

Appendix B

Save the VA Proposal

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Building an Integrated Veterans Support Community

A Proposal for a National Veterans
Administration Demonstration Project

5/25/2012

A proposal developed by the Hot Springs "Save the VA Committee" in cooperation with the community of Hot Springs and volunteers representing community, county, and tribal organizations

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A. Introduction

The Announcement

On December 12th, 2011 the community of Hot Springs faced a life changing situation. That night administrators from the Black Hills VA Health Care System announced to a “standing room only” crowd that a new vision for VA services in the Black Hills meant a significant reduction in services provided by the Hot Springs VA facility. Many jobs would either be lost or transferred from the community. The domiciliary, which had housed veterans for nearly 100 years, would most likely be moved 50 miles away; and most of the historic VA facility would most likely be abandoned.

The reaction among community residents, many of whom are veterans served by the Hot Springs facility, was immediate and intense. Shock, outrage, and anger filtered through the theater where the meeting was held. Questions about the accuracy of the data were asked and, to most attendees, inadequately answered. A community with a 100 year legacy of veterans care was told that legacy meant little if it stood in the way of the VA vision of progress.

To be fair, the announcement was not a complete surprise. Services at the Hot Springs facility had been systematically reduced for nearly 20 years. Facilities that once housed and cared for several hundred veterans in the domiciliary had been reduced to 100. Many medical services had been relocated to Ft. Meade, and many professional staff were on temporary rather than permanent contracts. Rumors had persisted for some time that the facility would most likely be closed in the near future.

Although the signs of eventual closure, in retrospect, were evident, the community continued to believe that the community wide investment in caring for veterans of our nation’s wars ultimately was more important than the VA’s concept of consolidation and efficiency. A national reputation for superior PTSD and substance abuse treatment surely meant something. They learned that evening that it meant little.

The Reaction

Within a matter of days the community, veterans and non-veterans alike, began to organize. The most obvious place to start was to counter what the community believed were both inaccurate assumptions and data about the services provided by the Hot Springs facility. Toward that end, a community open meeting was held and a recommendation made for a series of work groups to be formed to gather information about all aspects of the impact of the Hot Springs facility. This information was to include medical services, the current and future

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needs of veterans, the historic facility, the impact a closure would have on the community and much more.

Each work group was tasked with developing a white paper outlining their research and recommendations coming from that research. The intent was for the white papers to form the background information for a community-based proposal to counter what had been presented by the Black Hills VA Health Care System administrators. The “Save the VA” campaign had begun.

Several hundred people volunteered for tasks ranging from serving on the work group committees, making signs, fundraising, publicity, and much more. Community forums were held, and parades were organized. The community responded to this challenge in a way deeper and more profound than any previous challenge in its history.

As the work groups progressed it became apparent that the effort was bigger than saving one community. It was ultimately about conflicting visions of care for our nation’s veterans. It was also about the importance of providing care for rural veterans. Veterans care facilities were first placed in rural locations such as Hot Springs because of the quiet and caring environment. More and more the country is seeing veterans care relocated and consolidated in urban centers. The campaign questioned whether urban settings were appropriate for many veterans suffering from PTSD and substance abuse problems. The campaign learned from many rural veterans how important the Hot Springs facility has been to their care. Finally, the campaign further questioned the overall economic impact such consolidation had for rural communities with long traditions of serving veterans. Hot Springs certainly was not the first rural community to be threatened, and all indications were it wouldn’t be the last.

The Proposal

Therefore the vision of the campaign grew. It grew beyond only Hot Springs and the veterans within the catchment area. Although both the community and service for regional veterans remains at the core of the campaign, the mission grew to encompass a larger purpose. And that purpose was to address several questions:

- Can services be provided in a rural location like Hot Springs using strategies that can result in cost savings for the system?
- Can a partnership be created between the VA system and a community like Hot Springs that can impact both the quality of veterans care as well as having a positive impact on community revitalization?
- Could Hot Springs serve as a demonstration model for veterans services provided in rural settings across the country?

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So, the concept grew from a local concern, to a national concern. The concept of a counter proposal grew from addressing only the local issues but also national issues. The focus grew from simply a counter proposal to a national demonstration project that would address these and many more questions with the results helping to serve as a blueprint for rural veteran's health care for years into the future.

Community members, professional and service organizations, regional governments, and tribal councils have all come together to voice their vision represented by this proposal for a demonstration project. The following pages provide a detailed overview of the project and its potential for national impact. Much of the original intent of the work groups remain. The white papers developed by the work groups are appended to the proposal. Also appended is a collection of veteran's stories. Veterans from the Second World War through the current conflicts in the mid-East volunteered their stories of service, emotional and physical scars, and healing. Included in their stories is the role that veteran's care facilities like Hot Springs have played in that healing.

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B. Project Vision

The Hot Springs Domiciliary and its related medical services has become a nationally recognized treatment center for PTSD and related substance abuse problems. The Hot Springs VA has served not only veterans in the region, but also has become a preferred treatment center for many other veterans across the country. Unfortunately, over the past several years many of the services historically provided at Hot Springs have been downsized. For example, the capacity of the domiciliary has been reduced from over 200 beds to 100. Other medical services have been reduced or transferred to other locations in the region. Despite this, the reputation of the Hot Springs VA has remained strong as exemplified by a continued waiting list to receive services at this rural location.

At the same time, projections about the numbers of veterans affected by PTSD and PTSD related illnesses continue to rise significantly. According to information provided by the National Veterans Training Institute (www.nvti.ucdenver.edu):

“A recent study conducted by Stanford University titled A Dynamic Model for Posttraumatic Stress Disorder among U.S. Troops in Operation Iraqi Freedom found that rates of PTSD among service members deployed in Iraq and Afghanistan may be as high as 35 percent. With two million troops deployed to Iraq and Afghanistan, expect another astounding 700,000 veterans will suffer from PTSD. These numbers are double previously projected numbers because unlike other projections, this study factors in delayed onset of PTSD, which is common.”

As the future impact of the scope of PTSD and related illnesses increases, we became concerned about whether reduction in locations and scope of services by the VA was the correct approach. The overall impact of rising treatment costs is very real; however, so is the national commitment to the care and well-being of our nation’s veterans. As we considered how to approach our proposal we asked whether there might be methodology to demonstrate how to maintain a high level of care and treatment while at the same time developing a model that could help mitigate costs. Such a model would prove to be an important component for future veterans care in other regions of the country as well.

The vision we developed for the future of the Hot Springs VA recognizes the historic strength and reputation the facility has earned in the past. It builds on that reputation by developing a national demonstration project focusing on treatment and research for PTSD and substance abuse combined with a strong partnership with the community for ongoing patient support. The goal is to provide a cost effective pathway for societal reintegration that can serve as a model for other VA facilities across the country. Often veterans receive initial treatment only to

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relapse once back at home. Also, many veterans suffer from a lack of confidence or sufficient work skills to be successful following their initial treatment. While other VA facilities offer compensated work therapy as part of the treatment protocol, the approach offered under this project is different. A community sponsored not-for-profit corporation will create a local Veterans Industry company that will employ veterans to create salable goods, where veterans will be compensated and profits will be returned to the VA to help offset treatment and operations costs. The Veterans Industries Corporation will also serve as a catalyst for the development and growth of Hot Springs. These joint outcomes will serve as a national model for both improved veterans care and rural community development.

The project has additional benefits as well. Because this is a national model focused on improving services for veterans suffering from PTSD and illness related to PTSD it can serve as a center for treatment effectiveness research. In addition, as the Veterans Industries Corporation grows, and potential employment opportunities grow beyond the domiciliary population, the corporation can provide employment for unemployed and underemployed veterans throughout the catchment area. Also, there is a rich environment of higher education options in the Black Hills region. The project will also demonstrate partnerships between the VA, the Hot Springs community, and local higher education providers for ongoing educational options for domiciliary residents and others employed in the enterprise.

The following proposal provides an outline of our vision. However, for a full understanding of the scope of work that went into this proposal it is necessary to review the White Papers which are appended to this narrative. Much of this proposal is dependent on the research, observations, and recommendations that were provided by the many committees involved in the Save the VA campaign.

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C. Project Goals

1. To maintain and improve veterans services provided at the Hot Springs VA facility especially in the facility's recognized strengths of PTSD and related substance abuse treatment
2. To attract and serve veterans suffering from PTSD and substance abuse problems from both within the Hot Springs VA catchment area and nationwide as part of demonstrating the value of this potential national model
3. To create a model Compensated Work Therapy program integrated throughout the community of Hot Springs that serves as a catalyst for building work skills, self-confidence and personal direction for Hot Springs VA domiciliary residents
4. To create a viable and sustainable industry to house the Compensated Work Therapy program that can return resources to the VA system to help offset treatment and related costs
5. To develop a partnership between the VA system and the community of Hot Springs to develop and grow this sustainable industry which can serve as a national partnership model
6. To utilize this partnership as a catalyst for the development and growth of the community of Hot Springs
7. To demonstrate this model as a catalyst for partnership and growth of other small rural communities.
8. To provide educational and employment opportunities for domiciliary residents and for unemployed and underemployed veterans living within the Hot Springs VA catchment area
9. To serve as a national center for research on PTSD and substance abuse treatment effectiveness in partnership with the Veterans Administration, national medical research facilities, and the Native American community

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10. To demonstrate that increasing the number of veterans receiving care in the facility reduces the per veteran cost to a level comparable (or below) other VA healthcare facilities with multiple campuses

11. To demonstrate that the services and outcomes of this demonstration project are scalable both at the Hot Springs facility and at other VA healthcare facilities

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D. Project Summary

1. Developing a Community Partnership Infrastructure

- Create the Hot Springs Community Partnership Corporation
 - A non-profit corporation to serve as the platform for partnership activities
 - Develop a 7 member board of directors with business development experience
 - The Corporation will have the following purposes:
 - To create and oversee the Veterans Industries company
 - To create and manage the Partnership Agreement with the VA
 - To create and manage employment opportunities and protocols
 - ◆ The initial hiring priority will be for domiciliary residents
 - ◆ As opportunities grow, the second priority is unemployed and underemployed veterans in the catchment area
 - ◆ The third priority would be unemployed and underemployed county residents
 - ◆ Veterans would be hired in skill areas they either have or want to develop (i.e. marketing, manufacturing, accounting, etc.)
 - To facilitate, in partnership with other organizations, community development activities
 - To manage joint services agreements as necessary between the community, county, and the VA
 - To conduct national seminars and symposia offered in Hot Springs concerning the demonstration project
 - To work with state officials and other agencies to generate seed capital for the Enterprise
- Under the Partnership, establish the Veteran's Industries company
 - Develop the business plan
 - Establish the product line
 - Hire the management staff
- Acquire facilities for the company
 - Utilize vacant buildings in the community
 - Initially rent the facilities with a potential option to purchase in the future
 - Acquire needed equipment
- Establish a partnership agreement with the VA
 - Create domiciliary resident employment protocols and training
 - Establish the revenue sharing agreement

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- 75% of the after expenses revenue goes to the VA to offset treatment and related costs
- 25% of the after expenses revenue goes to the corporation for community development, i.e.:
 - ◆ Revolving loan fund
 - ◆ Economic development stimulus
 - ◆ Other workforce development projects
- The City and County enter into a Joint Services Agreement with the VA as opportunities arise

2. Treatment and Medical Services to be provided by the Hot Springs VA

- Because this is a national demonstration project and because the model requires a sufficient number of residents to utilize the work therapy option, domiciliary capacity would be increased from 100 to 200 residents
 - First priority would be the catchment area
 - As capacity allows, the program would draw from veterans nationally building on the existing exemplary PTSD treatment reputation of this facility
- The project would maintain and revitalize phased continuum of care that includes the substance abuse, after care, compensated work therapy, and PTSD and would include the reestablishment of the Medical/Coping Skills team
- Compensated Work Therapy through the Enterprise would be a component of treatment following the initial 28 day intensive treatment protocol
- The number of VA employees would be reviewed and adjusted as necessary
 - To accommodate the larger domiciliary capacity
 - To accommodate treatment protocols
 - To serve as liaison to the Veterans Industries project
- In-Patient services will be maintained
 - The FOIA information and the responses to the Congressional requests for information casts doubt on the statistics provided concerning in-patient services and numbers. Due to either conflicting data or lack of data, services will continue to be provided for a minimum of 5 years to allow new base line data to be collected
 - Because the domiciliary capacity will increase, additional in-patient services will likely be needed in the future
 - The existing medical facilities and equipment will be updated as necessary to assure the highest quality of care during the 5 year demonstration period because currently beds are often full resulting in patients being diverted to other locations.

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- Depending on volume, specialized services would be provided either through visiting specialists or at other facilities as necessary
- Medical services would be enhanced
 - Because of the rural demographic area which serves over 10,000 veterans, inpatient, urgent care and outpatient services will remain as integral components of the facility
 - The in-patient census will be increased to accommodate the increased domiciliary capacity
 - Because of increased capacity due to the demonstration project, appropriate medical services will either be maintained or reestablished. These would include a three bed ICU, same day surgery, dental, and other medical support programs
 - The project will research and implement as necessary, enhanced outreach services such as tele-medicine and a mobile clinic, especially focusing on serving the high number of Native American veterans living on reservations
 - To assure quality care during the demonstration project, full time permanent positions needed to fulfill the mission will be aggressively recruited and retained

3. Facility Renovations and Upgrades

- Appropriate renovations would be made to create additional domiciliary living spaces and to meet existing code and ADA requirements
- An educational facility would be created with sufficient classroom space to accommodate at least 4 simultaneous classes in state-of-the-art classrooms. These will be used for both patient treatment orientation and education and college level classes
- Some or all of the older medical residences would be renovated to provide temporary patient family residences
- Spaces would be identified and renovated as necessary for medical research activities
- The historic nature of the Hot Springs VA facility would be respected and all renovations and upgrades would be conducted as appropriate for a site which has just attained National Historic Treasure status

4. Creating Educational Opportunities

- The Community Partnership Corporation would seek agreements with regional higher education providers to establish outreach programs at the Hot Springs VA for both domiciliary residents and other Veterans Industry employees
 - Western Dakota Tech
 - Oglala Lakota College

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- Black Hills State University
- Chadron State College
- The college level programs would be targeted toward:
 - Skill building career-based courses (i.e. WDT)
 - General college courses (i.e. Gen Ed)(i.e. OLC, BHSU, CSC)
 - Health related continuing education and certificate programs for domiciliary residents, Veterans Industry employees and VA employees
- Courses would be provided at the VA in the renovated classrooms
- The VA educational facility would also incorporate video conferencing and other educational technology to increase educational options

5. Conducting Research

- Because of Hot Springs' unique rural location it provides an excellent controlled environment for clinical research measuring treatment effectiveness
- For the duration of the demonstration project, the facility would work both with VA medical researchers and those from major medical research facilities to provide and conduct such research. Informed consent would be sought and all research ethics protocols would be followed.
- Because of the high concentration of Native American veterans, research could also be conducted focusing on traditional Native American healing activities
- Treatment protocols showing strong evidence of significant effectiveness would be shared throughout the VA system
- Special research attention would be given to the integration of Veterans Industries as an important treatment component

6. Project Duration and Costs

- Because this project, especially the Veterans Industries component, requires start up time as well as sufficient time to establish and grow the business, it is recommended that the demonstration project be given at least a 10 year duration
- Continuation of the project would depend on demonstrated effectiveness of the project as determined jointly between the Veterans Administration and the Corporation
- Project development would be evaluated every two years with recommendations for project improvement and additional activities provided
- Currently the Black Hills Health Care System of the VA has requested funds for facilities improvements in the system. The estimated cost for physical improvements for this

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proposal is approximately \$26.3 million. The 30 year life-cycle costs, based upon the historic average for the Hot Springs campus is estimated to be (on the high side) \$144 million. Both estimates are less than the estimated costs for options outlined by the VA proposal.

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E. Developing Veterans Industries and a Community Partnership Infrastructure

A critical component of this proposal is to create job opportunities for both domiciliary residents as well as underemployed and unemployed veterans in the region. These job opportunities are important for a variety of reasons including providing compensated work therapy for veterans undergoing treatment; providing opportunities to improve work skills or develop new skills; mitigating homelessness, and providing opportunities for veterans to engage in meaningful employment.

We believe that it is also important to look for methodology by which compensated work therapy can mitigate treatment costs for domiciliary residents. Traditional work therapy programs tend to utilize community job opportunities which can help provide employment for patients yet do not provide any return to the VA system. The community of Hot Springs has a keen interest in community development and building or attracting new industry. Recently new planning groups have been formed to promote the infrastructure advantages and location that the community has to offer.

We propose combining the two efforts--- building a model compensated work therapy program that can return revenue to the VA along with growing a sustainable industry that can be an important component of community development. We believe that, if properly developed, this partnership between the VA and community can serve as an important national demonstration model for both the VA system and rural communities.

For those reasons we propose creating a for-profit industry, tentatively titled Veterans Industries (VI), that will engage in meaningful production of salable goods that can be both self-sufficient as well as returning a profit to the company. We propose developing VI on a scale that will gain national attention with national distribution of product. We propose growing an industry that can build a sizable national market share and has the ability to grow as its market expands.

The VI will provide sets of jobs and responsibilities across the company that are reserved for domiciliary residents. These jobs and responsibilities will include production, marketing, accounting, shipping, and many others. As treatment progresses and the residents graduate from the program, they would have the opportunity to compete for full time jobs in VI as they are available. Additional employment opportunities would be made available for unemployed

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and underemployed veterans living in the Hot Springs VA catchment area. If additional employees are needed then employment opportunities would be made available to unemployed and underemployed non-veterans living in the area.

The goal of VI is to be self-sufficient and profitable enough to provide for the management and growth of the company while still able to return revenues to the VA system. It is also important that this effort not lead to any new bureaucracy or costs on the part of the VA. We envision VI to attract its own start-up capital independent of the VA system. In order to accomplish this an entity needs to be created that can build the Veterans Industries, provide management oversight, and help provide both the foundation for this effort as well as a vision for the future.

For that reason, this proposal calls for the creation of a non-profit corporation, tentatively titled the Hot Springs Partnership Corporation (HSPC), which can serve as the organizational and management entity. This non-profit entity can serve as both the umbrella organization overseeing the for-profit Veterans Industries as well as the liaison with the VA for coordination of partnership activities between HSPC and the VA, City, and County.

The HSPC will be led by a seven member Board of Directors all of whom will have experience in the creation, leadership, and/or management of substantial business operations. The recruitment for the HSPC Board has already begun with several potential members identified. The HSPC Board will be responsible for the following start up activities:

1. Planning
 - a. Establish an Operations Committee
 - b. Generate business ideas and select preferred concept
 - c. Build the Business Model
 - d. Create the Business Plan
 - e. Create the Marketing Plan
2. Finance
 - a. Audit and reporting controls
 - b. Determine early revenue needs
 - c. Establish Banking relationships
 - d. Establish Insurance requirements
3. Management
 - a. Create management team
 - b. Create appropriate Boards
 - c. Determine required labor needs
4. Legal
 - a. Develop Board by-laws

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- b. Create Organizational documents
- c. Secure not-for-profit status with IRS
- d. File required Incorporation documents
- e. Establish joint services agreement with the VA for revenue capture and other purposes as necessary

These initial activities will be completed within six months of the approval of this proposal.

Following these initial activities, and once the VI product line is determined; the HSPC will be responsible for finalizing the VI business model and acquiring the necessary start-up funding. The HSPC will work with South Dakota officials and other agencies in order to acquire sufficient capital to begin VI operations. Concurrently, the HSPC will identify available sites for VI operations utilizing vacant commercial facilities in the Hot Springs community. The HSPC will also recruit and hire the management team for the VI as well as acquire the equipment necessary to begin operations.

The VI operation will be a for-profit subsidiary of the HSPC whose goal will be to not only cash flow the VI operation, but also plan for the ongoing growth of the business as well as to return revenue to both the VA and to the HSPC. The goal is for 75% of the revenue after expenses to be returned to the VA for costs associated with the Hot Springs VA facility (i.e. patient and treatment costs, etc.), with 25% of the revenue after expenses to be used by the HSPC for community development activities such as a revolving loan fund for business development, economic development stimulus projects, and other workforce and economic development activities. We believe this revenue sharing arrangement can serve as a national model for both mitigation of VA overhead and rural community development.

The HSPC will also serve as the liaison to the community and the VA for coordination of partnership activities. For example, the HSPC can create and manage any joint services agreements necessary with the VA for serving as a compensated work therapy location for domiciliary residents, managing revenue returns to the VA, and other areas of agreement and partnership that may be necessary. The HSPC will also provide on-going reports to the community of Hot Springs and to Fall River County regarding the community development component of the corporation.

While it might be desirable to identify the product line to be created and marketed by VI as part of this proposal, it was decided the most advantageous approach would be to create the HSPC Board and, through their expertise, conduct a thorough market analysis to determine the appropriate product line. It is also anticipated that the VI build out, from inception of the HSPC through start up to take approximately 18 to 24 months. Achieving profitability will most likely take another 18 to 24 months. For that reason, it is important that this demonstration project

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be given sufficient time to demonstrate real cost benefits to both the VA and the community partnerships once profitability is achieved. We propose that the demonstration period for this part of the project be at least 10 years. However, we also understand the need to evaluate the ongoing efforts of the HSPC and the VI. We propose a joint evaluation team made up of representation from the VA as well as State, community, and County stakeholders. The team would be charged to evaluate the progress and performance of the HSPC as well as VI on a bi-annual basis. For that reason, the HSPC Board will create a series of projected benchmarks for the development and growth of the partnership and the VI that will be used as part of the criteria for this evaluation.

Because we are proposing a demonstration project, and if it is to have applicability in other settings, it is also important to share the strategies, experiences, successes and challenges of the HSPC and VI with a national audience. For that reason, the HSPC will also have the responsibility of sponsoring, in conjunction with the Hot Springs VA and the community, an annual conference concerning all aspects of this demonstration project. The annual conference will begin in the third year of the project.

Also, the HSPC in cooperation with the Hot Springs VA and other appropriate stakeholders will also provide white papers, materials, seminars and other appropriate support for the national audience interested in replicating this experience. Revenue from these activities will also help to support HSPC activities.

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F. Treatment and Medical Services to be provided by the Hot Springs VA

We begin this section with an important assumption. In order to achieve the benefits outlined in our proposal for a national demonstration project, the Hot Springs VA requires a full complement of treatment and other medical services. Contrary to the announced VA proposal of eliminating services, we propose to not only maintain services but to increase them as appropriate to address the health care needs of the rural veterans in the catchment area. It is also necessary to accommodate the increased number of Residential Rehabilitation Treatment Program (RRTP) residents outlined in this proposal, and the anticipated increase of veterans with Post Traumatic Stress Disorder (PTSD) and related problems due to our most recent conflicts.

First and foremost, the Black Hills VA Health Care Service (BHVAHCS) proposal has called for the closure of the Hot Springs campus based upon their assumption of decreasing need (decline in veterans) in the future. Our data, as well as data obtained through our Freedom of Information Act (FOIA) requests, tell a different story. Because we have conflicting information, we propose all treatment and medical services be maintained for a minimum of five years. This is important in order to provide the medical services required to accomplish this demonstration project, and secondly to provide a sufficient period of time to establish new baseline data.

The following components of this section outline the proposed medical services to be provided as part of this proposal, the rationale for providing these services, and implications of the proposal for the Domiciliary Residential Rehabilitation Treatment Program (DRRTP), inpatient services, Community Living Center (CLC), outpatient/same day surgery services, and specialty care.

Proposed Medical Services:

We propose several clinical enhancements and the reinstatement of programming at the Hot Springs Campus. These improvements will provide quality, accessible care for the Rural and Highly Rural Veteran, the Native Veteran, Women Veterans, Homeless Veterans, and those suffering from Substance Abuse and PTSD in the Hot Springs rural and highly rural catchment area as well as those veterans to be served as part of the national demonstration project.

- Expanding the number of beds in the Domiciliary RRTP to 200. Increase programming by providing adequate qualified staff to assess and treat veterans from across the nation participating in this demonstration project.

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- Re-establish the medical Intensive Care Unit (ICU) in Hot Springs to accommodate Hot Springs catchment area veterans, thus saving travel time, travel dollars, fee basis charges, and unnecessary hardship on our veterans.
- Increase the number of inpatient acute care beds to 15.
- Increase the number of Community Living Center (CLC) Beds to 15.
- Re-establish Same Day Outpatient Surgery to meet the needs of veterans in the Hot Springs catchment area.
- Adequately staff positions as full time permanent staff to ensure recruitment of highly qualified staff.
- Provide adequate Specialty and Support staff to accommodate the increase in workload.
- Activate policies to encourage and enhance staff retention.

Existing facilities and care:

The Hot Springs Campus currently maintains 10 Medicine Beds for detoxification. There are no operating surgical or psychiatric beds. The facility provides primary care, urgent care, outpatient specialty care, outpatient psychiatry care and minimal outpatient surgery. The inpatient medical unit supports the dialysis unit and provides inpatient care to post-operative ambulatory surgical patients as needed.

The facility maintains a 5 station dialysis unit which serves 20 individuals, both veteran and community patients. This is the only VHA dialysis program in the nation that provides dialysis to non-veterans. It is surveyed under Centers for Medicare and Medicaid Services (CMS). A new remodeled dialysis unit, (not yet activated) will accommodate 7 chairs, bringing the potential dialysis census to 28. CMS guidelines for dialysis units require prompt access to an inpatient facility.

The Hot Springs campus maintains a 100 bed Domiciliary Residential Rehabilitation Treatment Program (DRRTP). The special emphasis programs supported in the Domiciliary include residential substance abuse, PTSD, Women Veterans, Native Americans and Homeless veterans.

