

VA to reorganize hospital system

By William M. Welch, USA TODAY

WASHINGTON — Three veterans hospitals will be closed, others will be scaled back, and new ones will be built in Orlando, in Las Vegas and outside Denver in the biggest reorganization of the veterans health system ever.

The consolidation, prompted by population shifts and the cost of maintaining aging, underused hospitals, will require \$1 billion a year in new spending for the next seven years. The Department of Veterans Affairs hopes to recoup an undetermined amount by leasing or selling property and direct that money to veterans' care.

Veterans Affairs Secretary Anthony Principi will announce the decisions in Las Vegas Friday. He intends to close VA hospitals in Brecksville, Ohio, outside Cleveland; Gulfport, Miss.; and one of three VA hospitals in Pittsburgh.

Besides building three new hospitals in the South and West, the agency plans to open 156 new outpatient clinics in 33 states. They will focus largely on underserved rural areas.

Among other changes:

- Eight VA hospitals will be partially closed. In most cases, inpatient care will move to larger hospitals, leaving an outpatient clinic or long-term-care beds.
- New spinal-cord-injury centers will open in Syracuse, N.Y.; Denver; Minneapolis and a fourth location.
- Several additions and improvements, some costing more than \$100 million each, are planned. In Pittsburgh, the two remaining hospitals will get extensive improvements. New bed towers will be built at existing VA hospitals in Tampa and San Juan, Puerto Rico. Rehabilitation centers for the blind will be developed in Biloxi, Miss., and Long Beach, Calif.

The decisions are part of a sweeping reassessment of the Department of Veterans Affairs health care system, which serves more than 7 million veterans and faces increased demand for services. They are the final step of a nearly 5-year-long review process, triggered by a 1999 General Accounting Office report. It found that the VA wastes as much as \$1 million a day maintaining vacant, underused and obsolete properties.

The VA system operates 162 hospitals and nearly 800 outpatient clinics. It has become a world leader in the use of technology in health care. But many of its hospitals are on expansive campuses, some former military bases dating to the Civil War. In his report, Principi said the VA is saddled with "a legacy infrastructure, most of which was designed and built to provide medical care as it was practiced in the middle of the 20th century, or in some cases, as it was practiced before World War I."

Principi's decisions, approved by President Bush, will take effect unless Congress blocks them within 60 days. Congress' support will still be needed to fund most of the future projects.

The decisions reflect big demographic shifts. Veterans are aging and moving to the South and West; that has left the VA with vacant beds in the North and huge demand for care in the Sunbelt. Confronted with spiraling costs for private health insurance and prescription drugs, increasing numbers of veterans are turning to the VA for free or low-cost care and medicines.

Principi accepted most recommendations made in February by a 16-member commission. He ordered further studies before deciding whether to close VA hospitals in Boston, New York City, Walla Walla, Wash., and elsewhere.

The Boston and New York delays reflect the political sensitivity of the decisions. In Boston, the VA has considered closing all four area of its campuses and replacing them with a single new one — a move strongly opposed by many local leaders and politicians. In New York City, one hospital on prime Manhattan real estate and another in Brooklyn both have significant vacant space; the VA has considered selling or leasing one property and consolidating at the other.

The closings in Ohio and Pennsylvania affect critical states in the presidential campaign. To soothe the sting, the administration plans improvements at nearby facilities. Principi's decision to delay a closing in Washington state also avoids a political problem in another closely contested state.