that VA outperformed Medicare again in 2000, this time on 12 of 13 indicators.⁶ Calling the study's findings "robust," a *Journal* editorial confirmed, "VA care appears to be better."^{6a}

Along the way to achieving high scores in quality, the VA established a position of health care industry leadership in patient safety and electronic medical records. In 2002, for example, two VA facilities received the first John M. Eisenberg Patient Safety Awards, sponsored by the National Quality Forum and the Joint Commission on Accreditation of Healthcare Organizations.^{6b} And VA's electronic medical record system and Bar Code Medication Administration (BCMA) program have been widely recognized as groundbreaking tools for improving health care quality and patient safety. The BCMA program won the 2002 Pinnacle Award, a top honor presented by the American Pharmaceutical Association Foundation.

Today, numerous other innovative management practices sustain the pace of VA clinical improvements, including:

- Preventive measures such as pneumococcal vaccinations and diabetic foot examinations, which demonstrably reduced the incidence of illness and infection in VA's patient population.
- A morbidity and mortality monitoring system, which ensures that quality improvement in VA surgical programs is ongoing.
- Telemedicine initiatives, which not only bring diagnostic support and specialist consultation to remote delivery sites, but allow monitoring of patients in their own homes, in a new "Telehealth care" program.

All of these actions were stimulated and supported through a continuous improvement philosophy instilled throughout the organization, based on the principles of the Malcolm Baldrige National Quality Award.

The most significant element of VA's management re-invention—one which directly facilitated and accelerated positive change in the system—was the creation of decentralized health care delivery systems called Veterans Integrated Service Networks (VISNs). Networks implemented challenging system alterations, such as dramatic reductions in inpatient hospital beds, closures of redundant campuses, and consolidation of services. Under VISN management, the transformed VA system achieved extensive improvements in access and enrolled millions of new veterans (a measure of success which, nonetheless, has put new strains on VA's capital assets). These changes must be incorporated into CARES planning as well as future challenges to be anticipated in the planning for capital assets.

Clearly, the systematic assessment and improvement of quality that has characterized the VA health care system since the early 1990's has produced dramatic results. VHA's determination to emulate this success in the systematic planning for capital assets had an excellent starting place in the CARES process.

The timing for improved capital asset planning is right. The forecasted decrease in the veteran population, though offset in part by increasing numbers of enrollees and aging of the veteran population, is raising questions regarding the size and distribution of VA facilities and outpatient services. VHA planners and leaders must assure that facilities are in the right place and have the physical plant necessary to provide quality care to the aging veteran population. The CARES planning process and the National CARES Plan

will prepare VHA to meet that challenge of the provision of veterans' health care in the 21st century.

What Did CARES Assess?

CARES focused on capital requirements at a macro level by using projections of beds and outpatient visits by broad categories such as inpatient medicine, surgery and psychiatry, and outpatient primary care, mental health and specialty care. CARES did not develop plans at the diagnostic or service line level (cardiovascular disease, diabetes, etc.) These lower level plans will be considered as part of VHA's revised strategic planning process.

The CARES process systematically assessed the critical components that determine the future need for capital and services. CARES comprised the first detailed system-wide assessment and integration of the following elements:

- *Physical Plant*—CARES developed and used assessments of the current condition and functionality of all space that provides and supports the delivery of health care services. A comprehensive evaluation and database were developed to determine the amount of space that did not meet current standards and that should be improved.

- *Enrollment*—CARES utilized enrollment forecasts by priority group, based upon the Secretary's enrollment decisions and Presidential budget requests.

- *Utilization*—CARES developed the expected utilization of enrollees for bed days of care and outpatient visits for all priority groups by age and gender, and the specific needs of the SCI and Blind Rehabilitation Program.

- *Management of Utilization*—CARES prompted VISN decisions on managing utilization changes from a range of alternatives, such as new construction, renovations, leases, contracts and other mechanisms.

- *Vacant Space*—CARES brought about the evaluation of all vacant space, including determination of potential use in meeting future expected utilization, and all possible disposition alternatives including lease, building demolition, and other divestiture measures.

- *Realignments*—CARES facilitated a systematic assessment of the potential for realignment of services and campuses. The capital costs and savings of these realignments are not yet fully integrated into the National CARES Plan because their complexity requires more detailed analysis (in the event they are approved.)

- *Access*—CARES determined driving times to primary outpatient and acute

⁶ NEJM, *Effect of the Transformation of the Veterans Affairs Health Care System on the Quality of Care*, Ashish Jha, Vol. 348:2218–2227, May 29, 2003.

^{6a} NEJM, *Editorial: The Right Care*, Stephen Jencks, M.D., Vol. 348:2218–2227, May 29, 2003.

^{6b} Modern Healthcare, *The Week in Healthcare, VA Captures Two Awards, Eisenbergs Reward Patient Safety*, Sept. 16, 2002.