Medical support is also provided to the South Dakota State Veterans Home (SVH) with 120 operating beds. The SVH is currently building a new facility which is also located in Hot Springs.

The facility supports Community Based Outpatient Clinics (CBOC's) in Newcastle, Wyoming; Winner, SD; Rushville, NE; Gordon, NE; Scottsbluff, NE, Rosebud, SD; and Pine Ridge, SD.

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Rationale for Increased Services:

Rural Access & Service Delivery Location for 10,000 veterans - The Hot Springs campus serves as a critical rural access point for 10,000 rural and highly rural veterans. It is the closest VA Inpatient Unit, comprehensive Primary Care, Urgent Care, and Diagnostic and Specialty Services available to veterans on the Pine Ridge Reservation and surrounding highly rural and rural counties to the south, east and west of Hot Springs.

Health Care Professional Shortage Areas- The following counties in the Hot Springs catchment area are designated as Health Professional Shortage Areas: **South Dakota**: Fall River, Shannon, Todd, Jackson, Mellette, Haakon and Bennett; **Nebraska**: Sioux, Sheridan, Brown, Grant; **Wyoming**: Niobrara, Crook, and Weston.

Native American Access- Of the counties designated as Health Care Professional Shortage Areas, Shannon and Todd County encompass two large Indian Reservations. Inadequate transportation systems on these two reservations compromise access to care. Personal transportation is out of reach for many Native American veterans, and there is very limited public transportation. The only reliable transportation is a VA van operated by volunteers, which runs three days a week to the Hot Springs campus.

Access - Access to health care in this sparsely populated widely spread geographical setting is paramount. Without an inpatient medical presence in Hot Springs, an additional 60 minutes to Rapid City and 100 minutes to Ft. Meade are needed to access quality hospital care for a significant portion of patients who live to the south, west and east of Hot Springs.

Data Inconsistencies- There are significant differences in utilization data between information provided by the BHVAHCS and information obtained in the FOIA requests. The working groups found significant variances in unique patient count. The data received in a FOIA request seemed to indicate far fewer unique count veterans treated by Hot Springs than other national reports which showed an increase in unique count in Hot Springs by 19% over the last four years. The VA Office of Rural Health data shows an increase in the number of rural and highly rural veterans in the Black Hills Health Care System with a decrease in the urban veteran population which includes Rapid City and Sturgis. This contradicts data provided in the BHVAHCS proposal and other planning documents which state the veteran demographic is moving into the urban areas. Data also reveals that there is a significant duplication of the services provided to veterans who live in Pennington County by FM and RC CBOC.

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Demographic statistics regarding where veterans actually live versus where they receive treatment showed that a significant number of veterans are now required to drive an additional 180 miles to and from Ft. Meade for services had been provided at the Hot Springs campus this day long drive is often for a 15 minute appointment. Removing these services from Hot Springs has placed additional hardship on many veterans, especially veterans from the Pine Ridge and Rosebud Reservations, for whom travel is a particular barrier to care.

Access to validated, internal and external data systems will prove that the current services offered at the Hot Springs VA are not adequate. Increasing acute Inpatient capacity, Community Living Center capacity, Specialty Services, and particularly Same Day Surgery in Hot Springs will result in the right service in the right place at the right time for the many rural and highly rural veterans in this area.

Staffing Shortage Consequences- Due to reduction in staffing, the Domiciliary Residential Rehabilitation Treatment Program (DRRTP) census has significantly dropped in the last few years. Consequently, fewer services are being offered. Reduced or eliminated services include family programming and the Care Management Team. This team provided holistic care management to meet the patient's psychological, medical and functional needs for select veterans whose age, medical or psychiatric condition result in a temporary or permanent need for supportive or structured living. Many of these veterans are now forced to live in the Mission in Rapid City. Fewer week-end and evening offerings are now available. Multidisciplinary teams for the addictions continuum have been decreased from three to one. The Assessments Unit Multidisciplinary process has been reduced. There is usually a wait list for care or veterans are asked to choose a date in the future as their "desired" date. The wait time for veterans to enter the PTSD program during Quarter 4 of FY 11 was 157 days or almost six months. All of these reductions have resulted in long wait times and fewer veterans being treated. Therefore, fewer veterans receiving the care they need.

Staff Competency- An argument has been made about the potential competency of staff because they do not routinely perform certain tasks. This argument has been used as a rationale to further degrade clinical services at the Hot Springs facility. However, employees can partner with service-area community hospitals and other VA facilities in VISN 23 to achieve and maintain important competencies. Simulation training is already offered at the Hot Springs VA. We believe these opportunities mitigate this concern. It's important to state that the Hot Springs Campus, including Surgery and Specialty Service is accredited by The Joint Commission. This national accrediting agency has not identified any significant systemic quality issues at the Hot Springs Campus.

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Recruitment- A robust campaign to recruit professional staff needs to be supported. This should include nation-wide advertisement, offers of permanent employment, and enhancing attraction of positions by providing information about education debt-reduction programs and benefits. The argument that professional employees do not want to live in a small town is unsubstantiated, especially when looking at recruitment success in other rural areas of the country.

Cost Containment- Enhancing and reinstating Inpatient Services will potentially save several million dollars per year. Both the current costs of ambulance transportation (\$500,000 paid to the Hot Springs Ambulance Service alone in FY 11) and the costs of inpatient care at Rapid City Regional Hospital will be greatly reduced with the addition of an ICU in Hot Springs. The increase in veterans treated in this facility would reduce the cost per patient, bringing costs more in line with national Veterans Health Administration (VHA) average cost per patient.

Community Hospital Availability- Many components of the BHVAHCS Proposal clearly rely on the Fall River Health Care System and other small community hospitals throughout the Hot Springs catchment area to assume care of the veterans currently served by Hot Springs. The White Paper from Fall River Hospital (Appendix A) clearly states the position of the leadership of the Fall River Hospital. The conclusion of their white paper is quite simple: Routine admission of veterans to FRH for inpatient services does not appear to be a viable option financially or logistically.

The Fall River Hospital's inability to absorb veteran services within the VA guidelines will be replicated in other small communities targeted by the BHVAHCS Proposal. The position of the Fall River Hospital Board of Directors, compounded by the fact that the entire catchment area of the Hot Springs facility is considered a health care shortage area for Mental Health, Primary Care, Dental and Medical Care, makes it indisputable closing the HS facility would have a significant detrimental impact on the care of rural and reservation veterans.

Details of Proposed Additional Services:

To address the issues that prohibit adequate veterans care, a series of additional services are proposed. These services are necessary to promote and sustain healthy Domiciliary Residential Rehabilitation Treatment Programs (DRRTP).

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Domiciliary Residential Rehabilitation Treatment Programs Services:

- **Substance Abuse Residential Treatment** – 40 Beds – This program would include explanation of the addictive and recovery process through groups, classes, and individual counseling. Specialty groups include grief, Adult Children of Alcoholics (ACOA), domestic abuse, anger, ethnic issues, assertiveness, gender and gambling issues and a family program. The demand for this treatment is significant and will contribute substantially to the health of veterans and their families. Data shows that 76% of homeless veterans experience alcohol, drug or mental health problems. To end veteran homelessness, it is imperative that veterans have immediate access to a comprehensive substance abuse treatment program. Sobriety is the cornerstone that most homeless veterans need to begin rebuilding their lives.
- **After Care Treatment** – 40 Beds – The aftercare treatment phase would be a semi-structured environment fostering a continued addiction free lifestyle through therapeutic programming to develop life skills. The aftercare program provides the time and support for the veteran to build a foundation of sobriety with a goal of returning to independent living. Veterans in this phase are often employed part time in the Incentive Work Therapy Program. The IT program allows the veteran to slowly adjust to the demands of a work schedule. The IT program will be integrated within Veterans Industries.
- **Compensated Work Therapy** – 32 beds – Veterans in this phase would be ready for work. They would be entered into training or a job which meets their abilities through the Veterans Industries component of this proposal. The VI will also offer the potential of permanent employment. Transitional Housing on station will supplement the 32 beds. Transitional housing offers a semi-independent living environment which is the final step before independent community living. At the present time the Hot Springs Campus has one TR house. This proposal calls for the renovation of four existing medical residences to provide additional transitional housing. This housing will be necessary to meet the demands of the growing program.
- **Care Management Team** – 50 beds – This phase would provide holistic care management to meet the patient's psychological, medical and functional needs. This support is critical to veterans whose age, medical or psychiatric condition result in a temporary or permanent need for supportive or structured living. Medication management, psychiatry and psychiatric medical care would be provided in this flexible, semi-structured program. This is not designed to be a permanent living arrangement, but will fill the needs of those in transition to a higher level of care, or those who need more time in a supportive environment.

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- **Post Traumatic Stress Program** – 30 beds – The PTSD program would utilize a Cognitive Behavior Therapy Model. This is a 45 day program. Treatment components would include: one-to-one mental health assessment and testing, medication management, one-to-one psychotherapy, family therapy, group therapy (covering topics such as anger, stress, PTSD issues for veterans with combat support roles, and relationship issues). This program would also provide treatments shown by research to be effective in treating veterans such as cognitive behavioral therapy or prolonged exposure therapy. In addition to PTSD, the program would also address coping skills for veterans with mild or moderate traumatic brain injury (TBI). The complex care needed by the large number of veterans with both TBI and PTSD issues is of major interest to veterans, veteran’s organizations and the VA.
- **Women Veterans** – The needs of women veterans are met with the services of the programs listed above. Currently, a separate ward in a separate building is used for female veterans. Additional services from the Women’s Veterans Coordinator and the OIF/OEF staff would be available to meet the needs of women veterans. An increase in the number of female veterans needs to be matched with an increase in women’s health care services.
- **Family Therapy** – This program would be revitalized with an emphasis on family centered care. Temporary residences for families who wish to participate in family therapy would be established in the renovated medical residences. Family therapy is crucial to ensure successful reintegration of veterans with families.
- **Legal and Benefits Counseling** – Veterans have repeatedly indicated a need for legal assistance. Alcohol and drug addictions often are complicated by involvement with the legal system. When veterans begin to heal, their first goals are to deal with past legal issues. Another service that is currently lacking is access to a veteran’s benefits counselor. In the past the facility housed a VBA counselor on site. When this position was not re-hired, it was detrimental to the veterans in not only the DRRTP, but the surrounding rural and highly rural communities. Both of these services would be reestablished through this proposal. These services are necessary to ensure a successful recovery for veterans.
- **Learning Center** – This is discussed in Section H of this proposal. Input we have received from current DRRTP veterans indicates their desire for a virtual learning center, learning support, virtual and onsite classes and a library.
- **Staffing requirements** – Staffing adequate to re-establish and enhance the programming would be determined by VHA staffing guidelines. It is clear that additional staff will be required to accommodate the larger capacity of the DRRTP, to ensure the application of up-to-date treatment protocols, and to serve as liaison to the Veterans Industries project. As previously mentioned, it is highly likely that such additional staff

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would be required regardless of location due to the projected increase in the number of veterans with PTSD and related illnesses.

Inpatient Care, Community Living Center, Specialty Care, Surgery and Support Services:

- **Inpatient Bed Capacity** - The current demand indicates a need for 15 fully staffed inpatient beds. The current capacity of the inpatient unit is limited by the staffing levels. The average daily census is not reflective of the needs of the veterans in the Hot Springs catchment area. Diversions and transfers are frequent occurrences. This means that veterans who would normally be treated in Hot Springs are fee-based to a private facility or transferred to Ft. Meade. The census would increase if staffing was increased and stabilized with permanent full time positions to meet the real needs of the catchment area.
- **ICU Bed Capacity** - In concert with the newly established Tele-ICU connection with the Minneapolis VA, a three bed ICU would be returned to Hot Springs. An ICU and its services will greatly reduce the need for fee basis admission to Rapid City Regional. The costs of a greatly expanded fee basis program are currently absorbed by the BHVAHCS and have served to increase the cost per patient. The ICU capacity would be coordinated with staffing levels in accordance with the needs of this proposal. This would be determined by clear admission criteria and a robust competency program that may include rotation to another facility for updates/training or virtual training. Utilization of state of the art simulation training, newly available in Hot Springs, would also provide opportunities for competency enhancement.
- **Community Living Center Bed Capacity (CLC)** - Current demand indicates a need for 15 fully staffed inpatient beds and 15 fully staffed CLC beds. There is a lack of Nursing Home or skilled nursing facilities in South Dakota. An increase in beds would increase availability of this service to rural and highly rural veterans served by the Hot Springs catchment area.
- **Decreasing Transfers** - These bed capacity additions will greatly decrease the amount of fee basis, and decrease the unnecessary and difficult transfers to other facilities. It is not unusual for Rapid City Regional, Ft. Meade and Hot Springs Inpatient Units to be full. The current restraint of bed capacity is strictly based on available staff. This increase will also afford absorption of the medical needs of an increased DR RTP census. Veterans entering into substance abuse treatment are often in need of inpatient detoxification services. Staffing commensurate with the needs of a 15 bed unit would

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be provided on a full time, permanent basis. This will provide stability that would enhance recruitment and retention of qualified staff.

- **Out Patient and Same Day Surgical Services** - We propose to reinstitute the same day surgical services to the Hot Springs VAMC. Information obtained through FOIA 2012-0028 indicates that In FY 2011, 450 Hot Springs catchment patients had surgical procedures performed Ft. Meade. In FY 2011, 655 Hot Springs catchment area veterans were referred to non-VA facilities for procedures. This represents over 1,100 veterans, many of whom could have received same day surgical procedures in Hot Springs if staffing were provided. While we understand that there are limitations on the complexity of surgical procedures that Hot Springs should provide, data reveals that there is an adequate workload in the Hot Springs catchment area for procedures such as screening and diagnostic endoscopy (upper GI and colon exams). With the increase in domiciliary residents in the domiciliary SA/PTSD treatment program, as proposed for this demonstration project, the case numbers would only increase. While not all of the 1099 procedures performed elsewhere should have been provided at Hot Springs, it is clear that there is an adequate same day surgery workload in this rural and highly rural population.
- **Caseload** - We estimate that the potential case load for a general surgeon would exceed 500+ procedures per year based on the veteran population that are currently served. Adding to the general surgery case load are cases that the specialty surgeons--orthopedic, urologic and ophthalmic--could treat in an ambulatory, out-patient setting. All of these procedures were successfully done at HSVAMC and could be done again when the surgical services are re-established.
- **Standards** - VA Hot Springs has consistently met The Joint Commission hospital standards, including operative standards. In addition, Surgical Service follows Association of Operating Room Nurses (AORN) guidelines for nursing practice in the OR. Few, if any, small rural hospitals put themselves through the rigorous ordeal of a JCAHO inspection and evaluation on a regular basis. Similarly, few small rural hospitals have a dedicated operating room and post anesthesia recovery staff of RNs who are trained and maintain their specialized skills. The operating room is a specialized and increasingly technically challenging site for care delivery, and veterans deserve care from adequately trained and skilled providers.

Additional Support and Specialty Services

- **Fully Functioning Medical Facility** - To provide high quality, cost effective, and accessible care to the increased number of DRRTP veterans and the 10,000 veterans served by this rural access hospital, a fully functioning medical facility must be

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reinstated. Clinical services and ancillary support services must include respiratory care, adequate inpatient beds (15), adequate CLC beds (15), adequate ICU beds (3), same day surgery, medical and surgical specialty care, pharmacy, medical rehabilitative services, clinical dietetics, optometry, diagnostic radiology, and lab. In addition, full time dental services, a ventilator program, fully staffed (24/7) ultrasound and echocardiogram services will be reinstated. Establishing Computerized Tomography (CT) services 24/7 would eliminate the expense of transporting patients to Fall River Hospital or Rapid City Regional via ambulance services. Cardiology, Internal Medicine, Urology, and Ear/Nose/Throat clinics should also be reinstated to support the increasing demand. Cardio-pulmonary rehab services would be fully developed at this site.

- **Clinical Pharmacy** - Adequate Clinical Pharmacy Services are particularly important with the increase in DRRTP residents. Close monitoring of self-medication and staff administered medication by clinical pharmacy staff is a requirement for safe care in a residential program.
- **CBOC Parent Site** - In addition, the Hot Springs VA should be designated as the parent site for all service area CBOCs. Diagnostic equipment, surgical equipment, all other equipment, supplies, space, and management support would be provided to all clinical areas. Additional needs determination will be made in collaboration and the staff of the Hot Springs Campus. All areas will be supported with adequate, full time, permanent staff.

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G. Facility Renovations and Upgrades

This National Demonstration Project calls for the upgrade and renovation of the existing historic structures at Hot Springs. Currently comprised of several buildings, the 105 year old facility is in remarkable physical condition. The Hot Springs VA facility has demonstrated great flexibility and ability to change over the years. One of the contributing elements of this flexibility is the layout of the campus and the ability for historic structures to easily adapt to meet the needs of a changing veteran community and evolving therapies. Its rural setting and history of care contribute to its century long success in healing our nation's veterans.

Upon its completion in 1907, the VA campus contained an administration building, a service building, bath house, chapel, library, laundry, and a six ward building for treatment (the current Domiciliary). The facility was designed like a ships wheel and constructed to maximize cool breeze, natural sunlight, breathtaking vistas, and a variety of therapeutic settings to meet the needs of various patients. Features included the large courtyard, an inner circle measuring 180 feet in diameter, and the upper arcade, which was heated during cold weather. The large circular fountain and cool lounging areas provided a serene environment in the summer. An orchard containing 1,000 trees provided apples, pears, plums and cherries to the patients at the Sanitarium. A tuberculosis treatment facility was eventually constructed, but became unnecessary and was replaced 16 years later to make way for the new hospital building in 1924. The Conservatory and Green House were built in 1913 and still stands today. Construction of many new buildings was completed to support, sustain, and grow the quality of health care provided at Hot Springs.

In 2011, the Hot Springs VA was listed as historically significant and as a National Historic Landmark. The Hot Springs VA is also listed on the National Register of Historic Places and is the core of the Hot Springs Historic District. The area is also considered sacred by many Native Americans on account of the healing spring waters, centuries old history, and the number of Native American Veterans that have been assisted at the VA. The National Trust for Historic Preservation (NTHP) recently recognized the VA's plan for decommission and the detrimental effects the plan would have on the historical integrity of the Hot Springs campus. In March of this year, the NTHP designated the Hot Springs VA as a National Treasure and has committed resources towards its historic preservation as a functioning healthcare facility for veterans.

The proposed renovations will address a variety of elements:

- Appropriate renovations would be made to create additional domiciliary living spaces and meet existing code, ADA compliance, and VA residential and inpatient standards. This domiciliary space exists already, but can be economically updated to provide

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private or semi-private rooms with closer bathrooms for residents. These rooms are necessary to accommodate the increased number of patients in the programs. While the facility is currently ADA accessible and meets existing requirements, some facilities will require minor adjustments to existing ramps to make the facility 100% ADA accessible. Updates such as tunnels, bridges, or elevators will also contribute to ADA accessibility. Renovations will be conducted with VA clinical standards for veteran care in mind. It will be necessary to follow some historic preservation standards during renovations. These standards are typically aimed at modifying the current historic space to make it successfully work with the new proposed activity while maintaining the historic integrity of the setting and function of the building.

- An educational facility would be created with sufficient classroom space to accommodate at least four simultaneous classes in state of the art classrooms. These classrooms will be used for patient treatment and orientation as well as educational college level classes. Existing buildings or rooms can be easily and economically modified to accommodate the educational needs outlined in this proposal. These classrooms would be multipurpose, suiting the needs of patients, VA employees, local veterans in the catchment area, and community members.
- Some or all of the older medical residences will be renovated to provide temporary patient family residences. This type of short term living space for visiting families of patients will be necessary as the therapy program expands to including family counseling and reintegration skills. This type of housing provides an opportunity for the family to participate in the patient's healing. This also gives the patient insight and important skills for their departure from the VA and return to society. Patients, at times, relapse when presented with stressful situations (such as family life and dynamics) and return to the program. A therapy program that provides integrated family counseling with onsite short term housing for families will reduce the number of relapses for many patients. The renovations of these residences will occur as the program demand increases.
- Spaces would be identified and renovated as necessary for medical research activities. Ongoing research is imperative to successfully treating and healing veterans. With the current under-used facilities and the ease at which these facilities can be modified, the opportunity to make the Hot Springs VA a national example of veteran's health research is immense. Clinical research provides the opportunity for cutting edge treatment, partnerships with educational institutions, and an increased number of well cared for veterans.
- The historic nature of the Hot Springs VA facility would be respected, and all renovations and upgrades would be conducted as appropriate for a site which has just attained

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National Historic Landmark Status. The Veterans Industries will facilitate certification of compensated work therapy patients in historic preservation practices. The standard operating and maintenance plan for the Hot Springs campus will continue to be determined and directed by VA facilities staff. The work will be conducted by VI employees. This program will be a national model and success story for federal agencies and will illustrate its ability to successfully administer a therapy program as well as a Section 110 program, per the National Historic Preservation Act (NHPA). Renovations necessary to the current campus to comply with the future demands would and could be completed through this program. Aspects of employment, contracting, regulations, and guidelines can be taught through this program. Participants will eventually leave the program with accreditation in a skill they are also able to use after their rehabilitation. The program would assist in the following ways:

- Labor costs would be reduced through the program.
- The historic preservation maintenance of the VA will be met through cost effective approaches.
- The veterans will receive a new, marketable skill, contributing to their future success.

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H. Creating Educational Opportunities

An important component of any treatment protocol is the availability of educational opportunities for residents. One of the advantages stated in the original Black Hills VA proposal for moving the domiciliary to Rapid City is the proximity of local schools and colleges. We agree that convenient educational facilities are important.

For that reason, we propose to enter into agreements with educational providers to establish outreach programs at the Hot Springs VA facility. These programs would be available for not only domiciliary residents, but also Hot Springs VA staff and community members. In addition, these programs would also be available to Veterans Industries employees.

A unique feature of providing education programs at the Hot Springs VA facility is the ability to couple learning with the compensated work therapy program offered through VI. In other VA facilities, education and work are often separate activities. Through our proposal, coursework could be tied directly to work skill development. This is similar to internship programs offered by most colleges. The advantage provided in this proposal is to manage the integration of coursework and workplace skills through the treatment protocols.

The HSPC in partnership with the Hot Springs VA would seek agreements with the following institutions for outreach programs to be located in Hot Springs:

- **Western Dakota Tech**

Western Dakota Tech provides a wide variety of career programs in allied health, manufacturing, business, technology, and related fields that lead to the Associate of Applied Science degree or a professional certificate. The institution has articulation programs with most State four year institutions. Additionally, most of their programs are designed for career entry following the AAS degree or certificate. Finally, the institution has a wide variety of developmental programs and general education programs that can be offered to prospective students regardless of previous educational experience. The main campus is located in Rapid City.

- **Oglala Lakota College**

Oglala Lakota College is a four year institution providing a variety of bachelors and graduate programs. An important component of the College is their focus on providing educational experiences that also embody Lakota culture. Given the anticipated large number of Native American veterans which could be served by this demonstration project, we believe it is important to provide opportunities for this stakeholder group as

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well as others who might wish to learn more about what this College has to offer. The College has two campuses, one in Rapid City and one located on the Pine Ridge Reservation.

- **Black Hills State University**

Black Hills State University is a regional four year institution that offers a wide range of degree programs at the undergraduate and graduate level. The institution is well known for its teacher education programs as well as the quality of its instructors in all fields. The main campus is located in Spearfish, SD, about 80 miles from Hot Springs.

- **Chadron State College**

Chadron State College is a four year institution that also offers a wide range of degree programs. The College is located in Chadron, NE, about 50 miles south of Hot Springs. Chadron State would provide opportunities for Nebraska residents to participate in educational programs at in-state tuition rates.

If these agreements prove advantageous for the institutions involved, the HSPC could also reach out to institutions in other surrounding states. By so doing, the domiciliary residents could have a variety of educational opportunities from which to choose, many offering in-state tuition rates.

To assure that these outreach programs are advantageous for the participating institutions, and to avoid unnecessary duplication, there would need to be some level of agreement over curriculum responsibilities. For instance, WDT offers skill building career-based programs. Others offer different sets of programs. The goal would be to provide the widest variety of educational choice and opportunity in one convenient location.

Coursework would not be restricted to only domiciliary residents. To help provide the necessary number of students to support the outreach center; courses would also be available to other VI employees as well as residents of Hot Springs and other nearby communities. Additionally, the participating colleges could also provide continuing education programs and other services for Hot Springs VA employees.

Because many colleges now utilize distance learning technology, we propose to renovate space on the Hot Springs VA campus that would include four state-of-the-art classrooms. These classrooms would include traditional teaching and learning furnishings as well as video conferencing, audio conferencing, and on-line capabilities. The classrooms could be used for the college outreach programs, as well as classroom space for other purposes such as orientations, meetings, etc.

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These classrooms would each be about 600 square feet and outfitted with tables, chairs, Smart Board, projection system, computer, screen, and a high definition monitor. The cost of renovating and outfitting the classrooms would be about \$25,000 per room, or an estimated total of \$100,000.

Finally, should additional space be required, the former Hot Springs Community Hospital facility is also available. The current manager of the facility has indicated his desire to utilize that space for postsecondary education as well. We propose that the HSPC evaluate both alternatives and select the one which is most cost-effective and practical for the intended students.

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I. Conducting Research

Research is necessary to provide the best veteran care possible and to monitor the success and potential of this National Demonstration Project. The open sharing of research results will facilitate any changes or adjustments that need to be made to the project, as well as learning points imperative to changes in veteran health care, therapies, or treatment techniques.

