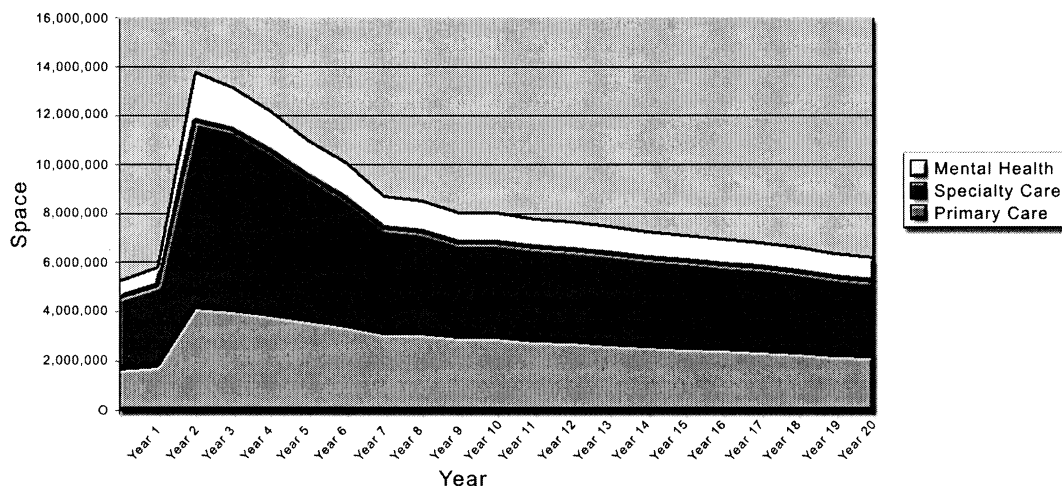


### Amount of Outpatient Care Contracted



#### Managing Space

Planning guidance encouraged the VISNs to select the most viable options for meeting space needs as projected by in-house workload demands. For managing space, this was accomplished by selecting one of the following options: new construction, leased space, conversion of vacant space, enhanced use and donated space or a combination of options. Existing space could be renovated to improve quality or functionality, but renovation alone could not expand the space.

Cost estimates for construction, renovation, demolition and lease were provided by VHA's Office of Facilities Management Professional Estimators. These regionally adjusted construction and lease costs were based on the condition and type of space to be renovated, the type of space to be constructed, the type of new construction or the type of space to be leased.

VISNS considered how they would meet the space needs associated with their planning initiatives, increasing workload and environment of care concerns. Market Plan solutions included acquisition of additional space, and improvement of existing space, through new construction, leasing, renovation, and enhanced use development.

Chapter 11 describes in detail the cost-effective solutions VISN developed to manage projected space needs.

#### Non-Recurring Costs to Manage Space

Based on the preferred space solutions selected by the VISNs for meeting in-house workload demand, Table 18.2 reflects a potential capital

cost for the non-flatlined, clinical CARES Categories. These costs include new construction, renovation and build out costs for leases. This does not include recurring costs for leases.

**TABLE 18.2.—TOTAL CAPITAL COSTS BY CLINICAL CARES CATEGORIES THROUGH 2012 IN CURRENT DOLLARS**

CARES category	Capital costs in current \$
Medicine .....	222,693,711
Ancillary/Diagnostic ....	678,354,996
Mental Health .....	264,906,059
Specialty Care .....	1,253,538,192
Primary Care .....	460,512,706
Psychiatry .....	221,496,568
Surgery .....	75,776,725
<b>Total .....</b>	<b>3,177,278,957</b>

**Note:** Costs in Table 18.2 include only the seven core clinical CARES categories, and therefore are a sub-set of the total capital estimates in Table 1.1.

VISN's tended to use lease space to accommodate in-house workload during periods of peak demand and new construction and conversion of space for sustained increases as shown in the chart below.

**TABLE 18.3.—LEASED SPACE THROUGH 2012**

CARES category	Leased space in square feet
Medicine .....	177,381
Ancillary/Diagnostic ....	1,437,653
Mental Health .....	855,596
Specialty Care .....	3,606,576

**TABLE 18.3.—LEASED SPACE THROUGH 2012—Continued**

CARES category	Leased space in square feet
Primary Care .....	2,536,801
Psychiatry .....	97,740
Surgery .....	25,300
<b>National totals .....</b>	<b>8,737,047</b>

#### Vacant/Underutilized Space Savings

Implementation of the VISN CARES Market Plans would reduce the amount of vacant/underutilized space by 42 percent, from 8,571,605 square feet in FY 2001 to 4,934,002 square feet in FY 2022. Vacant space totals do not include space that is out-leased to third parties.

**TABLE 18.4.—REDUCTIONS IN VACANT/UNDERUTILIZED SPACE IN SQUARE FEET**

	FY 2001	FY 2022
Total Space	93,949,947	118,156,557
Vacant Space ....	8,571,605	4,934,002
% Vacant ..	9	4

Recurring cost associated with remaining vacant/underutilized space is estimated at \$167,553 daily.<sup>65</sup>

Savings associated with the reduction in vacant space are shown below. The reduction in vacant space described in Table 18.5 represents a minimum reduction since it does not include reductions in vacant space that will occur due to realignments of campuses and reuse of the campus through enhanced use leasing.