- Hot Springs' unique rural location provides an excellent controlled environment for clinical research measuring treatment effectiveness.
- For the duration of the demonstration project, the facility would work both with VA medical researchers and those from major medical research facilities to provide and conduct (with informed consent) such research. The VA currently has an outstanding Health Services Research and Development Services (HSR&D) division. This division is comprised of Centers for Excellence, usually VA facilities or educational institutions that address veteran health issues. Currently, all Centers for Excellence are located in major urban areas. With the exception of Michigan, Illinois and Indiana, all Centers for Excellence are located in states that border the US and none are located within a 15 -20 hour drive of the center and heartland of our country. Most Native American veterans and many veterans living within the interior of the US do not have access to VA research facilities or the outstanding care that they provide. Such research can focus not only on national issues affecting veterans, but also regional and local issues that may not affect veterans in urban settings. Establishing a research program and possibly grooming the Hot Springs facility as a Center for Excellence will enhance patient care, satisfaction, and VA success on a national level. Should the project be a success, the VA could determine after 10 years if the Hot Springs facility is adequate for a Center of Excellence designation.
- The high concentration of Native American veterans suggests that research should also be conducted on traditional Native American healing activities, including sweat lodges, mineral water therapy, etc. The Hot Springs area and current facility is considered a place of traditional healing among many Native Americans and have been for several hundred years. Traditional healing methods fairly unexplored in modern clinical medicine. Research into traditional healing practices may provide new and successful treatments that are currently unknown. This research could encourage currently untreated Native American veterans in the catchment area to enroll in the Hot Springs treatment programs and provide long term and sustainable practices to traditional cultures.
- Treatment protocols showing strong evidence of significant effectiveness would be shared throughout the VA system in conjunction with the HSR&D.

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- Special research attention would be given to the integration of Veterans Industries as an important treatment component. As a National Demonstration Project, this research could provide alternatives to other federal agencies charged with increasing demands and tasks.

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J. Project Duration and Costs

We acknowledge that the scope of this proposal is large. However, we also believe that its success has important implications for both the VA system as well as rural communities across the country. For that reason, the elements of this proposal need sufficient time for development and implementation. We propose the following timelines for the overall project:

1. Treatment and Medical Services

First of all, because of the scope of the project and the increase in domiciliary residents from 100 to 200, and because the VI will also employ other veterans from the catchment area, we propose that the treatment and medical services portion of this proposal be allowed to run for a minimum of five years at the level of service outlined in Section F of this proposal. This represents an important guarantee of a level of service commensurate with the scope of this proposal and the anticipated needs of veterans to be served by the Hot Springs VA in accordance with this proposal. FOIA information we've received conflicts with the VA's data regarding the number of veterans served by the Hot Springs VA. Because of this, a five year data collection period can serve to establish accurate baseline data concerning services offered and number of veterans served.

2. Veterans Industries

It is anticipated that the creation of the Hot Springs Partnership Corporation and the required market research and business planning will take approximately six months to complete. Further, obtaining the seed financing and establishing the Veterans Industries Company will take an additional 12 to 18 months. Finally, time to profitability, when resources can be returned to the VA system, will most likely take another 12 to 18 months. For that reason, we propose that this part of the demonstration project be given a minimum of ten years to allow sufficient time to establish the company, obtain profitability, and chart the scope of revenue that can help offset VA operational costs.

3. Project Evaluation

We propose that evaluation criteria for the different elements of this proposal be established jointly between the HSPC, the VA system, and the local governments. Additionally, the HSPC would establish benchmark timelines for different phases of VI development and implementation. Evaluations of the VI and other proposal elements would occur every two years starting at the end of the second year of the project. An

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evaluation report would be prepared and shared within the VA system and publically. This report would outline progress, successes, and challenges faced by the project and would include recommendations for future consideration.

4. Project Continuation

Following the initial project period, the continuation of the project would be based on successfully meeting the project benchmarks and the overall recommendations of the evaluators.

5. Project Dissemination

The HSPC would be expected to host a bi-annual conference concerning the experiences learned from the project and recommendations for others considering a similar project. Additionally, the HSPC would provide white papers, material, and other supporting activities for national dissemination. This would be done on a revenue generating basis.

The other critical component of this demonstration project is the anticipated cost. It should be noted that the HSPC and Veterans Industries components of the proposal will be self funding. There will be no expectation for funding from the VA system for this portion of the project. Additionally, the demonstration project will not add to the overhead or bureaucracy of the VA system as this work will be done by the HSPC through a joint agreement with the VA.

Staffing costs for maintaining treatment and medical services may add some additional costs beyond what the Black Hills Health Care System currently budgets. However, because the scope of this demonstration project will increase the number of veterans served, and because it is anticipated that the overall number of veterans requiring PTSD and related treatment will increase significantly over the next decade, the VA system will need to be anticipating these additional costs in any event.

The major evaluative factor concerning costs is the question about whether it is more cost effective to build new facilities in another location or to renovate the existing Hot Springs VA campus. The details, rationale, and requirements for renovating the Hot Springs VA campus are provided in Section G of this proposal.

In summary, the anticipated life cycle cost for a new domiciliary constructed in Rapid City and a new CBOC in Hot Springs was estimated by the VA analysis to be slightly over \$148 million.

The estimated cost of renovating the current Hot Springs campus is estimated at approximately \$26.25 Million as outlined below (See Appendix B). Using the historic (15 year) annual average of \$8.89/sq. ft. for maintenance of the campus, the 30 year life cycle cost for the Hot Springs

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facility is estimated to be \$144,000. However, we also believe the VA cost estimate for maintaining a vacated Hot Springs facility is about \$1.5 million per year too low. If that is the case, the VA Rapid City option would be increased by about \$45 million over the 30 year life cycle, resulting in a total for that option of \$193 million.

Projected Costs for the Hot Springs Campus Renovation:

Project	Estimate	Total
Architectural Design funding	\$17,670,000.00 total project x 10%	\$1,767,000.00
Complete remodel of B level ramps from lower arcade to B wards. Building 4 has already been completed with these modifications and serves as a great example.	\$15-20,000 x 5 (Bldgs. 3, 5 – 8)	\$100,000.00
Install 2, 3 or 4 stop elevators	\$160-240,000 x 3 (Bldgs. 5, 7, 8)	\$720,000.00
Remodel all wards for single and double occupancy rooms	\$750,000 x 11 (3B and 5B are already remodeled which is why the number is 11 instead of 13)	\$8,250,000.00
Tunnels between Bldg. 3 & 4 and Bldg. 6 & 7	\$160,000 x 2 (Note the savings of building tunnels as compared to installing elevators)	\$320,000.00
Separate family, singles with children, and/or female housing all with handicap access	\$50,000 per bed x 40	\$2,000,000.00
Handicap parking between Bldgs. 3 & 4 and where new housing is added	\$10,000 per vehicle x 40	\$400,000.00
Handicap ramps for west end of street level entrance Bldg. 7	\$35,000 per ramp x 2	\$70,000.00
Bridges to allow access to upper arcade and meet Historic Preservation guidelines	\$250,000 x 2	\$500,000.00
Green standard upgrades to provide better insulation and thermal windows (inside envelope) to meet Historic Preservation guidelines	\$330,000 per bldg. x 11 (Bldgs. 1 – 11 = Entire Dom Complex)	\$3,630,000.00
Green standard upgrades to update boilers for dual source fuel to add Liquid Natural Gas	\$420,000 per boiler x 4	\$1,680,000.00

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Renovation of four current medical residences into apartments to house additional domiciliary families	\$250,000 per building x 4	\$1,000,000.00
Renovation of space to create and equip 4 classrooms @ approximately 600 square feet per classroom	\$25,000 per classroom x 4	\$100,000.00
Add second floor to the East wing addition for state-of-the-art surgery suites and updated air handling and storage areas	\$2,850,000	\$2,850,000.00
Renovate the old surgery area for recovery rooms and the west end for specialty clinics	\$1,300,000	\$1,300,000.00
Convert south wings of bldg. 12 to 15 bed in-patient ward.	\$200,000	\$200,000.00
Convert north wing to allow for more specialty clinic space	\$780,000	\$780,000.00
Renovate ward one east for continued in-patient care	\$580,000	\$580,000.00
ESTIMATED TOTAL		\$26,247,000.00

Note 1: The last seven cost items are not included in Appendix B as they were added following the completion of that white paper.

Note 2: This estimate does not include any possible costs for asbestos removal or lead paint removal.

Note 3: The estimated 30 year life cycle cost for this proposal is estimated to total between \$134 million and \$144 million depending on construction options. For comparison this proposal uses the higher estimate.

It is our estimation that the cost of maintaining the Hot Springs campus facility, and making appropriate renovations to upgrade the existing physical plant and to accommodate necessary changes to incorporate this project, would be less than half of the estimated cost of moving the facility to another location. Also, maintaining the current facility and incorporating the elements of this demonstration project would provide significant benefit not only to veterans and the residents of Hot Springs, but also, through their actions, serve as a national model for approaching both veterans care in a rural environment and rural community development that can have far reaching national impact.

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K. Additional Advantages of a Project in Hot Springs

- The Hot Springs facilities are currently in place and of sufficient size to accommodate this program
- The cost of renovating existing facilities, including ADA requirements, for this project is less than new construction
- The Hot Springs community is willing to work as a significant partner in creating and developing the Veterans Industry concept
- The community has available commercial spaces to house the Industry
- The community culture is supportive of the veteran community and the important role played by the resident VA treatment programs
- The medical facilities are in place, although they will require some updating
- The facility is in a rural setting which provides some level of a controlled environment for the project
- The Hot Springs VA already has an excellent national reputation for quality care of veterans suffering from PTSD and substance abuse problems which will allow for a quicker project start-up
- The demonstration project provides visibility for the BHHCS and for the State of South Dakota

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L. Summary

In summary, this proposal recommends the following actions:

1. Establish a national demonstration project for veterans care in a rural environment
2. Build on the Hot Springs VA's national reputation for PTSD and related substance abuse treatment
3. Increase the capacity of domiciliary residents from 100 to 200 for the duration of this demonstration project
4. Maintain and grow both the inpatient and out-patient services provided by the Hot Springs VA
5. Maintain the current facilities and enhance staffing for a minimum of 5 years to establish new base line data
6. Create a community partnership corporation to establish a Veterans Industry to provide compensated work therapy opportunities for domiciliary residents as well as job opportunities for unemployed and underemployed veterans in the catchment area
7. Grow profitable Veterans Industry that can return revenue to the VA system to help offset treatment costs and to provide revenue for community development
8. Establish an evaluation protocol for this project to be conducted every two years
9. Establish a dissemination strategy for sharing the results of the demonstration project with a national audience
10. Create opportunities to add to the body of knowledge by inviting research opportunities afforded by the demonstration project
11. Create joint agreements with regional colleges and universities to provide educational opportunities for domiciliary residents, local veterans and other citizens, and to provide continuing education opportunities for VA staff

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12. Renovate the existing Hot Springs VA campus to both upgrade existing facilities and to accommodate this project at a cost significantly less than building new facilities in another location
13. Maintain the historic nature of the Hot Springs VA campus
14. Create a model through this demonstration project, that can address the increasing numbers of veterans suffering from PTSD and related illness over the coming years.
15. Demonstrate that the VA system and a local community can form an effective partnership that provides critical services for our nation's veterans while at the same time providing new opportunities for the VA system and our nations rural communities.

Building an Integrated Veterans Support Community

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Appendix A: Fall River Hospital Committee White Paper

Committee members include Rich Olstad, president of Fall River Health Services (FRHS) board of directors; Rich Nelson, past president of FRHS board; Garry Strauser, MD, vice-president of FRHS board and former staff and fee-basis radiologist at Hot Springs (HS) VA; Carolann Schwarzenbach HS City Council member; Barb Fetters, MD, staff physician at HSVA; and Paul Smith, Pastor of Prairie View United Methodist Church.

Topics to be presented in this paper:

- Discussion of VA's official public contacts and of FRHS board's contacts with VA officials;
- Discussion of general differences between veteran care in a private hospital, such as Fall River Hospital (FRH), and care provided by a VA facility, including discussion of unique challenges confronting veterans and those providing their care;
- Comparison of services provided at FRHS and the HSVA; 4) Charges for inpatient care at FRH;
- Results of research of various VA hospitals, clinics, or programs that have been closed or downsized or targeted for same; and
- Comments and suggestions of committee members.

Note that the term "he" is not gender-specific.

Discussion of VA's official public contacts and of FRHS board's contacts with VA officials is as follows:

The proposal presented by Stephen DiStasio (previously Acting Director and now Director of VA Black Hills Health Care System, which includes HSVA) and VISN (Veterans Integrated Service Network) leadership, starting at the December 12, 2011 employee and community town hall meetings, included the option of using FRH/FRHS for inpatient and outpatient care, possibly co-locating a new VA clinic at FRH. The latter concept was presented, again, in the February 12, 2012 letter that the VA sent to all enrolled veterans.

Upon hearing the initial announcement of the proposal in December 2011, members of the FRHS board were quick to point out that they had no prior knowledge that the VA was considering any new contractual or other arrangements with FRHS. The CEO of FRHS (which also includes FRH) had been contacted by Stephen DiStasio just prior to the December 12 meeting, and was asked if Stephen DiStasio could mention the FRHS name in the context of working together. At no time were the soon-to-be-made-public details of the VA proposal shared with the CEO—or how the plan could involve FRHS; and, since FRHS already had a relationship with the VA through contracts for ultrasound, radiology, and endoscopy services, the CEO gave approval. The first time the FRHS board members were made aware that their

hospital was being considered as an option in the VA's proposal was at the December 12 meetings.

The first meeting with FRHS board members and local VA leadership was on December 21, 2011. A second meeting was held on February 22, 2012. Board members who attended these meetings relate that Stephen DiStasio made several vague suggestions, but offered no details on what relationship VA is seeking with FRHS. No business proposal has been received from the VA, nor have specific questions been presented regarding what services should be requested, offered, provided, etc. Those FRHS board members who were present at both meetings indicate that language used by HSVA leadership remained very vague during the second meeting, with no new information or inquiries presented by the VA, despite the fact that the VA Director had requested the follow-up gathering.

Individuals who have attended town hall meetings in other communities report that Stephen DiStasio has specifically mentioned building a new wing, presumably for a Community-Based Outpatient Clinic (CBOC), at FRH for veterans care, yet the FRHS board has never responded to this suggestion in either of its discussions with Stephen DiStasio and feels that it is very unlikely that such a proposal is feasible.

(Of note is that in Canandaigua, NY, where similar downsizing was proposed, the VA Director promised to build a \$10-12 million wing on the local hospital. This was never built.)

In summary, the contents of the proposal presented by the local VA and VISN leadership on December 12, 2011 came as a surprise to the board of directors of Fall River Health Services who, despite the fact that the VA chose to publicly suggest some type of collaboration with FRHS, had no prior knowledge of such a plan. To date, any suggestions or proposals made directly by the VA to FRHS have been very vague, at best—lacking any detail or sense of a business plan. Despite The VA Director's public mention of "building a wing" or "co-locating" at FRH, the FRHS board has never publicly or privately encouraged or responded, feeling, rather, that it is very unlikely that such an idea is feasible.

Discussion of general differences between veteran care in a private hospital, such as Fall River Hospital (FRH), and care provided by a VA facility, including discussion of unique challenges confronting veterans and those providing their care, is as follows:

The committee has discussed the unique aspects of veterans' health care. Service-connected combat and non-combat injuries are a significant part of caring for veterans. The veteran population suffers from mental health issues such as Post Traumatic Stress Disorder (PTSD) at a much higher rate than the general population. The veteran population includes Native American veterans and others who have a significant amount of co-morbid illnesses. There are often multiple medical problems to deal with in veterans who do not have a local support system. Veterans seek detoxification and long-term help for alcohol and substance abuse, and these issues compound their medical and psychological problems. Disability, pension and other veterans' benefits are administered through a complex system that requires assistance from VA

social workers and other VA employees, as well as veteran service officers. In-depth knowledge of presumptive service-connected conditions and other regulations is needed to ensure that veterans receive the full spectrum of benefits that they have earned.

In summary, health issues of veterans are often complex and unique when compared to the general population. Typically, non-VA medical personnel, including physicians and other professional staff, lack the knowledge, training, and experience needed to navigate the VA bureaucracy and its regulations. Without this knowledge, veterans do not receive all the benefits they have earned, nor the specific health care they deserve.

Comparison of services provided at FRHS and the HSVA is as follows:

Medicare and Title 19 recipients comprise the vast majority of FRH inpatient and swing-bed patients. The FRH emergency room is staffed 24/7 by a physician. The FRHS rural outpatient clinic utilizes two family physicians, and one nurse practitioner; and visiting consultants/providers deliver scheduled clinic care in the specialty areas of cardiology, general surgery, neurology, orthopedics, and podiatry. Scheduled outpatient endoscopic procedures and surgeries are provided by specialists in general surgery, ophthalmology, orthopedics, and podiatry. Fall River Health Services employs two full-time pharmacists, one of whom has a Pharm.D, as well as two pharmacy technicians, but specific clinics that manage anticoagulation therapy, lipid control treatment, and diabetes control are not provided. The FRHS rehabilitation department consists of one part-time contract occupational therapist (OT), two full-time physical therapists (PT), one full-time PT assistant, two part-time contract PTs, one part-time contract PT assistant, and one part-time contract speech and language pathologist (SLP)/therapist. A full-time director and assistant provide activities. Full-time food services are provided on-site, with a part-time contract registered dietitian. One full-time and two part-time therapists, with occasional callback coverage, deliver daytime respiratory therapy. The staff of FRHS offers on-site sleep studies, cardiac rehabilitation, and pulmonary rehabilitation. The laboratory at FRHS employs one full-time phlebotomist and five full/part-time technicians who provide 24/7 availability. Three full-time radiologic technologists are available 24/7 to provide radiology services, including radiographic and computed tomographic (CT) studies. Fluoroscopy and nuclear medicine are not available. The imaging department employs one full-time daytime ultrasound technologist, with regular screening mammography and once-weekly magnetic resonance imaging (MRI) scheduled on-site by contract. No mental health services are offered. Social work services are provided on an as-needed basis, under contract. There is no medical library. Security and fire protection at FRHS are provided by local public law enforcement and volunteer fire fighters.

Services at the VA include mental health services at the Domiciliary (Dom), provided by two full-time psychiatrists, two psychologists and a mid-level provider. There is also a psychologist assigned to Primary Care.

The VA's Primary Care section has two full-time physicians, and two full-time mid-level providers. Outpatient care also includes a full time optometrist and podiatrist, and an

audiologist two days a week. Although the pharmacy department is ordinarily staffed with sufficient numbers of pharmacy technicians and pharmacists (including some holding a Pharm.D), the service is now short several staff, largely because VA management has chosen not to fill vital vacancies. Pharmacists provide consultation services for inpatient and outpatient care, including specialized clinics that manage anticoagulation therapy, lipid control treatment, and diabetes control. The nutrition and food service staff provides inpatient and outpatient consultation. A neurologist provides outpatient services periodically, as does a nephrologist. The VA has a full-time PT/OT department, periodic coverage by SLPs, full-time dental services and a full-time prosthetics department. The respiratory therapy department has 24/7 availability for inpatients and outpatients, performs sleep studies and manages home oxygen and CPAP set-up and follow-up. Social work services are provided for inpatients, outpatients and Dom patients. Orthopedics, general surgery, ENT, and urology specialties hold regular but not full-time clinics.

The VA also houses a full time dialysis unit, and a busy Compensation and Pension evaluation service, and provides Environmental Agent Registry examinations. Cardiac rehabilitation services, a medical library, and a staff education service are also provided. The VA police force provides 24/7 security and firefighters man the fully equipped on-site fire station round-the-clock.

Diagnostic services include lab and radiology with 24/7 availability, a nuclear medicine department, and CT and MRI scanners on a rotating basis. Patients are generally sent to Fort Meade or Rapid City for ultrasound studies, but contracts are also in place with FRHS for some ultrasound and radiology services. Echocardiograms are available on-site one day a week.

Surgical services at the Hot Springs VA have been severely decreased over the years by VA management, despite protests from veterans and staff. The only surgical service now available at HSVA is cataract surgery, with a consulting ophthalmologist also performing outpatient procedures twice a month. While most surgery and endoscopies are performed at the Fort Meade VA, endoscopy also can be provided, under contract, at FRHS. Still other, usually more complex, operative procedures are referred to tertiary facilities.

Urgent Care daily handles up to 25 patients during business hours, from walk-in patients with routine needs to all types of emergencies. It is staffed 24/7 by registered nurses and an in-house physician.

The Dom houses a call center that receives and directs calls to all of the VA's three campuses. Dom programs include 28-day alcohol treatment, a 6-week PTSD program, Compensated Work Therapy programs and substance abuse after-care, as well as a busy outpatient psychiatry and counseling service. Services tailored to veterans include an OEF/OIF/OND (Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn) case management program. There is a suicide prevention program, a Home-Based Primary Care program, as well as Chronic Disease Management. The Domiciliary Committee's report should be reviewed for a full description of Dom programs. The following description of inpatient services at the VA is from a staff

physician: As for the inpatient services, we have an inpatient unit that now is limited to 10 beds. Along with that is our CLC (Community Living Center), which is the equivalent of a 7-bed swing-bed unit. The census in the inpatient unit varies anywhere from 3-10 patients daily and, at times, possibly more when we are on diversion. The same nursing (as well as physician) staff provides care for the CLC beds, and that census is usually between 3-7 patients. After the CARES (Capital Asset Realignment for Enhanced Services) commission met in 2003 we were given the status of a rural access hospital, which is the same as a critical access hospital in the private world. We do not have an ICU per se, but many of the patients we care for have conditions similar to those provided in an ICU. We do have telemetry. We are unable to treat conditions that require long-term drips, but some things like short-term diltiazem, nitroglycerin, insulin, etc. can be used. Most of these patients are transferred either to Fort Meade ICU or to Rapid City Regional Hospital (RCRH) if longer-term treatment is needed. We have a lot of alcohol and substance abuse patients that make up the majority of patients. For sicker or more acute patients our job is to stabilize and transfer. We can do thrombolytic or other life saving measures in Urgent Care. We can intubate and do short term ventilator support, but all ventilated patients have to be shipped to RCRH. We have the capacity to admit patients with chest pain to exclude myocardial infarction, but if there is any evidence of such the patients are shipped out immediately. We see a lot of chronic obstructive pulmonary disease (COPD) and exacerbations, as well as pneumonias and other respiratory problems. We see a lot of diabetes-related illnesses including open wounds and cellulitis. We can and do adjust cardiac medications as long as management can be provided with oral medications. Our physicians and staff have the ability to provide more advanced care if administration would give us the support we need. At Hot Springs we have an Urgent Care instead of an Emergency Room (ER), but we provide the same type of care as the Fort Meade VA ER. Since we do not have surgery back up, we are not designated as an ER. Respiratory therapy is in the hospital 16 hours daily, but can be called back if needed. We also can do nuclear stress tests on cardiac patients and on patients suspected of such. We are able to medically treat such things as abdominal infections, like diverticulitis, but nothing surgical. We have a very active referral case manager as well as dietary support and social work service.

In summary, the following are vital services that FRHS does not provide: mental health services (including suicide prevention program), pharmacy consultation services, prosthetics, audiology, optometry, fluoroscopy, nuclear medicine (including nuclear stress testing), nephrology, urology, ENT, full-time podiatry, dentistry, routine alcohol and drug detoxification, on-site social work services, dialysis, chronic disease management, and home-based primary care program. Additionally, FRHS has no medical library or on-site security service or fire station. It is also quite likely that other small community hospitals that the VA would be “purchasing care” from would not have these services available to veterans.

Discussion of charges for inpatient care at FRH is as follows:

Fall River Hospital is a Critical Access Hospital (CAH), as certified by the federal government. Critical Access Hospitals are in rural areas and provide essential services to their communities, operating under certain stipulations regarding length of stay, number of beds, distance from

tertiary hospitals, etc. The CAH program is designed to improve rural health care access and reduce hospital closures. A cost-based system is used, which is calculated by figuring all expenses needed to care for the patient. The hospital is then reimbursed based on that figure. To date, however, the VA has presented no reimbursement proposals, cost analysis, needs assessments, or business plan to the board of directors of FRHS, so no comparison of probable costs/charges and proposed reimbursement has been possible.

In summary, Fall River Hospital is a federally certified Critical Access Hospital and, as such, utilizes charges predicated on a cost-based system. To date, the board of directors of Fall River Health Services has received no reimbursement proposals, cost analysis, needs assessments, or business plan from the VA that would permit initiation of contract negotiations for delivery of inpatient care to veterans at Fall River Hospital.

Results of research of various VA hospitals, clinics, or programs that have been closed or downsized or targeted for same are as follows:

Members of this committee have been interested in the experience of other private hospitals and clinics that have had contracts with the VA. We contacted personnel from these VAs and private facilities. Committee members also serving on the FRHS board have provided additional relevant information regarding local relationships.

In Grand Island, NE, the VA closed their ICU and hospital, and contracted with St. Francis Hospital, a private hospital. After two years, VA (which is managed by the same VISN as HSVA) ended the contract because it was too expensive. There was no alternative provided to the veterans, so those veterans needing VA inpatient services are now typically transferred to the Omaha VA, 155 miles from Grand Island. If a veteran is medically unstable and presents at St. Francis, he is transferred to the Omaha VA as soon as he is stabilized.

At Miles City, MT, the VA closed their hospital and again arranged a contract with a private hospital. This contract was broken and inpatient care for veterans is now provided 380 miles away at Helena, MT VA. The only remaining services at Miles City are a VA CBOC that is staffed with one physician and a part-time nurse practitioner. Any specialty care requires the veteran to travel to the Helena VA, which is eight hours away.

We have been told by contacts at both Grand Island and Miles City that veterans feel like “second class citizens” at the private hospitals. Also of note is that even if a veteran has Medicare, once he enters the private hospital as a VA patient, he cannot stay at the private hospital under Medicare, but must follow the VA requirement that he be transferred to the nearest VA hospital when stable.

As previously mentioned, it has been learned that in Canandaigua, NY, where similar downsizing was proposed, the VA Director promised to build a \$10-12 million wing on the local hospital. This was never built.

It has been learned that a VA fee-for-service contract (negotiated through the Fargo, ND VA) with a private clinic in Williston, ND (again, managed by the same VISN as HSVA) was not renewed after its initial two to three years. This happened despite improvements that were made by the clinic, including acquisition of more clinic space and additional personnel by the private facility. Without any warning or without giving the private clinic an opportunity to re-bid, the VA failed to renew the contract and, instead, awarded a new (capitated) contract to a company from the east coast. The same scenario (i.e. sudden, unexpected loss of contract) also occurred in Dickinson, ND, after the private clinic had maintained the original contract for approximately five years.

Additionally, fee-based contracts were in place in Williston, ND, in order to provide various types of local specialized services (i.e. eye care, imaging, etc.). However, when fee-based funds ran low, contracts were canceled and patient appointments were arranged at the Fargo VA, requiring the patients to drive approximately 800 round-trip miles for the necessary procedures or care.

Also of note is that the VA operated a CBOC in Alliance, NE, staffed two days a month by HSVA employees who traveled to the clinic. This clinic was closed, with staff being told the VA could not find a suitable building, and others being told there weren't enough veterans to keep the clinic operational. Veterans now must travel to Scottsbluff, NE, 53 miles away, to see a VA contract provider there. Specialty care is not provided at Scottsbluff, however, and a veteran must go to Fort Meade, Minneapolis, or Omaha VAs, depending on the care needed.

Local VA leadership has repeatedly stated that the HSVA is unable to recruit and/or retain qualified physicians because either the physicians or their spouses do not wish to live in the Hot Springs area. Fall River Health Services board members point out that—without solicitation—FRHS has hired physicians who voluntarily left the HSVA and who have continued to live in Hot Springs. It is well known that other qualified physicians—including specialists—intentionally have either been released or not hired by the VA, despite the fact that they already live in Hot Springs or expressed willingness to do so.

Furthermore, Stephen DiStasio stated in the VA/FRHS meeting of December 21 that VA management wished it could provide additional orthopedic services locally. Although the VA was informed in that meeting that veterans could, indeed, receive orthopedic services at FRHS, Stephen DiStasio has made no effort to initiate such care for his veterans.

In summary, then, the initiation, termination, and longevity of contracts involving CBOC and hospital care and personnel are quite unpredictable, without apparent regard for veterans' needs, and totally at the discretion of the VA.

Comments and suggestions of committee members are as follows:

From our research with other VAs that have downsized or closed hospital services, we have learned that there are many problems with private hospitals or clinics contracting with the VA

to provide inpatient or outpatient care for veterans. The hospitals are reimbursed at Medicare rates, which is too low a rate for FRH to provide care to veterans. The VA has not maintained the contracts long term, and once the contracts are gone the veteran must travel on his own or be transferred to a VA that is an even greater distance away. Veterans feel like second-class citizens. Outpatient specialty care is not provided at the CBOCs so the veteran must travel farther for these services. This is already seen at HS, where veterans often have to travel to Rapid City or Fort Meade VA for procedures or services that were previously provided at HSVA. Given that veterans from Nebraska have already traveled an hour or more to HS, traveling further for specialty care is very burdensome and may also entail the need for overnight lodging, particularly during the winter months.

Also of note is that if the VA plans to provide care closer to the veteran's home, they would need to negotiate contracts or payment arrangements with hospitals and clinics in each city/town of the service area. We do not believe the VA has even attempted to initiate such contracts. This is certainly true locally.

In summary, it is evident that the promises that VA makes when they initiate downsizing or closure are not fulfilled, resulting in the veterans feeling like second-class citizens. The VA has a history of ending clinic and hospital contracts, without providing local alternatives. In the end, the veteran is left with fewer services being available nearby, and he must travel longer distances to obtain care. Routine admission of veterans to FRH for inpatient services does not appear to be a viable option financially or logistically. The scope of services currently provided veterans hospitalized at the HSVA would not be available at FRH. Veterans prefer care at VA hospitals and clinics. This has been obvious to anyone who has attended any of the community meetings that the VA has held. Health care for veterans is unique, and contract care solely from the private sector is not adequate to meet these needs.

Appendix B: Residential Rehabilitation Treatment Program (RRTP) Physical Plant White Paper

History of the Hot Springs Facility

The community of Hot Springs was chosen as home for the Battle Mountain Sanitarium because of the great care that residents at the State Soldiers Home were receiving, the healing waters, and the supportive community members. Today, more than a hundred years later, these factors remain. We intend to show through this white paper that the Residential Rehabilitation Treatment Program (RRTP) of the VA Black Hills Health Care System should remain in Hot Springs.

The Battle Mountain Sanitarium was completed in 1907 to maximize all elements of successful veteran rehabilitation. Architect Thomas Rogers Kimball designed the Spanish Mission style Domiciliary with a unique approach to hospital layout. By using a ship's wheel design, or radial plan, Kimball produced a building that gave several possible kinds of orientation for the wards. The arrangement was such that each section had one covered porch side, while the other side was purposely exposed to the sun. The orientation also allowed a great amount of fresh air to circulate through and around the wards. The inner courtyard was a gathering place for veterans with a fountain and gardens. Windows surrounding the courtyard brought the outdoors inside.

Kimball's design incorporated ramps instead of stairs wherever patients were able to go, making it easily accessible for disabled patients. By locating the ramps at connecting links between wards, no space was wasted. In addition, a circular pedestrian walkway connected all sections of the building which provided a shady and cool walkway in the summer and a dry and warm area in the winter.

Government Supervising Architect, James Knox Taylor, praised Kimball's design by calling it "a gem, one of the finest conceptions for a hospital I ever saw." In 1909, Kimball was appointed by President Theodore Roosevelt as a member of the first Commission for Fine Arts.

Fast forward to December 12, 2011, when then Acting Director Mr. Steven DiStasio presented a proposal to abandon the facilities currently on the VA campus. Some of his reasons were that the Hot Springs VA RRTP:

- Was not compliant with the Americans with Disabilities Act (ADA)
- Did not have elevators to assist with handicap access
- Had ramps steeper than mandated for ADA access
- Did not have bathrooms accessible to wheelchairs
- Presented problems for the delivery of high-quality care due to building design and age.

Instead, Mr. Steven DiStasio, BHHCS Medical Center Director, has proposed that a new, state-of-the-art facility should be built in Rapid City. He claims this relocation would allow for services to homeless veterans, women veterans, and single veterans with children. DiStasio also

believed this would provide more post-treatment job opportunities and maximum recovery emphasizing independence and health.

The statements presented in Mr. DiStasio's proposal are inaccurate, and we do not agree with his conclusions that a new \$37 million facility in Rapid City is necessary to provide for the elements in his plan.

First, the RRTP has met Americans with Disabilities Act requirements since the late 1970s. The RRTP has two elevators at each end and in 2011 added another elevator in Ward 4. Also completed in 2011 was the modification of the ramp from the lower arcade to Ward 4B to meet ADA requirements. Ward 4B was intended to be remodeled to meet ADA requirements for rooms and bathrooms but the project was halted prior to Mr. DiStasio's announcement.

However, there are handicap accessible bathrooms in other parts of the RRTP already. It is important to note that because the Hot Springs VA was named a National Historic Landmark in 2011, it does not need to meet all VA standards for new construction but rather must show it has made reasonable accommodation toward the standards.

Second, the present RRTP structure is solid and in the last few years has had new heating and air systems installed. We contend that the RRTP is safer than buildings that only have elevators and stairs for the evacuation of handicapped patients. In the event of a fire, elevators are not able to be used for evacuation, so handicapped patients need to be assisted or carried down the stairs. However, due to the brilliant architectural plans by Thomas Kimball, handicapped patients can easily be evacuated using the RRTP ramp system instead. Handicapped patients could actually evacuate themselves in a dire situation.

Third, we contend that remodeling the current RRTP will be more economical. Remodeling the current structures enhance recovery and health for veterans. The remainder of this paper will prove this without a doubt. Veterans themselves say that a rural environment is preferred over urban settings.

Rural environments provide the peace and quiet that many of these patients require for a full recovery. Urban environments, besides being chaotic and noisy, also provide many more temptations for those who are battling drug and alcohol addiction.

Finally, the VA campus has space for additional buildings. Women veterans already have their own newly remodeled ward in the RRTP. However, if the VA Administration insists that women should be housed separately, a new cottage-style structure that blends in with the historical design of the current buildings could be constructed. A similar structure for single veterans with children or veterans with families could also be constructed on campus for this purpose. There are several locations on the Hot Springs VA campus where this residential-type housing could be located. One possible location, which would need the approval of the Historic Preservation Council and would have to comply with infill preservation guidelines, is on the west side of Building 11 beyond the parking lot where the horseshoe pits are located (please refer to

campus map). There would even be enough room to add a playground there. Using the existing historic residences, such as Building 21 or 28 is another option. Other places on campus where land is available is on the far side of the main parking lot by the Police and Fire Station and at the north end of 6th Street. The street could be extended for several cottage style residential units and still remain on VA owned property.

Though the VA Administration has not released an architectural drawing of the proposed new RRTP in Rapid City, Mr. DiStasio has stated that it would house 100 veterans. We believe that by remodeling the current space in the RRTP to single and double rooms we could house 200 veterans. By adding the cottage-style structures for women and veterans with families, we could add to that total. With less money the RRTP could be remodeled AND offer MORE space for the care of veterans than that proposed in Rapid City. This supports our plan to expand services to veterans. It is our hope that the Hot Springs RRTP would become the premier PTSD program in the United States. We also believe that there are unique CWT opportunities available if we could become a training ground for veterans interested in Historic Preservation techniques. We also have a lovely greenhouse which is vacant and could be used for a horticulture program.

The suggestion to abandon the Hot Springs VA campus is tragic. The domiciliary in particular is a beautiful building with no structural defects. If vacated, the buildings on the Hot Springs VA campus will still have to be maintained to a high degree due to its National Historic Landmark status. If the property is going to have to be maintained anyway, it might as well be modernized and used for the reason it was constructed—serving veterans. Even if the cost to modernize the building costs twice as much as what we estimate, it would still be more cost effective than the plan to move the RRTP to Rapid City.

Projected Costs of VA Administration		\$37,400,000.00
Proposal: New RRTP Complex in Rapid City		
Activation money for furniture, computers, new equipment for new RRTP		\$11,000,000.00
New CBOC in Hot Springs with Dialysis		\$15,000,000.00
Activation money for furniture, computers, new equipment for new CBOC		\$5,000,000.00
Maintenance of abandoned Hot Springs VA Campus with National Historic Landmark status. Estimated costs include heat, maintenance of roads and grounds, security and building maintenance.	\$2,500,000 per yr. x 25	\$25,000,000.00
ESTIMATED TOTAL:		\$93,400,000.00

Projected Costs of Save the VA Proposal: Project	Estimate	Total
Architectural Design funding	\$17,670,000.00 total project x 10%	\$1,767,000.00
Complete remodel of B level ramps from lower arcade to B wards as has been done in Bldg. 4 already	\$15-20,000 x 5 (Bldgs. 3, 5 – 8)	\$100,000.00
Install 2, 3 or 4 stop elevators	\$160-240,000 x 3 (Bldgs. 5, 7, 8)	\$720,000.00
Remodel all wards for single and double occupancy rooms	\$750,000 x 11 (3B and 5B are already remodeled which is why the number is 11 instead of 13)	\$8,250,000.00
Tunnels between Bldg. 3 & 4 and Bldg. 6 & 7	\$160,000 x 2 (Note the savings building tunnels is compared to installing elevators)	\$320,000.00
Separate family, singles with children, and/or female housing all with handicap access	\$50,000 per bed x 40	\$2,000,000.00
Handicap parking between Bldgs. 3 & 4 and where the new housing is added	\$10,000 per vehicle x 40	\$400,000.00
Handicap ramps for west end of street level entrance Bldg. 7	\$35,000 per ramp x 2	\$70,000.00
Bridges to allow access to upper arcade and meet Historic Preservation guidelines	\$250,000 x 2	\$500,000.00
Green standard upgrades to provide better insulation and thermal windows (inside envelope) to meet Historic Preservation guidelines	\$330,000 per bldg. x 11 (Bldgs. 1 – 11 = Entire Dom Complex)	\$3,630,000.00
Green standard upgrades to update boilers for dual source fuel to add Liquid Natural Gas	\$420,000 per boiler x 4	\$1,680,000.00
ESTIMATED TOTAL	\$19,437,000.00	

*Disclaimer: These figures are an estimated guess to the best of our ability.

THE BOTTOM LINE: VA ADMINISTRATION PROPOSAL	\$93,400,000.00
SAVE THE VA PROPOSAL	\$19,437,000.00

DIFFERENCE BETWEEN THE PROPOSALS:	\$73,963,000.00
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****Note:** This cost savings does not take in account the energy cost savings that would be gained with the installation of better insulation, thermal windows and Liquid Natural Gas. We believe that over the next 30 years the energy savings would be a minimum of \$400,000.00 per year totaling a savings of \$12,000,000.00.

Additional Concerns

1. The VA Administration claims the cost to maintain the buildings at Hot Springs is part of the reason a new RRTP is needed in Rapid City. Since 1996, VA management has made the decision to allot the maintenance, equipment and non-recurring maintenance funding for the VA Black Hills Health Care System (BHHCS) to be divided, on average, 40% to the Hot Springs campus and 60% to the Fort Meade campus. Using the numbers from the VA BHHCS 2010 Annual Report, the total for maintenance, equipment and non-recurring maintenance funding was 9.6 million dollars. Divided between the two campuses, Hot Springs received \$3.84 million and Fort Meade \$5.76 million. However, the average age of the patient care and support buildings at Hot Springs is about 100 years old and the average age of the patient care and support buildings at Fort Meade is about 35 years old. In addition, there is seven maintenance staff at Hot Springs compared to fourteen at Fort Meade.

In other words, even though the Hot Springs campus has much older buildings than Fort Meade, it has been maintained with an average of \$2.3 million a year less and with fewer employees than the newer buildings at Fort Meade. Since 1996, the overall maintenance costs at Hot Springs have been \$36.8 million less to maintain the old buildings at Hot Springs vs. the new buildings at Fort Meade.

The VA Administration justifies this inequity by basing their decision on the square footage of the campuses—800,000 sq. ft. at Fort Meade and 460,000 sq. ft. at Hot Springs. However, what they fail to take into account or acknowledge is that many of these buildings are leased, vacant or rented and should not be a part of the square footage calculation. Approximately 337,000 sq. ft. at Fort Meade and 35,000 sq. ft. at Hot Springs falls within this definition. If you subtract this square footage from each campus, the Fort Meade campus reduces to 463,000 sq. ft. and the Hot Springs campus to 425,000 sq. ft. Once again, the justification for a 40/60 split in the maintenance, equipment and non-recurring maintenance funding falls on its face and our request for an equal 50/50 split is even-handed.

By allotting funds unfairly, the VA Administration has caused maintenance at the Hot Springs campus to be deferred which has led them to say a new building is needed. We wholeheartedly disagree with this wasteful plan. By consolidating the size of what needs to be cared for at the Fort Meade campus, we estimate at least two million dollars could be saved in maintenance costs annually. It also would have no negative impact on the veterans we serve. The money saved could be used to modernize the RRTP complex at Hot Springs.

2. We want to mention here that Historic Preservation law and VA policy states that leasing out of historic buildings is to be done so that it does not take away from the agency’s main mission of taking care of veterans. Leases are to be written to ensure the cost of maintenance, utilities, infrastructure, and preservation are covered. At the Fort Meade campus, there are buildings utilized by the National Guard, a Museum, and employees living in residences. Each of these occupants should be paying for the upkeep of these buildings, not the VA. However, in the case of the museum, there is no current lease in place at all. The most recent lease record available expired on October 10, 2000! In that lease the museum did not pay anything to use the museum but was expected to “maintain, restore and protect the leased premises.” However, we know that \$353,000.00 was spent by the VA to update the museum which included the purchase of new aluminum clad windows which do not meet Historic Preservation guidelines. Poor management of VA property has led to more taxpayer money being spent than is necessary when a properly executed lease with the National Guard (who has actually asked to buy the property they use), Museum and renters could solve this issue.

This leads us to another question: why has the VA Administration not supported the purchase by the National Guard of the property they use? The historic buildings on the Fort Meade campus are significant to the National Guard because it was a Calvary post. They are not significant to the Department of Veterans Affairs. We suggest the National Guard should be allowed to determine how best to preserve their own history.

3. The VA Administration has stated that it is too costly to modernize the Dom Complex which is 105 years old and claims the buildings are in poor condition. We find this an unsupported claim when we compare the requested funds for Hot Springs vs. those of the Fort Meade campus and the Rapid City campus. Each year the VA submits a Strategic Capital Investment Plan (SCIP) to Congress for approval.

Fort Meade SCIP Requests	
2012 SCIP: Approved construction and design of new surgery tower	\$10,200,000.00
2013 SCIP: Wind Turbine generator	\$1,900,000.00
Relocate SPD and Endoscopy	\$8,500,000.00
Renovate Patient Wards	\$7,200,000.00
Renovate Quarters & Outlying Bldgs. (which should be covered by lease money—see previous paragraph)	\$500,000.00
Renovate Mental Health	\$5,000,000.00
Renovate and expand CLC (Nursing Home)	\$25,000,000.00
Relocate Dietetics	\$9,300,000.00
ESTIMATED TOTAL:	\$67,600,000.00
2013 Rapid City SCIP Requests	
New RRTP and New Multi-Specialty Outpatient Clinic	\$69,000,000.00

Hot Springs Requests	
2013 SCIP: Renovate and upgrade clinic areas, bio-mass boiler, and building system controls	\$9,270,000.00
Save the VA Proposal	\$19,437,000.00
ESTIMATED TOTAL:	\$28,707,000.00

From the charts above, it is obvious that the renovations to the historic Hot Springs RRTP and Hospital would be far less costly than those proposed to the fairly new buildings at Fort Meade. In fact, the difference is approximately 40 million dollars. **According to the VA Administration’s SCIP report**, the 105-year-old Hot Springs campus needs only \$9,270,000.00 in upgrades while the much younger buildings on the Fort Meade campus need \$67,600,000.00 in upgrades. It would appear that the Fort Meade campus is actually the more costly campus to maintain.

It is shocking to see that Fort Meade will basically have a new facility just like in Rapid City—less than a 2 million dollar difference between the two proposals. How can the VA Administration justify this expense for facilities that are 30 miles apart and serve the same catchment area? While on the other hand, Hot Springs is 60 miles from Rapid City and 90 miles from Fort Meade and serves veterans from the Southern Hills, Indian Nation Reservations, Nebraska and Wyoming.

4. We contend that since the VA Administration is based at the Fort Meade campus and since Mr. Steven DiStasio has shown clear bias against Hot Springs, it makes it very difficult for them to look at this decision in an un-biased manner. The same can be said about this counter proposal, so, to be fair, we believe a non-biased panel should look at the facts and figures to assist in making a very critical decision. Sometimes, by slowing the process down, a more intelligent decision can be made. Rushing this important decision could result in a negative impact on all veterans involved, the American taxpayer, all employees of VA BHHCS, and the communities involved.

In conclusion, the Hot Springs RRTP is more than capable of being updated with reasonable cost to accommodate the present and future needs of all veterans. The RRTP will be able to meet ADA, privacy, security, and safety standards. The RRTP can add the social aspects that veterans are seeking by providing a newly remodeled recreation/workout area, library, and computer area.

By revitalizing the RRTP, the VA will show its commitment to quality veteran care, providing care where veterans are—many of them being rural, and its own Historic Preservation standards which advocate for using historic buildings. Remodeling the RRTP in its present serene environment will increase the quality of life for veterans, their families, VA employees and the community of Hot Springs.

It is hoped that the VA Administration would see the “gem” that is the Hot Springs VA with its unique architectural plan and sandstone buildings sitting high on a hill overlooking the city.

Most of all, we hope that the VA Administration would move forward with the Save the VA plan which is guided by these considerations, in this order:

- *What is best for Veterans
- *What is best for Taxpayers
- *What follows Federal Law
- *Impact on VA Employees
- *Impact on the Community.

The following represents the current RRTP layout and a proposed layout which would provide handicapped access and semi private and private rooms for all veterans for the estimated cost of **\$19,437,000.00**.

Current RRTP Layout

Map Key: A = Upper level; B = Ground floor; C = Basement

Building #1

- 3rd Floor = Fiscal and Human Resources offices
- 2nd Floor = Mental Health and Community Affairs offices
- 1st Floor = Director's Office and RRTP Operations offices
- C = RRTP Clinic and RRTP Fileroom

Building #2

- A = SATP classrooms and offices
- B = Dining Room and Kitchen
- C = Quality Assurance
- Sub-basement = Housekeeping

Building #3

- A = Contracting offices
- B = Business Offices
- C = Voluntary Services offices

Building #4 Currently Empty but has an ADA accessible ramp to the B level plus an elevator

Building #5

- A = PTSD Living Quarters
- B = Women's Quarters
- C = Canteen

Building #6

- A = PTSD Living Quarters
- B = Recreation
- C = Warehouse

Building #7

- A = SATP Living Quarters
- B = IT/CWT Living Quarters
- C = Arts & Crafts

Building #8

- A = SATP Living Quarters
- B = SATP Living Quarters
- C = Mechanical Room and Storage

Building #9

- B = Protestant Chapel
- C = Storage

Building #10

- B = Catholic Chapel

- C = Electrical Shop and EMS Locker Room

Building #11

- A = Auditorium
- B = Call Center/Museum

Proposed RRTP Layout

Map Key: A = Upper level; B = Ground floor; C = Basement

Building #1

- 3rd = Fiscal and Human Resources offices
- 2nd = Mental Health and Community Affairs offices *Has an elevator already
- 1st = Director's Office and Dom Operations offices
- C = SATP Offices, RRTP Clinic and RRTP Fileroom

Building #2

- A = Remodel space for Contracting and Business offices
- B = Dining Room and Kitchen *Has an elevator already
- C = Quality Assurance
- Sub-basement = Housekeeping

Building #3

- A = PTSD Living Quarters and Offices
- B = Remodel offices into individual PTSD Living Quarters; remodel shower/bathroom
- C = Voluntary Services and PTSD Classrooms and Offices

Building #4

- A = PTSD Living Quarters and Offices *Has an elevator already
- B = PTSD Living Quarters, Classrooms and Offices
- C = PTSD Living Quarters, Classrooms and Offices

Building #5

- A = IT/CWT Living Quarters and Offices
- B = Women's Quarters, Section Office and Classrooms
- C = Canteen

Building #6

- A = IT/CWT Living Quarters and Offices
- B = Call Center
- C = Warehouse

Building #7

- A = SATP Living Quarters and Offices *Add an elevator
- B = SATP Living Quarters, Classrooms and Offices
- C = Arts & Crafts/Hobby Shop

Building #8

- A = SATP Living Quarters and Offices
- B = SATP Living Quarters, Classrooms and Offices
- C = Mechanical Room and Recreation

Building #9

- B = Protestant Chapel
- C = Storage

Building #10

- B = Catholic Chapel
- C = Electrical Shop and EMS Locker Room

Building #11

A = Auditorium

B = Computer Area/Library

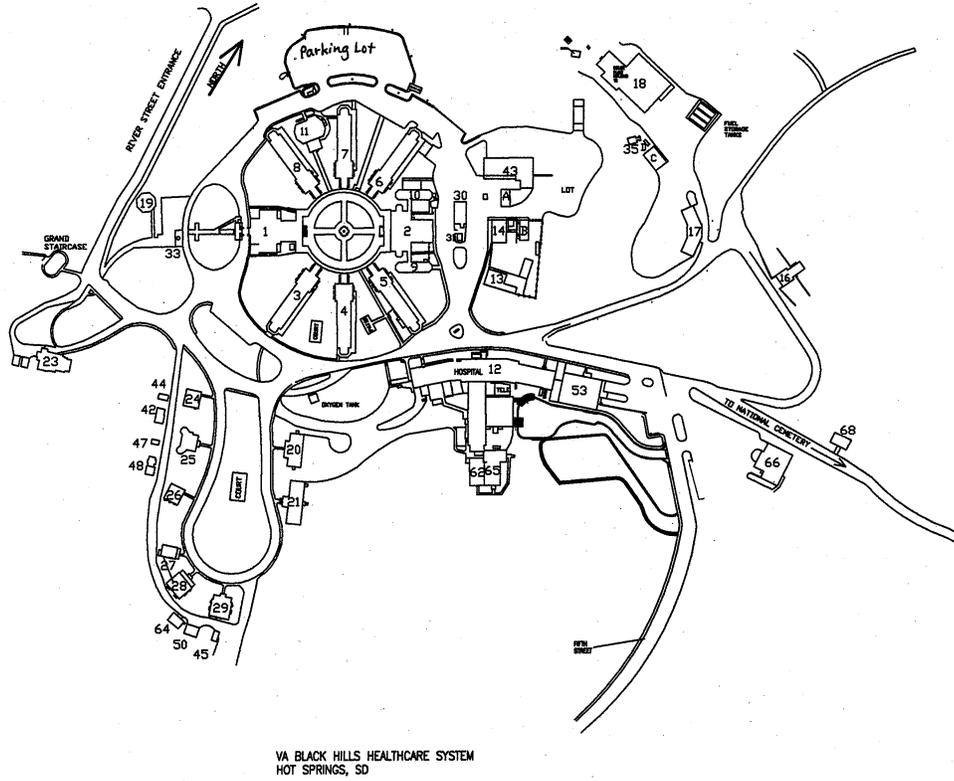
Additional Notes:

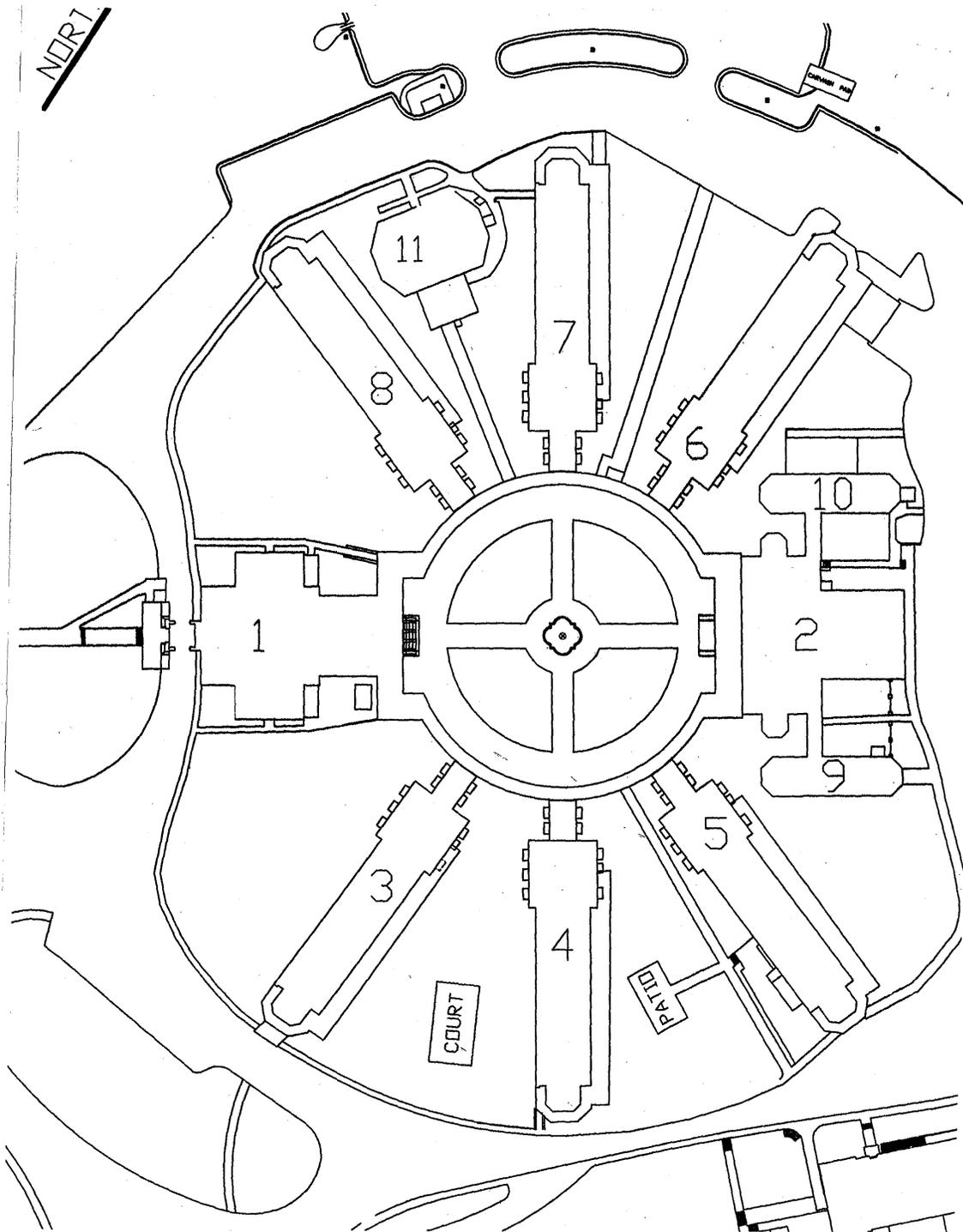
Since Building 8 basement was a storage area, a new storage area could be built by the boiler plant on VA grounds.

We are suggesting that the Director's House, Building 23, become the headquarters for the National Archives. The lower level could be turned into the museum and visitor's center. The upper levels could be turned into offices. There is enough land near the Director's House to add a building that has museum-quality heat and light controlled areas for preservation of special documents and historical items if needed.

Our plans include creating tunnels between Buildings 3 & 4 and from Buildings 6 & 7. The reasons for this are to allow handicap access and a secondary fire exit. Due to Building 4 having an elevator, the tunnel would allow Building 3 to also be handicap accessible. Similarly, if an elevator was installed in Building 7, the tunnel would make Building 6 handicap accessible as well.

We are not putting classrooms on any of the A wards so that handicap veterans do not need to access this level. This will save money because elevators will not need to be installed that come to the A wards and modifying the ramps to this level is not feasible.





Appendix C: Residential Rehabilitation Treatment Programming White Paper

The Residential Rehabilitation Treatment Program (RRTP) in Hot Springs is the primary entry point into a multifaceted mental health rehabilitation continuum of care. While many RRTP's are single focused programs, i.e., a 28 day Substance Abuse Program, the Hot Springs VA is full service RRTP. This is desirable to many veterans because they are able to address their needs in a comprehensive and holistic manner. Concurrent treatment for multiple mental health and chronic medical conditions is a cost effective method designed to meet the multiple needs of our most at risk veterans.

RRTP (Dom) Recent Clinical History

In 2004 the Hot Springs RRTP carried a patient census of 160 veterans. The facility provided five core treatment components which included: 28 day Substance Abuse Program; 45-60 day After Care Program; 90-120 day Compensated Work Therapy Program; Medical/Psych/Long Term Care; and PTSD. Additionally there was an Assessment Team. There were also two full time Chaplains.

The Programs of Substance Abuse, After Care and CWT/IT were managed by three multidisciplinary teams composed of the following disciplines: Psychology, Nursing, Social Worker (MSW), Addiction Therapist, Vocational Rehabilitation Specialist and Psychiatrist or Psychiatric Nurse Practitioner.

Since that time, the programs have been slowly and systematically eroded by staff reductions. Loss of positions resulted in programs being eliminated or collapsed into other teams. With the reduction of staff came the mandatory reduction in beds. What once was a thriving multi-state residential program has been reduced to 60 patients.

Veterans seeking admission into the program have reported wait times of several weeks to several months. Instead of speaking with a qualified staff member, phone calls for admission are now answered by a phone bank. The veterans, who are often homeless and without normal resources are expected to wait for a return phone call. These system created delays have resulted in the low census and the loss of several major referral sources.

Veteran length of stay has been reduced to 90 days. Reduction of the LOS is not supported by the current Allocation Resource Methodology which reimburses at a higher complex rate for homeless veterans who are served in a residential homeless program for 180 days. Instead,

many veterans are discharged to the Cornerstone Mission in Rapid City, in spite of open beds and resources to provide rehabilitation services to them in Hot Springs.

It is the conclusion of the Save the VA group that the systematic reduction in services to our most needy veterans; the homeless, the Substance Abusers, and the Veterans with PTSD must be stopped. A reconstruction programming to include an appropriate level of staffing and services is clearly indicated.

Urban Versus Rural Residential Rehabilitation

The Rapid City area does not represent the majority demographic of the RRTP in Hot Springs. According to VHA data system, 9% of veterans using the RRTP are from the Rapid City area. Data reflects that 91% of the RRTP veterans of the Hot Springs RRTP are NOT from the Rapid City area, and do NOT relocate in Rapid City on discharge but return to their home area.

A cornerstone in the proposal to move the RRTP to Rapid City is the stated improvement in vocational opportunities in Rapid City. The proposal cited improved educational opportunities, improved vocational opportunities, improved transportation and improved schools for dependents in Rapid City.

However, it is critical to understand that access to both vocational and educational opportunities are *currently available to veterans who chose to locate to Rapid City*. **In fact there is a plethora of VA homeless and vocational services in Rapid City.** These include an outpatient Substance Abuse Program, VHA vocational specialists, a supported employment program, MHICM program, a Grant and Per Diem facility at the Cornerstone Mission and two Transitional Residences in Rapid City and Sturgis. The HUD-VASH program provides housing vouchers for veterans in need of housing in Rapid City. The current needs of the homeless veterans in the Rapid City are being met by current resources. If additional resources are needed in Rapid City to provide access to Educational and Vocational opportunities, they can be obtained in a more economical way than moving an entire health care facility.

According to the Journal of Rural Health, 26 (2010); "Only half of the highly rural Veteran enrollees live within an hour of Primary Care, and 70% must travel more than 2 hours to acute care or 4 hours to tertiary care."

Hot Springs RRTP, Inpatient and Outpatient facility serve a highly rural population as designated by the Office of Rural Health. Veterans from the Hot Springs' highly rural catchment area currently required to drive up to 400 miles to Ft. Meade to obtain routine ultrasound tests, endoscopic examinations, specialty services, and same day surgery. All of these services were previously provided in Hot Springs before the services were systematically dismantled.

All of the counties served by the VA in Hot Springs are considered Health Provider Shortage Areas. This includes the counties of Fall River, Custer, Shannon, Todd, Bennett, Jackson, and Mellette in South Dakota; Sioux, Dawes, Sheridan, Grant, Cherry, Box Butte, Morrill in Nebraska; Niobrara, Weston and Crook in Wyoming.

Crime and Veterans Safety – Urban versus Rural Community

Veterans, especially female veterans express their feeling of safety in Hot Springs, where they can walk down town safely. Female veterans have experienced assault in Rapid City and find the safety of Hot Springs conducive to healing. The crime index between Rapid City and Hot Springs supports this feeling of safety.

Year	Location		Murder	Rape	Robbery	Assault	Burglary	Thefts	Vehicle Thefts	Arson	Crime Index
2009	Hot Springs, SD	Count	0	0	0	5	9	24	2	0	
	Hot Springs, SD	Per 100,000	0	0	0	124.5	224.2	597.8	49.8	0	411
	South Dakota	Per 100,000	2.6	54.8	13.7	114.6	305.2	1,314.20	100.1	NA	979

**Rapid City, SD
 Crime by Year**

Year	City		Murder	Rape	Robberies	Assaults	Burglaries	Thefts	Vehicle Thefts	Arson	Crime Index
2009	Rapid City, SD	Count	2	97	41	167	433	2,264	132	21	
	Rapid City, SD	Per 100,000	3	146.6	62	252.4	654.4	3,421.50	199.5	31.7	2,408
	South Dakota	Per 100,000	2.6	54.8	13.7	114.6	305.2	1,314.20	100.1	NA	979

Hot Springs RRTP (DOM) Rural Rehabilitation Entry Point

The RRTP in Hot Springs is a primary entry point into a multifaceted mental health rehabilitation continuum of care. Unlike many of the newer single purpose RRTP's, the services in Hot Springs provide a multi-phase approach by offering patient centered programming that meets the

specific needs of the veteran. These services currently include Substance Abuse Treatment, Compensated Work Therapy, Incentive Therapy, and PTSD treatment. Additionally, the Hot Springs RRTP supports two transitional houses, one on the Pine Ridge Reservation and one located on the Hot Springs Campus. In the recent past, the continuum included a Residential After-Care Program and a Medical/Coping Skills Program. These last two programs were eliminated due to an incremental cutback in staffing.

Unlike the Inpatient, Outpatient and Nursing Home Services, the Hot Springs RRTP enjoys a catchment area that extends well beyond the current geographical boundaries of the Black Hills Health Care System. It's longer-term, specialized services draw veterans primarily from the five state areas of Wyoming, Montana, Nebraska, Colorado, South Dakota and North Dakota. With homelessness and alcoholism so prevalent on Indian Reservations, this facility provides a needed service to Native American Veterans. Hot Springs is a major resource for Native Americans from Wyoming, Montana and the seven reservations in North and South Dakota. Admission demographics show that veterans from every state in the United States are drawn to the unique location and the specialized programming

In 2011 veterans entering the majority of RRTP admissions came from the following states: Colorado, Montana, Nebraska, and Wyoming. Veterans come from as far east as Pennsylvania and as far west as Washington State. Veterans from South Dakota accounted for 50% of the total admissions.

Special Emphasis Populations served by the VA Hot Springs RRTP

The RRTP serves several populations which are considered Special Emphasis in the Veterans Health Administration. These special emphasis populations are:

Homeless Veterans:

- *23% of the homeless population are veterans*
33% of the male homeless population are veterans
47% served Vietnam-era
33% were stationed in war zone
76% experience alcohol, drug or mental health problems
- *On a single night in January 2009, the states with the highest estimated share of veterans among their total homeless populations were Kansas (34%), **North Dakota (22%), South Dakota (23%) and Wyoming (22%)**. In these same states, veterans make up a relatively small share of the total population (8, 8, 10 and 9) percent respectively.*

Homeless is a result – not a diagnosis. Providing a veteran a bed will not end homelessness. To end homeless one must address and conquer the reasons for becoming homeless. Veterans must be given the opportunity to “stand down”. They must be given the opportunity, time, and resources to heal their soul, to regain their health with nutrition, medical, mental health and dental care, to remain drug and alcohol free, to be a part of a healing community, and to learn the skills needed to live on his/her own. This does not happen in 28 days. The Hot Springs RRTP meets the multiple complex needs of our homeless veterans.

Native American Veterans:

The access to residential rehabilitation and Inpatient/Nursing Home Care is particularly important to the Native American Veteran Population.

The 2010 Census data (State and County Quick Facts) shows that Shannon and Todd Counties, home to the Oglala Lakota and Rosebud Tribes are two of the three poorest counties in the United States.

- Shannon County – Persons below the poverty line, 2006-2010 – 53.3%
- Todd County – Persons below the poverty line, 2006-2010 – 48.8%
- Pennington County (Rapid City), 2006-2010 – 14%
- Meade County (Sturgis, Ft. Meade), 2006-2010 – 10%
- South Dakota – Persons below the poverty line, 2006-2010 – 13.7%

Compared to veterans in general, a higher proportion of Native Americans veterans served in later periods – Gulf War, Peace Time between Viet Nam and the Gulf War, and in Viet Nam. The Native American Veteran population is younger than “all races” due to their increasing military numbers in recent years. The Native American Veteran population is decreasing at a slower rate than “all races”. From 2005 to 2020, it is estimated that the Native American veteran population will decrease at a rate of 7% compared to a decrease of 26% of the overall veteran population.

The 2010 Census data (State and County Quick Facts) shows that Shannon and Todd Counties, home to the Oglala Lakota and Rosebud Tribes are two of the three poorest counties in the United States.

- Shannon County – Persons below the poverty line, 2006-2010 – 53.3%
- Todd County – Persons below the poverty line, 2006-2010 – 48.8%

Native American Health Care Disparities -- Indian Health Service Fact Sheets (www.IHS.gov)

American Indians and Alaska Natives die at higher rates than other Americans. (The following rates are adjusted for misreporting on Indian race or state death certificates, 2004-2006 rates)

Tuberculosis (500% higher); Alcoholism (514% higher); Diabetes (177% higher); Unintentional Injuries (140% higher); Homicide 92% higher); Suicide (82% higher)

Rural and highly rural Native Americans are drawn to the rural nature of the RRTP in Hot Springs. The facility operates the first sweat lodge ever established on VA grounds. The beauty and peaceful surroundings in Hot Springs are welcoming to the Native American. Moving this facility to an urban area is not in the best interests of our Native American veterans. Travel will be longer, families will be further away, and there will be more negatives influences in Rapid City as evidenced by the high crime rate and number of liquor establishments.

Post Traumatic Stress Disorder:

Viet Nam - Among Vietnam veterans, approximately 15% of men and 9% of women were found to have PTSD at the time of the study. Approximately 30% of men and 27% of women had PTSD at some point in their life following Vietnam.

***Persian Gulf War** - Studies examining the mental health of Persian Gulf War veterans have found that rates of PTSD stemming from the war range anywhere from almost 9% to approximately 24%. These rates are higher than what has been found among veterans not deployed to the Persian Gulf.*

***Iraq War and Afghanistan** - The conflicts in Iraq and Afghanistan are ongoing. That's why the full the impact the war has had on the mental health of soldiers in Iraq in not yet known. One study looked at members of four United States combat infantry units (3 Army and 1 Marine) who had served in Iraq and Afghanistan. The majority of soldiers were exposed to some kind of traumatic, combat-related situations, such as being attacked or ambushed (92%), seeking dead bodies (94.5%), being shot at (95%), and/or knowing someone who was seriously injured or killed (86.5%). After deployment, approximately 12.5% had PTSD, a rate greater than that found among these soldiers before deployment.*

The Hot Springs RRTP PTSD Component is considered one of the top PTSD Programs in the Nation. Veterans seek treatment in Hot Springs not only because of the programming but as importantly, because of the feeling of safety and security found in the small town and on the campus itself.

PTSD is a condition of anxiety and the quest for feeling safe. Failing to use this historic site for mending the wounds of war – as it has done for Spanish American, WWI, WWII, Peacetime, Korean, Viet Nam, and now Gulf War and OEF/OIF veterans is to ignore two aspects of “psychosocial rehab” that of healing the spirit and the mind. This facility provides a basic requirement healing – safety.

To a number, the veterans speak of the quiet and serene atmosphere in the Hot Springs RRTP. They note the lack of city noise, the lack of air traffic, the lack of horns and sirens. They enjoy the comfort of the surroundings, including “Battle Mountain”, the mountain overlooking the facility where the Cheyenne and the Lakota Indians fought for the right to winter in Hot Springs.

Veterans speak of the nearness of nature, the ease of taking a walk, sitting quietly and most of all Healing. They heal in this atmosphere, just as the thousands of veterans who came before them healed. Whether physical, emotional or spiritual, the veterans who come to Hot Springs are healed.

If one believes in the spirit, one must believe in the spiritual remnants of the thousands of veterans healed in these buildings. The stones have absorbed their voices and their footsteps. Their presence is there for those who wish to tap into their strength. It is in fact a spiritual place – one that only time and souls can create. This centuries old spirituality cannot be replaced with new apartments in an urban area.

Rural and Highly Rural Veterans

Rural Veterans Health Care Disparities:

- “About 3.3 million Veterans (about 41% of total) enrolled in the VA Health Care System live in rural or highly rural areas of the country.
- Men and women Veterans from geographically rural areas make up a disproportionate share of service members and comprise about 39% of the enrolled Veterans who served in Iraq and Afghanistan; many of who are returning to their rural communities.”
- U.S. soldiers in recent conflicts are increasingly drawn from rural areas and, therefore, rural VA users are growing proportionate to urban VA users. **Youths living in the most sparsely populated zip codes are 22 percent more likely to join the Army, with an opposite trend in cities.** Regionally, most enlistees come from the South (40 percent) and West (24 percent).
- Specifically, rural Veterans have lower health-related quality-of-life scores and experience a higher prevalence of physical illness compared to urban Veterans.

- While prevalence of most psychiatric disorders is lower for rural compared to urban Veterans, **rural Veterans with psychiatric disorders are sicker as measured by lower health-related quality-of-life compared with urban Veterans.**
- These differences in health-related quality-of-life scores, which equate to lower self-rated health status, among rural dwelling Veterans, are **substantial, clinically meaningful and associated with increased demand for healthcare services.**
- **Despite greater health care needs, rural Veterans are less likely to access health services for both physical and mental illness either through the VA or the private sector.** In particular, rural Veterans have lower access to care for chronic conditions such as hypertension and post-traumatic stress disorder. (VHA Office of Rural Health www.ruralhealth.va.gov)

Enhance and reinstate programming for the Homeless, the Native Veterans, the Rural and Highly Rural, women and those suffering from PTSD in Hot Springs.

Due to constricted staffing, the DRRTP census has significantly dropped in the last few years. Consequently, fewer services are being offered. Reduced or eliminated services include family programming and the Care Management Team. Fewer week-end and evening offerings are available. Multidisciplinary teams for the addictions continuum has been decreased from three to one. The Assessment Units Multidisciplinary process has been reduced. There is usually a wait list or veterans are asked to choose a date in the future as their “desired” date. All of these reductions have resulted in fewer veterans being treated and therefore, fewer veterans receiving the care they need.

Substance Abuse Residential Treatment – Beds 40. This program includes explanation of the addictive and recovery process through groups, classes, and individual counseling. Specialty groups include grief, ACOA, domestic abuse, anger, ethnic issues, assertiveness, gender and gambling issues and a family program.

After Care Treatment – 40 Beds – The aftercare treatment phase is a semi-structured environment fostering a continued addiction free lifestyle through therapeutic programming to develop life skills. The aftercare program provides the time and practice for the veteran to build a foundation of sobriety with a goal of returning to independent living. Veterans in this phase are often employed part time in the Incentive Work Therapy Program. The IT program allows the veteran to slowly adjust to the demands of a work schedule.

Compensated Work Therapy – 32 beds – Veterans in this phase are work ready. They will be placed in a training program or a job which meets their abilities. Work sites are available on station in the Environmental Management Program. Certified Nursing Assistant Training and Painting is program that have been discontinued – but offered the veterans a valuable work training. The Veterans Enterprise will offer further opportunities for CWT and possibly

permanent employment. Transitional Housing on station will supplement the 32 beds. Transitional housing offers a semi-independent living environment which is the final step before independent community living. At the present time the Hot Springs Campus has one TR house. This level of care will be increased as the demand increases, by further rehabilitation the housing on the campus.

Care Management Team – 50 beds – This phase provides holistic care management to meet the patient’s psychological, medical and functional needs to support veterans whose age, medical or psychiatric condition results in a temporary or permanent need for supportive or structured living. Medication Management, psychiatry and medical needs are met in this flexible, semi-structured program. This is not designed to be a permanent living arrangement, but it will fill the needs of those in transition to a higher level of care, permanent housing, or those who need more time in a supportive environment.

Post Traumatic Stress Program – 30 beds – The PTSD program provides a Cognitive Behavior Therapy Model. This is a 45 day program. Treatment components include; one-to-one mental health assessment and testing; medications; one-to-one psychotherapy and also family therapy, group therapy (covers such topics as anger, stress, combat support, partners. This program provides treatments shown by research to be effective in treating Veterans such as cognitive behavioral therapy or prolonged exposure therapy. In addition to PTSD, the program also addresses coping skills for veterans with mild or moderate traumatic brain injury (TBI).

Women Veterans – The needs of women veterans are met with the services of the programs listed above. A separate ward in a separate building is used for female veterans. Additional services from the Women’s Veterans Coordinator and the OIF/OEF staff are available to meet their needs.

Family Therapy – This program must be revitalized with an emphasis on family centered care. Temporary lodging for families who which to participate in family therapy should be established. Family residences can be provided by remodeling current housing or building family residences on station. See Dom Structure report for more on this.

Legal and Benefits Counseling – Veterans have indicated a real need for legal assistance. Alcohol and Drug addictions often are complicated by involvement with the legal system. When veterans begin to heal, there first goals are to deal with past legal issues. Another service that is currently lacking is access to a veteran’s benefits counselor. The facility used to house a VBA counselor on station. When this position was not re-hired, it was really detrimental to the veterans in not only the RRTP, but the surrounding rural and highly rural communities.

Learning Center – This is covered fully in another area of this proposal. Input we have received from current RRTP veterans indicates their desire for a virtual learning center, learning support, virtual classes and a library.

Staffing requirements to re-establish and enhance the programming will be determined by VHA staffing guidelines. It is clear that additional staff will be required to accommodate the larger capacity in the RRTP, to insure the application of up to date treatment protocols, and to serve as liaison to the Veterans Enterprise project.

Appendix D: Inpatient Committee White Paper

We consider the Hot Springs VA a rural health hospital, and offer this summary of what we believe would be an ideal mix of services to enhance and grow the services offered at this facility. While we understand we cannot be all things to all veterans, we truly believe that services and clinics need to be brought back to life at this facility. A 15-year erosion of services, staff, and equipment has occurred as a result of unsuccessful facility integration with the Ft. Meade, SD, and campus.

The Data table below from the Office of Rural Health does not support the statement that there is a demographic shift in urban veterans seeking care in the VA System. In fact, there has been a decrease in unique urban males served by the BHHCS. Further research in the use of non-VA health resources in Rapid City and the availability of alternate health insurance coverage for urban veterans may prove helpful to fully understand the health needs and demands of the Urban Veterans living in Pennington, Meade and Box Butte Counties.

	FY 08	FY 09	FY 10	FY 11	% of total Unique (FY 11)	
Rural Male	5,777	5,796	6,138	5,449	30%	<i>Rural and Highly rural male veterans account for 71% of the BH Unique in FY 11</i>
Highly Rural Male	8,663	8,434	6,180	7,472	41%	
*Urban Male (Pennington, Meade, Box Butte Counties)	3,700	3,768	3,898	3,439	19%	
Rural Female	311	326	352	324	02%	<i>Rural and Highly rural female veterans account for 8% of the BH Unique.</i>
Highly Rural Female	1000	1048	1090	1139	06%	
*Urban Female (Pennington & Meade Counties)	259	273	305	279	02%	
Total	19,710	19,649	17,963	18,102		<i>Total R & HR = 79%</i> <i>Total Urban = 21%</i>
Numbers represent Unique veterans	Rural Health Profile dated 1/12/2012 (568 Black Hills)- All Pharmacy only unique excluded					
<ul style="list-style-type: none"> There are Urban designated counties in the BHHCS – Pennington, Meade and Box Butte Counties 						

The table below shows the number of unique veterans served at each location in the BHHCS. This reveals that Hot Springs has seen a 19% increase in unique veterans treated as compared to 9% at Ft. Meade and 18% at RC Clinic. The major increase in veterans occurred in Hot Springs. This would indicate that resources should be directed to Hot Springs, not away.

An additional factor that affects these numbers is the specialty and surgery workload that has been diverted from Hot Springs to Ft. Meade, in addition to the 43% increase in the use of Fee Basis. This has created an artificial increase in unique veterans in Ft. Meade. Despite the removal of needed services – same day surgery, diagnostic endoscopies, specialty services such as Neurology – Hot Springs has continued to grow.

Unique Vets per FY	FY 08	FY 09	FY 10	FY 11	% difference	Number
Ft. Meade	15400	15768	15969	16258	9%	858
FM CLC	298	290	270	302	1%	4
HS CLC	84	54	61	58	-44%	-26
HS	9067	9185	10175	11175	19%	2108
Dom	459	459	482	438	1%	-21
Non VAH	248	358	378	437	43%	189
RC CI	4628	5170	5455	5649	18%	1021
Pierre	1793	1714	1677	1648	12%	-145
New Castle	108	86	97	82	-32%	-26
Gordon	171	165	160	218	21%	47
Pine Ridge	177	166	181	157	-13%	-20
Gering	1079	1077	1310	1441	25%	362
Rosebud	159	166	184	205	22%	46
McLaughlin	61	60	57	55	-11%	-6
Eagle Butte	320	301	292	291	-10%	-29
Winner	645	593	575	574	-12%	-71
Ft. Meade PR RTP	103	87	59	84	-23%	-19

Beds

We propose an increase in acute care beds to 15 medical beds, and four step-down beds. The 1 East medical ward once had over 20 beds; there is sufficient area on this ward to accommodate additional beds.

We propose re-establishing ICU care at Hot Springs, requesting four ICU beds.

Expand the current ambulatory surgery services into a Same Day surgery unit. The requested ICU beds could have dual usage, either for patients who need critical care or those who may have post-operative complications.

Increase the number of CLC (nursing home beds) to 15 beds. These beds ideally would be both a mixture of short- and long-term care beds, hospice beds, and rehab beds designated as necessary to meet the needs of our veterans. The long-term care nursing home bed concept should be reinstated at Hot Springs, rather than shipping veterans to Ft. Meade.

In the past, the Hot Springs VA had a strong ventilator program in conjunction with a six-bed ICU. We ask that those services be returned to this facility to complement the proposed ICU and CLC beds.

Increase the number of Urgent Care beds from two to five. There is sufficient patient traffic on any given day or evening to support an increased number of beds.

Ancillary Services

Reinstate ultrasound/echocardiogram services to the Hot Springs VA. There is existing equipment at this facility that could be put to use on a daily basis. Have on-site CT services 24/7. There is no reason to transport patients to Fall River hospital or Rapid City Regional Hospital via ambulance for these services.

Propose that former clinics such as Cardiology, Internal Medicine, ENT (Ear/Nose/Throat) and Urology be reinstated at this facility.

Propose that cardio-pulmonary rehab services be fully developed at this site. Such services are a standard of care for COPD, which is one of the major admission diagnoses of this hospital.

Designate VA Hot Springs as the parent site for service-area CBOCs and for all of our existing and proposed services.

Staff Training/ Competency

The argument that staff cannot be competent because they do not routinely perform certain tasks has been presented and used as an excuse to degrade clinical services at this facility. The fact is that employees can partner with service-area community hospitals, and other VA facilities in VISN 23 to achieve and maintain important competencies. Simulation training is

already offered at the Hot Springs VA.

Recruitment

We propose that the efforts for long-term career positions include nation-wide advertisement, offers of permanent employment, and enhancing attraction of positions by providing information about education debt-reduction programs and benefits. The argument that professional employees do not want to live in a small town is unsubstantiated.

Appendix E: Surgical Services Committee White Paper

Hot Springs Surgical Service History

Approximately sixteen years ago, Surgical Services at the Hot Springs VAMC was staffed by four surgeons, five contract specialty surgeons, two full-time nurse anesthetists (CRNAs), six RNs, and a scrub tech.

Surgical Service performed major procedures (cholecystectomy - open and laparoscopic, hernia repair, mastectomy, transurethral prostate resection -TURP) as well as and minor procedures (simple excision/biopsy, endoscopy -upper GI, colonoscopy, sigmoidoscopy, cystoscopy, and prostate biopsy). Compared nationally to facilities of similar size and practice, Hot Springs outstanding morbidity/mortality statistics (record of complications and/or death directly related to surgery) were indicative of highly skilled care and complications which did arise were those often seen in an age group of patients with multiple system disease processes?

In 1995, Hot Springs VAMC merged with Ft Meade VAMC to become Black Hills Health Care System. In the ensuing years, the Hot Springs campus saw our services slowly diminished and eroded. Initially, management was based at the Ft. Meade campus and the various department managers made monthly visits to Hot Springs, but over time, the frequency of visitations decreased. Hot Springs Surgical Services re-invented itself as an efficient, same-day surgery department and maintained a presence utilizing the services of a semi-retired general surgeon, or the services of a short-term contracted surgeon.

There have been instances of highly qualified surgeons who wanted to live in Hot Springs and work at the VA but whose applications have been turned down. In some cases surgeons were given the choice of working at Ft. Meade or not being employed at all by the VA.

Four years ago the Hot Springs VAMC was reduced to one general surgeon who would assist the three or four surgeons employed full time at Ft. Meade, one nurse anesthetist, and five RNs. We still had an orthopedic surgeon and urologist once or twice per week and a contract Ophthalmologist twice per month.

Three years ago, a general surgeon from Ft. Meade came down once per week and performed mainly endoscopic procedures (upper GI and colonoscopy). Eventually it was twice per month and soon the decision was made that our procedure numbers were insufficient to allow the surgeon to maintain his proficiency. This, in spite of the fact that our numbers were included in the total numbers for VABHHCS and the same surgeon was doing procedures at both facilities.

Hot Springs Surgical Service recently employed a full time, board-certified Urologist. She lived in Hot Springs with her young family and intended to stay here. However, she was denied a

permanent employment position after working for three years in a temporary position. She is now a permanent staff urologist at the VA in Helena, Montana.

We have had a fee-basis, or short term contract surgeon who wanted to return to work at Hot Springs but was denied. We believe this systematic dismantling and proposed closure of the VAMC in Hot Springs is not in the best interest of the thousands of veterans who currently need or will need health services.

Current Status of Surgical Services in Hot Springs

The only surgical procedures currently being performed at Hot Springs are ophthalmic surgeries, i.e., cataract removal with lens implant-- twice per month--and minor urology procedures, There is no general surgeon, no anesthetist, and the nursing staff has been parceled out to other departments as their surgical proficiency suffers.

Veterans from this area, western Nebraska and eastern Wyoming are being referred to Ft. Meade or the Minneapolis VA, or other facilities for surgical care as well as screening and diagnostic endoscopy. Travel times of two, three or four hours are not unusual.

Per FOIA request 2012-0028, the numbers of Hot Springs patients referred to Fort Meade for surgery or diagnostic procedures since 2008 have steadily increased: 113 in FY 2009, 171 in FY 2010 and 306 in FY 2011. Additionally, Hot Springs patients were referred to other VISN 23 facilities for care: 41 in FY 2009, 51 in FY 2010, and 37 in FY 2011. Figures provided show that 461 Hot Springs patients were contracted for care to non-VA facilities in 2010 and 655 in FY 2011.

These increased numbers coincide with the cuts and reductions in services at HSVAMC. In 2007 the number of patients referred to Fort Meade was 285. This coincided with the retirement of a full time general surgeon assigned to Hot Springs. In 2008 the number of referrals to Ft. Meade decreased to 151, per FOIA 2012-0028, and coincided with the hiring of another general surgeon who started in 2008 and left in 2009. In 2010 a general surgeon came to Hot Springs from Ft. Meade for one day a week initially, decreasing to one day per month. Of all these numbers, only those referred to VISN 23 facilities, other than Ft. Meade, appear to be for more complex and specialty procedures i.e., neck, spine and lower back disc surgeries, total knee and hip arthroplasties, etc., . These procedures would not be performed at an out-patient, same-day surgery setting. A breakdown of surgery type was not provided for the 461 veterans contracted for care in non-VA facilities in FY 2010 and 655 veterans in FY 2011. For purposes of this proposal, it is assumed that 25-50 would be more complex and/or specialty procedures.

Now that veterans must travel further for exams, we suspect that many veterans are simply opting not to have diagnostic exams done rather than put themselves thru the hardship of prolonged travel times or the stress of dealing with unfamiliar facilities and personnel. Our

veterans have established a trust relationship with their care providers at Hot Springs. It appears veterans are not getting the care they need and deserve because of the aforementioned obstacles. Care delayed is care denied!

Proposal for the Future of Surgical Service in Hot Springs:

We propose that the appropriate level of surgical services be reinstated in Hot Springs to provide care to our highly rural veterans

This includes the acquisition of two to three general surgeons, two nurse anesthetists, and an experienced nurse manager and adequately trained nursing staff. Five to six RNs would be needed for the operating room in addition to a Surgical PA. Two additional RNs would be needed for pre and post op along with a PACU RN. A certified surgical housekeeping staff person would also be required. Sterile Processing & Delivery (SPD) must also have two trained staff and an aide. The total required staff to reinstate Outpatient Surgery is: two general surgeons, two nurse anesthetists, one nurse manager, one surgical PA, eight or nine RNs, one housekeeping staff, along with two trained SPD staff and one aide.

In addition, specialty surgeons are needed on a regular schedule for consultation clinics. These include: audiology, cardiology, ear nose and throat (ENT), endoscopy, nephrology, neurology, ophthalmology, orthopedic, podiatry and urology. Outpatient surgery would be offered on a regular basis to keep the waiting list within one month for the following areas: cataract surgery, other ophthalmologic, orthopedic, ENT, colonoscopy and other endoscopy and urology.

FOIA 2012-0028 supports this recommendation, although we believe that using Primary Care assignment [unclear if there should be another word added to these last three words] under-reports the number of veterans whose surgical needs would be served closer to where they live by providing those procedures at the Hot Springs VAMC.

Per FOIA 2012-0028, 306 Hot Springs surgical patients were treated at Ft. Meade in 2011, and in FY 2010 and 2011, 240 unique patients were referred to non-VA facilities for screening and diagnostic endoscopy (upper GI and colon exams). All 240 would have been served closer to home at HSVAMC. In addition, 461 veterans in 2010 and 655 in 2011 were referred to non-VA facilities for surgical procedures. This would result in anywhere from 231 to 346 veterans appropriate for surgical care in Hot Springs in 2010 and from 328 to 491 veterans appropriate for Hot Springs surgical procedures in 2011. With the addition of another 200 patients in the domiciliary SA/PTSD treatment program, the case numbers would only increase. So it appears, even using only those patients with a primary care provider at HS, there were almost 1000 procedures appropriate to an outpatient surgery performed in 2011.

These figures do not include the increase in RRTP patients mentioned above, some percentage of whom will also need this type of surgery.

We estimate that the potential case load for a general surgeon would exceed 500+ procedures per year based on the veteran population that we currently serve. Adding to the general surgery case load, there are the cases that the specialty surgeons--orthopedic, urologic and ophthalmic--could treat in an ambulatory, out-patient setting. All of these procedures were successfully done at HSVAMC and could be done again when the surgical services are re-established.

The available time for a surgeon would be about 44 weeks, (four weeks of vacation, two weeks holidays, one week education/conferences, one week sick leave). Assuming an average of 11 to 12 procedures a week, one surgeon could do 484 to 528 procedures a year. This assumes that some procedures require a pre-visit and many require a post visit and almost all would need a follow up phone call.

Two years ago, a review and study of the physical status of the operating suites was done and a bid was received to thoroughly update and modernize both OR suites and the procedure room for a reasonable cost. Before any action could be taken to begin the upgrades, Hot Springs surgery was removed from the list of facilities to benefit.

We are deeply concerned about the standard of care veterans would receive at some small rural hospitals and clinics. VA Hot Springs has consistently met The Joint Commission Hospital Accreditation Standards. In addition, Surgical Service follows AORN (Association of Operating Room Nurses) guidelines for nursing practice in the OR. Few, if any, small rural hospitals put themselves thru the rigorous ordeal of a JCAHO inspection and evaluation on a regular basis. Similarly, few small rural hospitals have a dedicated operating room and post anesthesia recovery staff of RNs who are trained and maintain their specialized skills. Small facilities typically pull staff from other hospital areas to cover the OR, the general feeling being that anyone can work in the OR. The operating room is a very specialized and increasingly technically challenging site for care delivery, and veterans deserve care from adequately trained and skilled providers.

Another concern for all contracted services is the security of veterans' personal and health information. The VA administration has provided no information as to how the privacy and integrity of information will be guaranteed. The VA has been in the vanguard of computerized medical records but now we question contract facilities and providers having access to VA computerized health records. How will access be controlled? How will access be monitored? These are important questions that remain unanswered.

When we grow the VA Hot Springs and when the PTSD/Alcohol/Substance Abuse Treatment programs become the national magnet programs that they have the potential to become, we must be able to meet the surgical and diagnostic needs of the 150-200 or more veterans projected in treatment numbers. We must be able to perform surgical and endoscopic procedures to promote and maintain the health of our veterans.

The South Dakota State Veterans Home, also located in Hot Springs, has been approved and funded for a substantial upgrade of new construction. The veteran residents there are also entitled to quality medical and surgical care and this has been provided by the VA, close to home without travel hardship. This care can and should be delivered at VA Hot Springs. Several thousand Native American veterans from the Pine Ridge reservation would benefit from surgical care and screening delivered closer to their homes and families. Those living on reservations are likely under-enrolled for VA services based on the current population of veterans living in these communities.

Recruitment of professional medical staff is always an issue in rural areas. This is obviously exacerbated when closure and downsizing is a continuous part of the culture. Hot Springs is a beautiful, low-crime rate community with many outdoor activities that attract people to move to the area. This has been true of staff serving at the VA as well.

A number of doctors have requested permanent assignment to the Hot Springs VAMC and have been denied this location. However, they were hired at other VA locations. Currently, www.USAJobs.com lists vacancies at several VA hospitals for "board certified general surgeons, proficient in GI endoscopy" with a salary range from \$97,987 to \$295,000, not unreasonable considering that the surgeon has no office or employee overhead expenses. If no one is aware that Hot Springs Surgical Service needs a general surgeon, it is difficult to recruit help. Additionally, FOIA 2012-0028 also indicates that the amount of money spent on recruitment for Hot Springs has dramatically decreased over recent years.

Appendix F: Historic Preservation White Paper

Introduction

Recently, a proposal to decommission the Hot Springs VA facility was presented to communities in the Greater Black Hills region. This proposal was not favored by most individuals in these communities. The proposal also called for feedback, input, and counter proposals. Community members, determined to “Save the VA”, implemented committees to address the various concerns that had prompted the Decommissioning Proposal. The following pages reflect the feedback, input, and counterproposal provided by the Historic Preservation Committee of the Save the VA Campaign.

The Historic Preservation committee determined that an appropriate assessment of past events, current situations, and preferred future path, be conducted. The past events will provide a brief overview of Hot Springs VA history. A summary of events and decisions regarding historic preservation at the VA will also be provided. This crucial summary provides a foundation to understand our current historic preservation situation.

In 2011, the Hot Springs VA was listed as historically significant and as a National Historic Landmark. The Hot Springs VA is also listed on the National Register of Historic Places and is the core of the Hot Springs Historic District. The area is also considered sacred by most Native Americans on account of the healing spring waters, centuries old history, and the number of Native American Veterans that have been assisted at the VA.

History

The history of healing and care for warriors began in Hot Springs hundreds of years ago. The local mineral springs are considered to have healing and medicinal powers to various Native American tribes throughout history. Recognizing their importance and powers, the Cheyenne and Sioux tribes engaged in a battle over the rights to the various springs. The mountain on which this battle took place was subsequently called “Battle Mountain”. Centuries later, the

Hot Springs VA would be built on the sacred battleground and was initially named “the Battle Mountain Sanitarium”.

Prior to the construction of the Battle Mountain Sanitarium, Civil War veterans encouraged the construction of a State Soldiers Home in Hot Springs. In 1889, the State Soldiers Home of Hot Springs was opened and long term housing and care was provided for Civil War veterans. 123 years later, this facility is still in use for the same purpose today.

A few short years later, the same Civil War veterans noted the therapeutic landscape, mild environment, welcoming community, the success of the state home, and the healing waters. Thirty disabled soldiers were sent to Hot Springs for “special treatment” in the spring water. All patients benefited from the treatment. Collectively, this information prompted the Veterans and the Grand Army of the Republic to establish a national sanitarium in Hot Springs. In May of 1902, Congress approved the Battle Mountain Sanitarium at the encouragement of President Roosevelt.

Upon its completion in 1907, the VA campus contained an administration building, a service building, bath house, chapel, library, laundry, and a six ward buildings for treatment. The facility was shaped like a ships wheel and constructed to maximize cool breeze, natural sunlight, breathtaking vistas, and a variety of therapeutic settings to meet the needs of various patients. Features included a circular fountain court measuring 180 feet in diameter that was heated during cold weather, and cool lounging areas for the summer. An orchard containing 1,000 trees provided apples, pears, plums and cherries to the patients at the Sanitarium. The National Cemetery was also opened in 1907. Currently there are 1484 burials in this cemetery. A tuberculosis treatment facility was eventually constructed, but became unnecessary and was torn down 16 years later to make way for the new hospital building in 1924. The Conservatory and Green House were built in 1913 and is still stand today. Construction of many new buildings was completed to support, sustain, and grow the quality of health care provided at the Battle Mountain Sanitarium. Services over the years have included trauma and emergency, substance abuse, surgical, dietary, dialysis, ophthalmology, oncology, cardiac care, life skills, transitional skills, and PTSD, just to name a few.

The end of WWII marked the expansion of the Recreational Therapy program. The Hobby Shop taught weaving, woodworking and material arts that provided therapeutic outlets and trades training for the veterans. Veterans in this program could create, construct, and sell their wares within the community. The Hobby Shop was self sustaining for many years and also provided a source of income for veterans.

Many veterans also participated in horticultural studies in the greenhouse and orchards or grounds keeping. Veterans were able to learn agricultural practices, grow their own plants, maintaining a landscape, and provide for others.

Most patients participated in water therapy in the healing mineral springs. Water was pumped from the springs below up to the sanitarium. Various pools provided the opportunity for veterans to soak or exercise in the healing waters. The therapy pools were eventually filled in. It is unknown why the hydrotherapy program ceased.

Some veterans participated in the Compensated Work Therapy (CWT) Program. The CTW program offered an extensive variety of options for rehabilitation. One such program was the painter program, in which veterans were offered hands experience, training and certification in structural painting. In return many maintenance tasks at the VA were completed by the veterans in this program.

Alternative therapies were offered to accommodate various cultural beliefs. True to local Native American culture, a sweat lodge is offered on the Hot Springs campus. This sweat lodge is important to many local Native American veterans. The Hot Springs VA has served more Native Americans than any other VA in the nation.

Many of these therapies are mentioned because of the impact they had on local historic preservation. Some of these therapies also had an impact on the culture of the VA and its history. The Hot Springs VA has demonstrated great flexibility and ability to change. New therapies, treatments, or facilities were required to treat the various veterans of our various wars. One of the contributing elements of this flexibility is the layout of the campus and the ability for historic structures to adapt to meet the needs of a changing community. In the past

years, many therapies have ceased to be used. The Hobby Shop and recreational therapy, painter program and other aspects of the Compensated Work Therapy program, hydrotherapy, landscape and horticultural practices, and others have been eliminated.

While change does occur and various treatments and therapies have fallen in and out of popularity, one thing has remained the same. The continued need for Veteran care is constant and such a need has been demonstrated over the last 105 years at Hot Springs. It is anticipated that the need for Veteran care will increase with the increase in veterans returning from Afghanistan, aging veterans, female veterans, and an increase in Native American veterans. The Hot Springs VA was voted #1 for patient care in the 1990's and has become nationally renowned for the services it offered.

1996 began a merger of services with the Fort Meade Facility in Sturgis, SD. While it was well-intended, the merger proved to be detrimental to the success of the Hot Springs VA, and to the Historic Preservation of the historical landmark. Funding for maintenance and historic preservation practices was split, 40% going to the Hot Springs Facility and 60% to the Fort Meade Facility. Several issues associated with this merger impacted the Hot Springs VA:

- The VA determined that the Fort Meade facility was larger in square footage and needed greater financing than the Hot Springs campus. However, only 1/3 of the landscape at Fort Meade is actually used by the VA. The rest is used occasionally by the National Guard, but financed and maintained by the VA.
- The historical site on which the Fort Meade campus sits is known as the Fort Meade Calvary Post. It was established in 1878 and decommissioned in 1944, surviving on the landscape for only 66 years. The actual fort comprises less than 10% of the Fort Meade VA campus. The fort ceased to serve its original intended purpose in 1944 when it was decommissioned. While this history is significant, disproportionate funding was allocated to maintain the entire Fort Meade campus based on a small historical site is not significant to VA History. Concurrently, funding was cut for the much larger BMS facility that represents national history.

- The Hot Springs VA Facility, consists of 47 buildings and 77 acres. It is only one of the original four remaining national sanitariums built expressly for the care of veterans. It has maintained its original intent and purpose, historic integrity, and continues to serve veterans and Native Americans.

A variety of changes since 1995 have taken place. Positions, services, and facilities were eliminated, deemed unnecessary, or transferred from Hot Springs to Fort Meade. The laundry, certain therapies, patient library, surgical services, and others were abandoned or redirected at the direction of VA administration. Maintenance support also suffered. These positions were and are critical to the upkeep of the Hot Springs Historic campus. These positions were not refilled and the maintenance and painter staff dropped 64% in 15 years. In addition to a cut back in staffing, the existing staff was expected to take on collateral duties that make it difficult to complete their daily tasks.

Currently, many historic preservation tasks need to be completed. These tasks, some federally mandated, were regularly, effectively and efficiently cared for prior to the 1996 merger. The neglect of historic preservation displayed in the last 15 years is a direct result of the management decisions to funnel support and services away from the Hot Springs VA. Furthermore, the lack of commitment to the local VA historic preservation program on the side of administration contributes to the diminished state of the Hot Springs VA structures and historic preservation program.

The past management choices have compromised the current level of historic preservation of the Hot Springs VA. The pending proposal offered by VA administration worsens this level and compromises the historical integrity of the Hot Springs VA campus and newly designated National Historic Landmark. This proposal also propels the VA into a violation and foreclosure of Section 110 and Section 106 of the National Historic Preservation Act (NHPA). The VA is also negligent in failing to begin the National Environmental Policy Act (NEPA) process and comply with several Executive Orders. Some of these processes were established to assist federal agencies in effective decision making. Conversely, the VA has made their decisions to evacuate the BMS prior to even initiating the very laws that were created to assist them in evaluating

alternatives, consider impacts, and come to a well informed decision. The Executive Orders, NEPA and NHPA, in relation to historic preservation, are outlined below.

National Historic Preservation Act

The National Historic Preservation Act of 1966 (as amended) provides for the historic preservation of sites and structures. Section 110 of the National Historic Preservation Act (NHPA) sets out the broad historic preservation responsibilities of Federal agencies. It is intended to ensure that historic preservation is integrated completely into the ongoing programs of all Federal agencies. Section 110 also holds each Federal agency responsible for considering projects and programs that further the purposes of the NHPA, and it declares that the costs of preservation activities are eligible project costs in all undertakings conducted or assisted by a Federal agency.

The NHPA was amended in 1992 to further strengthen the provisions of section 110. Under the law, the head of each Federal agency must:

- Assume responsibility for the preservation of historic properties owned or controlled by the agency.
- Establish a preservation program for the identification, evaluation, nomination to the National Register, and protection of historic properties.
- Consult with the Secretary of the Interior (acting through the Director of the National Park Service) in establishing its preservation programs.
- To the maximum extent feasible, use historic properties available to it in carrying out its responsibilities.

The Battle Mountain Sanitarium was nominated a National Historic Landmark in 2011. Prior to that year, the **VA Central Office conducted a study to determine where historic preservation efforts should be focused. VA Central office concluded that out of the 1,713 buildings managed by the VA, the Hot Springs VA and three other locations were most historically significant. It is out of that study that the Hot Springs VA was nominated and awarded a National Historic Landmark status in June of 2011.**

As outlined by the Department of Interior's Standards and Guidelines, Section 110 also requires that Federal agencies exercise a "higher standard of care" when considering undertakings that may directly and adversely affect National Historic Landmarks. Some of these higher standards require the Federal agency to:

- Minimize the harm to National Historic Landmarks
- Consider all prudent and feasible alternatives to avoid any adverse effect on the Landmark.
- In situations where the Federal agencies alternatives appear to require undue cost or compromise the project's goal or objectives, the agency must
 - Consider the magnitude of the undertakings harm to the historical, archaeological and cultural qualities of the NHL.
 - Consider public interest in the Landmark.
 - Consider the effect a mitigation action would have on meeting the goals.

Section 106 of the [\(NHPA\)](#) comes into effect when 1) there is a federal or federally licensed action, including grants, licenses, and permits, and 2) that action has the potential to affect properties listed in or eligible for listing in the [National Register of Historic Places](#). This act requires Federal agencies to consult on the undertaking and effects and provide the Advisory Council on Historic Preservation the opportunity to comment. The Advisory Council on Historic Preservation (ACHP) is an independent federal agency that promotes the preservation, enhancement, and productive use of our nation's historic resources, and advises the President and Congress on national historic preservation policy. The Section 106 process is outlined below:

- The Federal agency identifies and assesses the effects of its actions on historic resources.
- The Federal agency must consult with the State Historic Preservation Officer (SHPO), Indian tribes (Tribal Historic Preservation Officer), applicants for federal assistance, and

members of the public or other consulting parties and consider their views and concerns about historic preservation issues when making final project decisions. In the case of the Hot Springs VA, other consulting parties would likely include the Hot Springs Historic Preservation Commission, Nebraska SHPO and Wyoming SHPO, and the National Trust for Historic Preservation.

- Determine the possible effects of the project on the historic site or sites.
- In consultation with the SHPO/THPO, make an assessment of the potential adverse effects on the identified historic properties based on criteria found in ACHP's regulations.
- Adverse effects are resolved by mutual agreement, usually among the affected state's [State Historic Preservation Officer](#) or the [Tribal Historic Preservation Officer](#), the federal agency, and any other consulting parties.

The proposal to decommission the Hot Springs VA would have an adverse effect on the Battle Mountain Sanitarium National Historic Landmark. Furthermore, it will also have an adverse effect on the National Register Historic District of the city of Hot Springs. Public involvement is a key ingredient in successful Section 106 consultation, and the views of the public must be solicited and considered throughout the process. At this time, the VA BHHCS is in violation of the Section 106 process which has not been initiated, though agencies are required to do so at the earliest stages of project planning. The State Historic Preservation Officer has requested that VA BHHCS immediately begin the consultation process.

Executive Orders

Aside from the NHPA, there are two Executive orders involving historic preservation that have not been fulfilled. Executive Orders 12898 and 13007 are orders that VA BHHCS have neglected to consider with their current proposal to decommission the Hot Springs VA.

Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, requires that agencies avoid imposing disproportionate adverse environmental impacts on low-income populations and minority communities, including impacts on cultural environments.

The Hot Springs VA is located near the three poorest counties in the United States—Shannon, Todd, and Ziebach. These counties are home to mostly Native American populations, a minority group. Furthermore, the area surrounding the Hot Springs VA is designated as a medically underserved area. The cultural environment of most Native American veterans in the Shannon, Todd, and Ziebach counties would be adversely impacted by the closure or decommissioning of the Hot Springs VA. The Cheyenne River, Crow Creek, Fort Peck, Lower Brule, Pine Ridge, Rose Bud, Yankton, Santee, and Stand Rock Indian Reservations have declared that they are not in agreement with the closure of the Hot Springs VA. The low income populations served by the Hot Springs VA would also suffer detrimentally from the VA's closure.

Executive Order 13007, Indian Sacred Sites, requires agencies to try to avoid adversely affecting Indian tribal "sacred sites" located on Federal land and tribal access to such sites.

It has been stated by many Native Americans that they view the Hot Springs VA as a sacred site or traditional cultural property due to the many Native Americans that have been healed there over time, both prior to pioneer settlement and after the construction of the Battle Mountain Sanitarium. Prior to pioneer settlement in the area, the hot springs were used by the Crow, Cheyenne, and Sioux as healing waters. The Hot Springs VA is also one of the few VA's that offers a sweat lodge on the grounds for traditional healing. A recent event attended by nearly 1000 Native and non-Native veterans and supporter demonstrated the importance that the Battle Mountain Sanitarium holds for many individuals. A Resolution recently put forth by Native American tribes declares the Hot Springs VA a sacred place. This resolution was signed

by the Cheyenne River, Crow Creek, Fort Peck, Lower Brule, Pine Ridge, Rose Bud, Yankton, Santee, and Stand Rock Indian Reservations.

National Environmental Policy Act

The National Environmental Policy Act is a federal law that requires federal agencies to implement projects that promote the enhancement of the environment. This law is accompanied by procedural requirements for all [federal government agencies](#) to prepare Environmental Assessments (EAs) and [Environmental Impact Statements](#) (EISs). EAs and EISs contain statements of the [environmental effects](#) of proposed federal agency actions. The effects could be cultural, social, economical, environmental, or historical. In the case of the Hot Springs VA, an EIS would consider the many different impacts that would result from the closure of the Hot Springs VA and subsequent construction of a new facility in Rapid City.

History in the Future

The VA's proposal compromises our national history and belittles the contributions of the BMS National Historic Landmark, and the contributions of veterans over the last 105 years. The disregard for Native American sacred sites is blatant and disrespectful. The VA has declared that historic preservation tactics are costly and "not on board" with the mission of the agency. The lack of financial commitment and program support to maintain the BMS and the lack of legal compliance is disappointing violation of federal law. The VA has not conducted a cost or condition assessment to determine the cost of continuing operations at Hot Springs. It has not conducted such a study to justify the need for a new facility in Rapid City. Our goal is to offer solutions for effectively and efficiently meeting the historic preservation needs while economically providing the best care for our nation's veterans. The historic preservation committee has devised the following proposals.

Compensated Work Therapy (CWT)

The CWT program will expand to certify compensated work therapy patients in historic preservation practices. The standard operating and maintenance plan for the BMS campus will

continue to be determined and directed by VA facilities staff. The work will be conducted by CWT veterans. This program will be a national model and success story for federal agencies and their ability to successfully administer a therapy program as well as a Section 110 program, per the NHPA.

Renovations necessary to the current campus to comply with the future demands would and could be completed through this program. Aspects of employment, contracting, regulations, and guidelines can be taught through this program. Participants will eventually leave the program with accreditation in a skill they are also able to use after their rehabilitation. The program would assist in the following ways:

1. Labor costs would be reduced through the program.
2. The historic preservation maintenance of the VA will be met through cost effectiveness approaches.
3. The veterans will receive a new, marketable skill, contributing to their future success.

National Archives

The Battle Mountain Sanitarium National Historic Landmark is the oldest functioning veterans sanitarium in the country. Veterans from the Civil War thru the War in Afghanistan have healed at BMS. The VA's National Archives is looking for a home. The historic BMS is perfectly suited for this honor. The existing buildings can easily be adapted to accommodate this task, including the Governor's Mansion and many others which would be ideal for this national honor. These buildings will be climate controlled and secure research environment for the agencies most sensitive and precious documents. Not only is the BMS an adaptable facility, but it is also near the geographical center of the United States. This location will lend to an ease for researchers, employees, and veterans and others to utilize the National Archives. This new National Archives would also benefit the community with increased research opportunities to locals and visitors nationwide.

National Historic Landmark

The National Historic Landmark status is an honor. This honor needs to be accepted and promoted by the VA and celebrated by the community. Other historic properties awarded NHL status includes Wounded Knee, the birthplace of Martin Luther King, and the home of Paul Revere. These locations, just like BMS, have defined us as a nation. This NHL represents our national history, not just local history.

In summary, the VA has the opportunity to offer the best possible care for our veterans, and meet the growing need for increased and improved care for Native American veterans, female veterans, PTSD and substance abuse patients, and an aging veteran population. This situation also offers the opportunity for the VA to become compliant with federal laws and the VA's own manual. Lastly, the current situation offers the opportunity for the VA to celebrate our national history and become a model of cutting edge therapy, cultural resource management, and contributor to a nationwide community.

Appendix G: Native American Committee White Paper

Introduction

Of all the sub-groups receiving care at the Hot Springs Veterans Administration Medical Center (HS VAMC), the Native American veterans residing on the nine Indian reservations of South Dakota will certainly be the most adversely affected. In meeting after meeting on the Pine Ridge Reservation, Native American veterans have vehemently expressed dismay and opposition over the proposed closure of the Hot Springs VA facility. The following report reviews some of the special concerns and considerations of the local Native American population.

Tradition

History, tradition and trust are important factors in the lives of Native American people. It takes time to build a relationship between two groups of people who share a long history of confrontation and suspicion, but during the last hundred years our Native American veterans have gradually come to place their trust with the doctors, nurses and other employees of the Hot Springs VAMC. Ties like these have not necessarily occurred at VA facilities in other areas, where Native Americans say they do not receive the same degree of respect and acceptance.

Additionally, Hot Springs (*minnekahta* in the Lakota language) has long been venerated by the indigenous people as a sacred healing site. In 1869, Lakota and Cheyenne warriors fought a fierce battle for possession of the source of the "healing waters" from which Hot Springs draws its name. Over the decades since 1907, the VAMC and its surrounding community have achieved renown for the welcoming, nurturing spirit extended to the many thousands of veterans, including Native American *akichita*, who have come to be healed atop Battle Mountain.

Historically Strong Representation in the Military

Among indigenous American tribes, few can claim equal status with the Lakota as a warrior culture. For hundreds of years, young men--and even young women--have honed their skills in the art of war and have prided themselves in defending their people and way of life. In all America's wars of the past 100 years, the Native American population has contributed in disproportionately high numbers to the American military. Nine Indian reservations in the state of South Dakota boast significant numbers of resident veterans. Not all are registered, but Veteran Service Officers from just four of those reservations have offered the following numbers:

Pine Ridge	3,969
Rosebud	750
Cheyenne River	1,247
Standing Rock	1,200
<hr/>	
TOTAL:	7,166

Those figures undoubtedly will increase dramatically with the return of veterans from the Iraq and Afghanistan wars. Many of those returning have not yet begun to utilize the Hot Springs facility because their medical and mental/emotional problems have yet to surface to the point of causing them to seek help. It should be noted that most Native Americans enter the service as enlistees rather than as officers, and so are more likely to see combat, resulting in a significant incidence of Post Traumatic Stress Disorder diagnoses.

The Plains Indian culture places high priority on respect, honor and trust. As a proud people with deep traditions, the Lakota value the respect accorded them in Hot Springs, and fear they will lose this quality of treatment with closure of the VAMC in Hot Springs. Over and over, Native Americans report they do not receive the same level of treatment in Rapid City or Ft. Meade, and they emphatically state they do not want to go to those facilities or to the Indian Health Services (IHS) hospitals.

Special Needs for Native Veterans

Since the establishment of reservations for indigenous peoples, Native Americans have struggled with a range of addictions, exacerbated by high unemployment and PTSD for returning veterans. Three of the poorest counties in the United States are located on South Dakota Indian reservations. Although at least one of the reservations (Pine Ridge) is dry, illicit drugs and alcohol are available. The town of White Clay, Nebraska, located within walking distance (two miles) from the town of Pine Ridge and supporting a population of ten residents, sells approximately five million cans of beer per year, virtually all destined to be consumed by Native Americans from the reservation.

Conditions on the reservations can be severe, with below-standard housing, sub-zero winters, high rates of unemployment, suicide and domestic violence, and the highest rates of infant mortality in the nation, all working to place returning veterans in at-risk situations for drug and

alcohol use. Even veterans who recognize a problem and seek treatment often have difficulty maintaining sobriety when they return to homes where they may be surrounded by family and community members who continue to drink and use drugs.

Honor and pride are important to Native Americans, who are often reluctant to seek help or to appear weak. Cultural sensitivity is a high priority for the Hot Springs VAMC, which has designed an excellent PTSD program around the cultural values of honor, pride, respect and dignity. The Hot Springs facility was the first in the nation to offer a sweat lodge (*inipi*), in which Native veterans pray for strength to reconnect with their spiritual values. The sweat lodge has been an active part of the Hot Springs facility for 20 years, with some 10,000 documented veterans, both native and non-native from all across the United States, taking part in the ceremonies.

Lack of Health Care Facilities on the Reservation

In his proposal of December 12, Stephen DiStasio suggested that veterans services could become community-based through Indian Health Services (IHS), which is not a comparable system and which is already overwhelmed. Many IHS doctors take a two-year assignment at IHS hospitals to work off their student loans, and a common sentiment of Native American veterans is, "We don't want to go to the IHS so that young and inexperienced doctors can practice on us. We aren't guinea pigs."

In a speech before the National Congress of American Indians on March 7, 2012, VA Undersecretary of Health Robert A. Petzel stated:

"Compared to urban veterans, rural and highly-rural veterans have lower health-related quality-of-life scores and a higher prevalence of physical illness. At the same time, rural veterans are less likely to have access to mental and physical health services they desperately need--especially for chronic conditions such as hypertension and Post Traumatic Stress Disorder."

For both addiction and PTSD treatment, the mental health facilities of the VA system are critical. This type of support is nearly non-existent on the reservations, and what is available is not specifically geared to the needs of veterans.

VA Undersecretary of Health Petzel concluded his March 7 speech with the words: "You have my promise that VA will always try to be there for America's native veterans--to care for those who shall have borne the battle."

Special Advantages of Hot Springs Facility

In contrast with the poor health care support provided on the nine South Dakota reservations, Hot Springs is well known as a caring, supportive community for healing veterans. For over two hundred years, Native Americans have journeyed to their sacred *minnekahta* in the Black Hills

to avail themselves of its healing power.

There appear to be several reasons why Native Americans prefer to utilize the Hot Springs VA Medical Center rather than the Ft. Meade or Rapid City facilities, in part because Hot Springs is closer and more accessible to them. Even in cases where travel distances are not shorter, veterans prefer to travel to Hot Springs, where they feel they receive higher quality care.

Native American veterans from reservations as far away as Lower Brule, Crow Creek, Cheyenne River, Standing Rock, Yankton, and Lake Traverse have expressed a strong preference to receive treatment at the Hot Springs VAMC despite the fact that a round trip to Ft. Meade or Rapid City would involve less total mileage and travel time. There are several reasons for this. Reservation veterans frequently cite an all-too-familiar pattern of harassment towards Native Americans by South Dakota law enforcement officers on the major highways leading into Rapid City. *Akichita* typically complain of being targeted because of physical appearance, the number of occupants in the car, or due to a mal-functioning head or tail light on a "rez car." There is a perception that racial profiling generates a disproportionate number of pullovers against Native Americans, leading to imposition of traffic fines up to \$300 per violation.

In contrast, Native Americans often mention the serenity of Hot Springs, the attraction of its advantageous housing/rental fees for outpatients and their families, as well as the townspeople's reputation for warmly receiving all veterans and honoring their service.

Additional reasons for preferring Hot Springs over Sturgis or Rapid City are the marked absence of vice and distractions for those enrolled in treatment programs for PTSD, mental disorders or substance abuse. Hot Springs offers special advantages for Native American veterans. It is much closer to the reservation, encouraging more frequent visitation from family members. Ft. Meade is twice as far for Pine Ridge Reservation families to travel. Additionally, Native American veterans are less likely to receive harassment from state troopers when traveling closer to home, and have less to worry about a vehicle that might not meet state standards for longer travel.

Near-Term Planned Tribal Initiatives

The proposed closure of the Hot Springs VAMC has prompted the Veterans Committee of Pine Ridge Reservation to call for a vets convention in April, 2012, to organize and let their voices be heard. As a sovereign nation, the Lakota people will have their chairman and special delegation go to Washington, just as nations from other countries send their ambassadors. They will call on senators and representatives on the Veterans Committee, Indian Affairs, the Department of the Interior and especially Senators John McCain and Daniel Inouye.

Summary

The history of the United States is inextricably tied to Native American culture, but Native Americans cannot simply be relegated to the annals of history long past. People of the Lakota Nation, long known for their valor and skill on the battlefield, continue to volunteer in record numbers for today's military service. When they return home to their families and reservations, they deserve special consideration for their needs and concerns, which are often unique or severe and cannot be met by other governmental agencies.

Hot Springs has consistently and respectfully provided that care, and the tribe is united in supporting the continuation of that success. To the Lakota, healing needs to be spiritual as well as physical, and they strongly believe that there is no better place for it to take place than in their traditional "healing place" in the sacred *Paha Sapa* (Black Hills). The alternatives (Ft. Meade, Rapid City or the IHS) cannot compete.

History has not been kind to the indigenous people of the plains, but they continue to love this country and to serve loyally in disproportionate numbers in the ranks of the US military. Now our country has a chance to make their lives a bit easier by ensuring continued operation of the Hot Springs VA hospital and Domiciliary. These proud people deserve to be treated with empathy, dignity, respect and honor. Native American veterans are neither guinea pigs nor throw-away people and they should not be forgotten.

Appendix H: Veterans White Paper

We represent the veterans of the United States Armed Services. We have rucked through the jungles near Long Binh. We were aboard the aircraft carrier Enterprise when it exploded under a kamikaze attack off Okinawa. We were at the barracks in Beirut in 1983. We manned isolated outposts in the Army Security Agency. We liberated Kuwait. We patrolled the streets of Baghdad in 120 degree heat.

We understand words like "honor," "sacrifice," and "integrity," because we live them. Some of us were drafted and some of us voluntarily enlisted. Our Native American and rural populations have always had a higher percentage of service than any other cross-section of our population. On the reservation and in the country, good health care is not always easily accessible.

Iraq and Afghanistan have ended the myth that women do not serve in combat. Now everyone knows what we have always known, that generations of women have served on the front lines. Women in uniform are an integral part of our nation's security.

We speak not for ourselves individually, but for our brothers and sisters. We know that veterans of each era and conflict have different needs. The WW II, Korean and Vietnam veterans are an aging population and have different needs than those of younger veterans. We have cycled two million service members in and out of Iraq and Afghanistan during the War on Terror. Each conflict has its own unique problems.

No matter what branch of service or the era or conflict in which we served, we are united in our belief that now is not the time to shrink VA services. We are united in our belief that it is never the time to contract our care out to third party providers. With two of our longest wars winding down, now is the time to expand services for veterans.

Our brothers and sisters are now rewarded for their service by a VA that believes it is appropriate to contract with homeless shelters to house veterans. We are appalled. It is beyond our comprehension that a brother or sister who has been awarded a purple heart could return home and be placed in a homeless shelter by our VA. This madness must end. We can do better.

We need to expand our inpatient/outpatient services. Full diagnostic capabilities at the Hot Springs VA must be reinstated. These services are crucial in order to maintain the Hot Springs VA as a rural hospital and parent VA Medical Center for the proposed rural Community Based Outpatient Clinics.

On December 12, we were told that the Hot Springs VA needs to be closed and replaced with a CBOC. The proponents of this plan tell us that Hot Springs is a dying community. They tell us that a "third party contracted medical provider" will provide the same quality of service that our brothers and sisters now enjoy. Other parts of this white paper will address the

"economics" of the VA plan. However, there are intangibles that the VA has failed to quantify or address. These intangibles are just as critical to meeting the VA's objective as are the size of the work force or the size of the budget. Even though you can't put a number on it, you must consider the commitment of the Hot Springs VA staff and the commitment of the Hot Springs community to the veterans of our nation.

The staff at the Hot Springs VA is beyond compare. BHHCS Director Stephen DiStasio has conceded that VA survey cards overwhelmingly show that the staff at the Hot Springs VA is top notch. Each day our veterans are treated at the Hot Springs VA and each day our brothers and sisters are treated with respect and kindness. No matter the position (nurse, patient advocate, secretary), the staff at the Hot Springs VA help get each veteran to the right place, help each one fill out the right form and make sure to schedule that follow-up appointment. And they do it with a smile.

Finally, the Hot Springs community is committed to serving veterans.

Hot Springs is a small town that welcomes our veterans. Each day this community pitches in to help veterans and asks nothing in return. The local taxicab driver gives discounts to veterans and does it without recognition. During the winter months one sees average citizens helping a wheelchair-bound veteran through a patch of snow.

Nothing is asked in return. And when veterans asked for help to stop the proposed cuts in the Black Hills VA System, the entire community responded.

Nothing demonstrates this community's commitment to veterans more than the march to the VA on February 25. On that day, the Hot Springs community fed hundreds of supporters and organized a march of over 1,000 people.

We are united in our belief that now is not the time to shrink VA services.

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Appendix I: School Committee Report White Paper

This white paper is written to ensure the Veterans Administration that the children of their professional and support staff will have an opportunity for a high-quality education in the Hot Springs School District. The district is aware that a quality education for their children is very important to prospective residents of a community. We can and do provide for that education and there should be no doubt to the Veterans Administration that this is another reason the VA can and should remain in Hot Springs.

District Achievements

The district has been able to continue to hire quality teachers that meet NCLB requirements. The district is proud of the educational programs that have been established. Hot Springs School District has been able to meet AYP (Annual Yearly Progress) yearly since its inception. It should be noted that the elementary and high school were named distinguished schools for the 2005-06, 2006-07 school years and the high school again in 2009-10. Some of the special features of the Hot Springs School District are: an expanded Pre-K program, an all-day kindergarten program, a strong technology system and program with laptops provided for each high school student, and excellent professional development opportunities for all staff as well as an alternative education program. Students preparing for higher education are required to complete ACT testing. Students not preparing for higher education are also encouraged to complete ACT testing. Even so, our composite average scores are comparable with average state scores.

Highly Qualified Staff

We have a highly qualified staff with many certified teachers holding master degrees and many years of experience. 52% of our staff has 11-35 years of experience in education with another 8% providing 36-40 years of experience.

Graduate Accomplishments

Graduates from this school district have gone on to attain higher education and career opportunities. Three Rhodes scholars, a four-star general, lawyers, doctors, professors, morticians, pro basketball players, and coaches have graduated from this school district. Four students have enrolled at West Point; three students have enrolled at the Air Force Academy and one at the Naval Academy. All but one of those students has done this since graduating in 2006. Having a connection to veterans and a strong feeling for patriotism, many our students have joined the military service branches.

Hot Springs High School Graduates who have entered the Military

School Year	# Signed or Entered Military Service	# Total Graduates	% of Total Graduates Entering Military
2011-2012	4	54	7%
2010-2011	12	72	16%
2009-2010	9	83	10%

Facilities and Community Investment

The community has also made a large investment in its school facilities, most recently building a new structure to provide elementary classrooms, Title I and Special Education areas as well as additional physical education classrooms, handicapped restrooms and lockers. The physical education portion will be available to adult community members for use of the walking track. The decision to go forward with these structures and the long-term debt assumed was done with the expectation that our student population would remain stable and the VA would continue here. Our facilities allow our students to experience extracurricular activities and social interaction that can be used throughout their lifetime. We have invested in a technology program that provides laptop computers with high-speed connectivity to all high school students and also provides staff with tools to interact with students in a high-tech environment.

School and Community Bond to Veterans

The Hot Springs School District has 87 full time employees. We have 12 employees who are veterans and 17 employees who are the spouses of veterans. This makes a total of 29 employees that are veteran- connected. More than one employee stated that they moved to Hot Springs because of the VA being here. 33% of our school district is veteran- connected.

The school has a significant bond with the veterans, the VA facility and staff. Every year the students present a Veterans Day program. This is one of the proudest moments for both veterans and students and the auditorium is packed for each year's program. A video of past and current members of the military is presented, including their rank and area of service. The students have developed a strong sense of patriotism by what they have learned from our veterans.

Students have done job-shadowing at the VA and student internships.

Groups of students visit with the veterans to present programs, to entertain and to learn from

the veterans about their part in protecting our freedom. The veterans of our community compliment the students for their patriotism and the respect they show the military at community events and during opportunities for personal contact. Student internships have included DECA, Career Exploratory, and Senior Experience. The National Honor Society and the Student Council are strong supporters of our veterans and provide volunteer hours at the VA. Over the past 10 years, the number of volunteers ages 11-20 at the VA has been reduced from 48 (with a high number of 62 in 2006) to only 12 volunteers in 2011. This can be related to the number of services the VA offers. Reduction in services reduces the amount of volunteers needed, therefore reducing the opportunities for our students to have this experience. Students also make and send holiday greetings as well as care packages to our soldiers overseas as well as our local domiciliary residents.

Impact on the School District

We feel the Hot Springs School District has a very positive image now and in the past, but we also have to look at the impact on the district if the VA services are diminished or closed. In 1995 there were 1001 students enrolled and 492 employees at the VA. In 2011 there were 813 students and 385 VA employees. While we cannot directly connect the total drop in student numbers to decline in VA staff numbers, it would certainly appear there is some connection. Further reduction would no doubt cause smaller enrollments.

The district receives Impact Aid for students who have parents that work and/or live on federal property. Impact Aid is a very important source of revenue for the operation of the Hot Springs School District. These federal Impact Aid revenues come to the district in lieu of local tax dollars for land that is owned by the federal government. We feel it is the federal government's responsibility to pay their tax bill the same as our local property owners. Our district has many acres of federal property — some eligible for Impact Aid and some not. For our district, we receive around \$22,000 for those students connected to the VA. We currently have 118 students with parents connected to the VA.

The largest impact would be the loss in state aid and school apportionment which are calculated per head count. That amount is approximately \$5,000 per pupil. It is easy to see that the loss of 50 students would amount to approximately \$250,000 or a quarter of a million dollars. 100 students would be \$500,000 or a half-million dollars.

School districts in South Dakota faced a mandatory 6.6% reduction in state aid in the school year 2011-2012. These kinds of losses have and will continue to have a very serious negative effect on the district's programs.

In addition to these more obvious reductions, there are trickle-down effects—less community/fewer services needed, businesses closing or declining in services, property valuations dropping and many more negative effects resulting.

Appendix J: Hot Springs Business, Community and Economic Impact White Paper

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What Hot Springs Offers to VA Black Hills Health Care

Among numerous variables validating Hot Springs as a community of positive rehabilitative and life-style qualities for veterans are areas such as crime rate statistics, community demographics, and the overall small town environment. Hot Springs offers many of the same or similar benefits, services, and recreational opportunities as Rapid City. However, Hot Springs emphasizes care for veterans and prioritizes those who have served our country individually and as a prominent sub-culture in our community. Hot Springs has proven for over a century to be a community to not only support, but embrace the veterans who visit or choose to reside here.

Hot Springs prides themselves in being a “Veteran’s Community”, many local businesses’ offer a veterans discount. The local taxi service exists specifically for veterans. This is one of the many examples of how the veterans are treated with respect and care throughout the community. The local taxi service not only provides a Veteran’s Discount, but veterans receive top priority when multiple calls are pending. In addition, we have several businesses’ that provide non-transportation services such as grocery shopping, running errands, etc. Hot Springs will continue to provide a safe, comfortable, friendly small town atmosphere for veterans, temporarily utilizing services or considered residents of the community.

Based on property crime on a scale from 1 (low) to 10, Hot Springs ranks at a level one, Rapid City ranks at a level 5, with the national average of 4. Property crime in this study includes the offenses of burglary, larceny-theft, motor vehicle theft, and arson. Hot Springs is ideal for veterans living on a “fixed” income. The following cost of living indicators are based on a US average of 100. An amount below 100 means the community is cheaper than the US average. Rapid City scores 94.7, while Hot Springs is only 83 on this scale (www.bestplaces.net). Hot Springs also has an abundance of homes offered for sale. There are 3 subsidized housing properties that offer over 300 units to people based on their income. On an average, at least 25% of the tenant population have received or continue to receive services and treatment at the VA campus, and another dozen tenants have worked or continue to work on the campus. There are several different contractors available to build on the lots and acreage

surrounding our town. There is much potential for someone wanting to make Hot Springs a permanent home. The nationwide growing problem of homelessness is an ongoing concern. Our homeless count for 2011 was 51 in Fall River County, as opposed to 506 in Pennington County.

The community of Hot Springs has unique and exemplary offerings regarding the care and rehabilitation of veterans. The tranquil setting, favorable climate, healing environment, and history of successful rehabilitation all play a role in the health and wellbeing of veterans and the community. With its healing waters, serene surroundings and mild climate, Hot Springs provides the perfect environment for the recovery of veterans from physical, emotional, and spiritual injuries.

The State Veterans Home was originally built in 1882, to care for aging and injured veterans. Shortly thereafter, the area was recognized for its community activism for veterans, “wonderfully impressive” care of veterans, and the “curative qualities of the water”. These rave reviews, along with a growing industry of tourists attracted to the pleasant climate and medicinal waters, encouraged the construction of the Battle Mountain Sanitarium. The Sanitarium (now the Domiciliary) was designed to provide a breathtaking view for the patients, incorporate the abundant sunshine, and maximize the natural breeze through all the wards.

Hot Springs is famous for its healing waters. They (the springs) were considered by the Native Americans as a remedy for all that ills. The water has been found useful in the treatment of chronic disease of the gastro-intestinal tract, disease of the liver and biliary passages, in rheumatism & arthritic joint disturbances, gout, and others. (Quote from Mineral Water in the United States by Dr. W.E. Fitch.) Over 120 natural and mineral springs abound in the area. Many are recognized for their healing capabilities. There are three large springs located in Hot Springs. The Mammoth Spring furnished the water that was pumped to pools in the Domiciliary to provide healing to the veterans. In the downtown district veterans can journey daily to fill their domestic water containers at Kidney Springs. The water flows out of the rock canyon wall and into a basin at the Kidney Springs Gazebo, which is a Victorian trellis topped with a statue called "The Gift of Water." From here you are on the Freedom Trail that

winds its way along the banks of the Fall River. With this river flows the healing warm water, springs, a waterfall & the occasional wildlife. The water in the river ranges between 81°F and 92°F at all times.

Hot Springs is home to the World's largest natural warm water indoor swimming pool. Naturally warm 87°F mineral water flows from an enormous thermal spring at a rate of 5000 gallons a minute. The therapeutic "healing" water has soothed visitors for over one hundred years.

Cradled in the peaceful hills above Hot Springs, the Hot Springs Domiciliary and surrounding environment embodies the hope of recovery from emotional trauma. In addition to the "visible" wounds of war, there are a significant number of veterans requiring mental health services for psychological trauma. Current studies have estimated that 20.3% of active duty and 42.4% of reserve duty soldiers require mental health services for Post-Traumatic Stress Disorder (PTSD).¹

Using nature as an instrument in healing is supported through existing research. Numerous studies have been done that demonstrate the benefits outdoor spaces bring to patients, staff, and visitors (Marcus and Barnes 1999²). Hot Springs provides four areas to enjoy fishing within a 10 mile radius. There are also many places to participate in boating, camping, hiking, biking, skiing and swimming.

Known as the "Banana Belt", Hot Springs climate is unique to the Black Hills and prairie region. With one of the highest average annual temperatures in the state, the winters are marked by moderate snowfall with warm temperatures. This natural and native climate allows for veterans to have the freedom to move year round. It is common to see wheel chair bound veterans and community members traversing sidewalks and city streets in the winter. Pleasant weather, well maintained sidewalks, and the Freedom Trail promote an active lifestyle, sense of independence, and mobility for our veterans.

We have the Michelson Trail, and the Minnekahta Trail Head is just west of town, and there is over 100 miles of bike & walking trails with breathtaking scenery. The tranquil setting and history of outstanding

care allows our veterans that are suffering from PTSD and substance abuse issues to heal and recover in a serene, secluded and tranquil environment. Comforted by a longstanding tradition of healing, a pleasant climate, therapeutic environment, and a supportive and easily accessible community, the community of Hot Springs is the perfect setting for veteran care.

¹ Milliken, C.S., Auchterloinie, J., and Hoge, C.W. (2007). "Longitudinal Assessment of Mental Health Problems Among Active and Reserves Component Soldiers Returning From the Iraq War." JAMA, vol. 298, no 18.

² Breslau, N., Davis, G.C., & Schultz, L.R. (2003). Posttraumatic stress disorder and the incidence of nicotine, alcohol, and other drug disorders in persons who have experienced trauma. Archives of General Psychiatry, 60, 289-294.

Economic Impact of the VABHHCS Proposal on Community and Business

Economic Impact

The current proposal by VABHHCS would reduce total employment from 385 employees to 55 employees, eliminating 330 positions in Hot Springs over the next 5 years. Following is a summary of projections of some of the economic impact on Fall River County if this proposal is implemented as described.

- A ripple effect of job losses in the area will bring the total employment loss to 453 positions or 15% of the total employee count in the county.
- Many employees live outside of the county. The number of positions lost by residents of the county will be 379.
- There are a total of 3010 employed workers living in the county. 12.6% will lose their jobs.
- Total wage loss by county residents will be \$17.5 million.
- Total wage income in the county last year was \$88.2 million. The county will lose 19.8% of its total wage income.
- Population can probably be expected to decline in a similar fashion to employed workers.

The following sections explain how these projections were derived.

Analysis done by SD Labor Department

The current proposal by VABHHCS would eliminate 330 employee positions in Hot Springs over the next 5 years.

An economic impact analysis of the impact of the VA proposal on Hot Springs and surrounding area was done by the Labor Market Information Center of the SD Department of Labor and Regulation (Appendix A). This study projected the loss of 330 positions at the VA would also cause an indirect loss of an additional 123 jobs in Hot Springs and the surrounding area for a total of 453 jobs lost. Total labor income loss was projected at \$21.5 million.

Employment and wage loss as a percentage of total employment and wages

Fall River County, per the US Census Bureau, has an employed work force of 3010 positions². The total projected loss of positions, both directly and indirectly, caused by the VA proposal is 453. This is 15.0% of the total employee count in Fall River County.

The VA proposes to build a community based outpatient clinic co-located with Fall River Hospital, the State Veterans Home or as a stand alone unit. They also propose to buy more inpatient and outpatient health services from local providers. These two proposals have some potential to add employee positions in the private sector. However the VA may also be including these positions in the 55 positions the proposal projects to be left in Hot Springs. At best these would be a very few positions added to the economy and will not be considered in this analysis.

Most VA employees live in Hot Springs but many live in Fall River County outside of Hot Springs and some come from communities outside of Fall River County. Obviously Hot Springs will feel the greatest economic impact from jobs lost by employees who live in Hot Springs, a lesser economic impact from jobs lost by employees from Fall River County but outside of Hot Springs and little impact from jobs lost

by employees outside of Fall River County. Similarly Fall River County will feel the greatest impact from jobs lost by Fall River residents and little impact from jobs lost by residence outside of Fall River County.

According to employee data gathered by the Hot Springs Save the VA group 74.11% of VA employees are Hot Springs residents, 83.65% of VA employees are in Fall River County and 16.35% reside outside of Fall River County. To adjust our employment numbers based on location of residence we can say that of the 330 VA positions being lost, Hot Springs will lose 247 positions (74.11% of 330) and Fall River County will lose 276 positions (83.65% of 330). We must assume that a percentage of employees who indirectly lose their jobs due to the VA losses will also reside outside of Hot Springs and Fall River County. For this analysis we will assume that these positions are spread through the county and outside of the county in similar percentages to the VA employees. This may introduce a small margin of error but it should have little effect on the projected numbers. Using this assumption to adjust our employment numbers based on location of residence we can say that of the 123 total positions being lost indirectly, Hot Springs will lose 91 positions (74.11% of 123) and Fall River County will lose 103 positions (83.65% of 123). Total employee loss for Hot Springs will be 336 and for Fall River County will be 379.

Fall River County, per the US Census Bureau, has an employed work force of 3010 positions². The adjusted count of employees residing in Fall River County who will lose their positions due to the VA proposal is 379. This is 12.6% (379/3010) of the total employee positions in Fall River County.

The average wage of our VA employees is \$53,363 per year (Appendix B). Wage loss due to 276 VA jobs lost in Fall River County will be approximately \$14.7 million. The average earnings for workers in Fall River County is \$27,732¹ per year. Wage loss due to the 103 indirect job loss will be an additional \$2.8 million. Total projected wage loss \$17.5 million. Total estimated wage and salary income for Fall River County in 2010 was \$88.2 million³. The projected wage loss due to the VA proposal is 19.8% of the total wage and salary income for the county.

Population loss as a percentage of total population

Population loss is the metric which probably has the most impact on the community and probably the most difficult to project. People follow jobs and, in general, we might expect population lost to be similar to job loss. This would predict a loss of 12.6% of the population. Current population of Fall River County is 7078² so long term population loss might be projected at approximately 890 people.

The VA will offer early retirements as a way to soften the impact of job losses. If the proposal is implemented over 5 years a significant number of people will retire and this will soften the population loss in the short term but probably not in the long term.

Estimate of Impact on Real Estate Values

The current proposal by VABHHCS would have a grave impact on real estate values in the Southern Black Hills. The Southern Black Hills Association of REALTORS has provided the following statistics.

The current VA Employee Data Appendix B gives the county statistics as to the number of employees residing in the surrounding areas. The largest employee count is in Fall River County and the Hot Springs area, therefore the statistics concentrated on this area for the evaluation of impact.

The current number of residential active listings for this area, at the time of this report, is 85. To gauge the average number of sales occurring in this area, a report of sold residential properties from 2007 through 2011 was compiled through the Southern Black Hills Multiple Listing Service. Keep in mind this does not take into consideration the impact of investment or commercial properties. The average absorption of sold properties for the immediate areas of Hot Springs and Fall River County is 67 per year. The average price for the area is \$120,550.00.

The economic recovery in housing began more than two years ago. During the years of 2009 and 2010 this area experienced a decrease of 10% in the values of residential real estate. 2011 was beginning to show an increase. With the news of the VABHHCS in December of 2011 that increase has slowed.

If this market doubled the active number of listings due to job loss and decrease in population, from 85 to 170 active listings, and the market only absorbed 67 sold homes of this inventory we would have 2/3 of our active inventory to carry over. The absorption rate of active listings would impact the supply and demand of our market and therefore more time on the market would impact prices to fall. We would greatly exceed the effective demand of the area.

Not surprisingly, this large imbalance of supply and demand would reflect in a drop in home values of historic proportions. Nationally, house prices have plunged about 30 percent in normal terms from their peak and nearly 40 percent in real or inflation-adjusted terms. Our area did uphold a drop in home values of only 10 percent due to the absorption of the supply and demand in our area.

We would predict that in the immediate area of Fall River County and Hot Springs the decrease of home values could be as high as 25% due to the new stress of an oversupply of listings due to the decrease in jobs for the area and loss of population.

- 1) The Southern Black Hills Association of REALTORS Multiple Listing Service.
- 2) Today's Housing Market, Consumer News and Advice. RISMEDIA.com

Impact on Business - Business Person Comments

The VA medical facility and campus is part and parcel to Hot Springs, Fall River County and the region. It is not simply a RIF or reduction in force; it will impact everyone from the homeowner (and property values) to the restaurant to the small business to State Veterans Home. Each parcel of the whole will see a ripple effect on the bottom line as business declines. Some businesses will go away as employees and their families move away. Businesses have already seen a downturn in business due to the announcement of the proposal. People are uneasy about the possibility of the future without the services and manpower and facilities for veterans and their families. The impact of the proposed venue would devastate economic development thus impacting the growth of the area. Again the ripple effect would take many years to overcome. In our area of many miles, we have no one (metropolitan area) to feed on and to encompass, to grow with, to partner with for sustainability. The other side of the coin is the potential for businesses and services that would grow with the enhancement of the VA medical facility and campus. The possibilities are endless.

The impact of the proposed change to VA medical facility is summed up in this statement from one of the businesses surveyed in Hot Springs: *“the negative impact to all businesses in the community would be exponential. That much revenue taken out of the local economy impacts all businesses whether or not they do business directly with VA employees and veterans or not, it’s the law of economics, if some do better we all do better and vice versa”*.

Hot Springs business owners were asked to answer the following question in a survey:

“The Veteran's Administration proposal reduces their employment at The Hot Springs facility by 330 positions over five years. The South Dakota Dept. of Labor estimates that an additional 123 jobs will be lost due to the ripple effect for a Total of 453 jobs lost. The Fall River County Census of 2010 reports

3000 employment positions in the County. In the next 5 years over 15 percent of these jobs could be lost. How will this impact your business?"

Complete responses to the survey are contained in Appendix C of this document. What follows are selected excerpts from those comments.

'...we will have a flood of property for sale with desperate sellers, which will negatively affect the value of the rest of the area properties. ... I may be very busy listing properties, but we won't have people to buy'

...'we will see a decrease in the number of families we see due to VA employees moving; we will not build a new office due to this fact. We have been planning on a build in the next year or so, now we are forced to forfeit those ideas.'...

...'we have already tossed around the thought of selling our business ...If the population decreases winters will be impossible to make a living and we will be forced to close our doors. Selling before the VA announces its closure... makes better financial sense and a secure future for our family.'

'The loss of jobs ... will impact every business in this town. If you lose the VA then you have less money to invest in our town, which then impacts our tourist industry, which impacts our businesses, which impacts our schools and our housing. Loss of tax dollars will most definitely affect everything.'

'It will have a devastating effect on our businesses. I do not know if we will be able to survive a hit like that.'

... 'I believe between the major employers in town the actual loss of jobs will be closer to 1000 including, schools, ACE, grocery stores and health care.'

... 'I believe my revenues would be down by at least 15%, maybe down by 20%. All of my expenses would remain the same so that would be a \$20-25,000 decrease in profits, not to mention the decrease in the value of the business if I wish to sell. Probably could not get it sold.'...

... 'THIS WOULD BE A TOTAL DISASTER FOR OUR COMMUNITY AND THE SURROUNDING AREA.'

'This will greatly impact an already struggling post office in a smaller community. The revenue brought in by VA and employees is a large chunk for this office. Lower revenue could result in layoffs and or hours reduction.'

The loss of 453 jobs in our community would be a big blow to the businesses in our area. In our store we could see decreases in business of 20 to 25%. This loss in business would lead to a reduction in jobs of 5-10 positions.

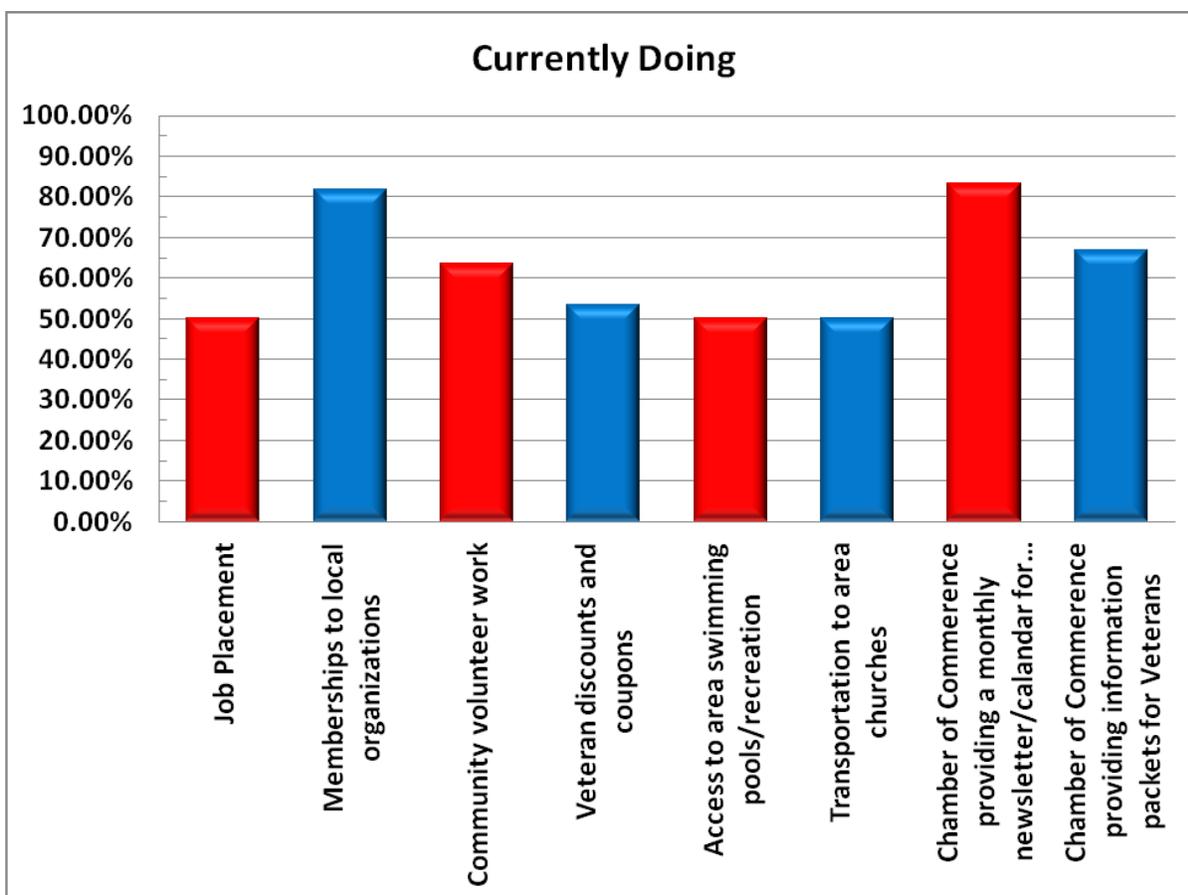
¹ 2010 LEHD State of South Dakota County Reports at
<http://lehd.did.census.gov/led/datatools/qwiapp.html>

² US Census Bureau Selected Economic Characteristics (DP03) for Fall River County SD

³ US Census Bureau Aggregate Wage or Salary Income in the Past 12 Months (B19062) for Fall River County SD

What the Business Community Can Offer VABHHC

As a Sub-Committee under the Business Community Group, we were tasked with creating a Veterans Survey and a Business Survey on topics concerning Veteran’s issues. A number of areas were covered including Job Placement, veterans Discounts, Transportation, and Community Volunteer Work among others. The responses from these surveys indicated many businesses already employ veterans and veteran’s Spouses. Businesses that were too small to have employees would hire them if the need arose. Surveys show during the years that the VA has been in Hot Springs, local businesses have been directly involved in the lives of our veterans, and will continue to do so.



On line survey results indicate: if opportunity presents itself Businesses and Organizations of Hot Springs are willing to do more. Hot Springs is a progressive community, striving to better serve our veterans. This statement has resulted in a symbolic relationship between the Hot Springs Business Community and veterans.

Transportation is important for the mobility of our veterans and this is being addressed by a local taxi service which adheres to veterans. Local churches provide for the spiritual needs of our veterans by arranging transport to and from their services. The Intimacy of Hot Springs promotes a cordial relationship between the veterans and the Business Community. This is witnessed by the veterans being willing to volunteer their valuable time and talents.

The Hot Springs Chamber of Commerce already distributes community packets. In an effort to better communicate activities and events, the business community thru the chamber would provide information packets and calendars to all newly arriving veterans in the Domiciliary. This would acclimate our veterans to the Hot Springs area, and show them how much we care.

In Conclusion; after evaluating the surveys we realized that we were headed in a totally different direction than what we were looking for. It wasn't just what we could do for the Veteran, but what the Veteran has done for us. Every Community needs something to call themselves complete. Without the VA and the veterans associated with our facility, we would no longer be a complete entity. We are not the only town that cares about the Veteran, but there is no town that cares more!

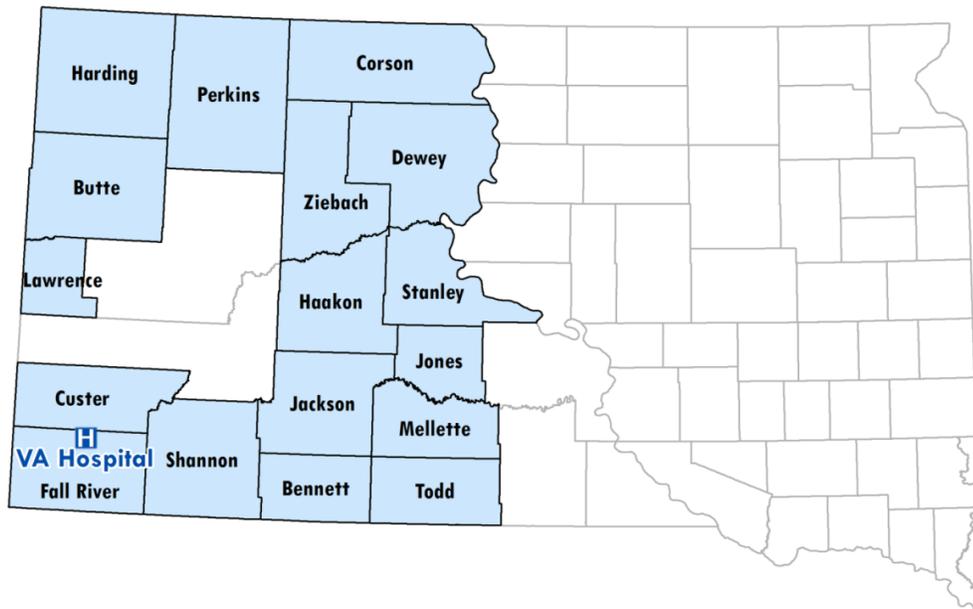
Appendix J-1

Economic Impact Analysis

Veterans Affairs Black Hills Healthcare System Hot Springs Campus

Multiple County Region in South Dakota

The study area of this impact analysis includes a multiple county region in South Dakota, including the counties of Bennett, Butte, Corson, Custer, Dewey, Fall River, Haakon, Harding, Jackson, Jones, Lawrence, Mellette, Perkins, Shannon, Stanley, Todd and Ziebach.



The estimated impact of the Veterans Affairs (VA) Hospital can be identified by the type of economic activity incurred in the region:

- ☐ Direct effects include the value of production, employment and payroll from the operations of the VA Hospital.

- ☐ Indirect effects include the value of production, employment and payroll at all local business in the region that supply goods and services purchased by the VA Hospital to support its operations.

- ☐ Induced effects include the value of production, employment and payroll resulting from local employee spending of earnings paid by the VA Hospital and all local businesses that support the company's operations.

Three separate analyses were conducted to measure the economic impact of expected reduced employment levels at the VA Hospital. The first analysis estimated the current economic impact of this establishment. The second analysis estimated the impact of the employment level being reduced by 100 workers in the year 2014. The final analysis estimated the impact of the initial employment level being reduced by 330 workers, resulting with an estimated worker level of only 55 workers in the year 2016.

Estimated Impacts For Years 2011, 2014 and 2016				
2011				
Impact Type	Direct Effect	Indirect	Induced	Total Effect
Employment	385	59	84	528
Labor Income	\$20,622,524	\$1,997,088	\$2,488,579	\$25,108,190
Output	\$43,106,065	\$6,505,370	\$8,685,146	\$58,296,581
2014				
Impact Type	Direct Effect	Indirect	Induced	Total Effect
Employment	-100	-15	-22	-137
Labor Income	(\$5,356,500)	(\$518,724)	(\$646,384)	(\$6,521,609)
Output	(\$11,196,381)	(\$1,689,707)	(\$2,255,882)	(\$15,141,970)
2016				
Impact Type	Direct Effect	Indirect	Induced	Total Effect
Employment	-330	-51	-72	-453
Labor Income	(\$17,676,450)	(\$1,711,791)	(\$2,133,068)	(\$21,521,309)
Output	(\$36,948,054)	(\$5,576,034)	(\$7,444,411)	(\$49,968,500)

Top Ten Industries Impacted 2016					
			Labor	Value	
397	Private hospitals	-	(\$17,849,56	(\$18,703,21	(\$37,327,42
413	Food services and drinking places	-12.3	(\$191,826	(\$281,505	(\$644,414
360	Real estate establishments	-7.0	(\$215,902	(\$994,253	(\$1,320,094
	Medical and diagnostic labs and outpatient and other ambulatory care				
382	Employment services	-6.1	(\$112,512	(\$121,810	(\$179,532
319	Wholesale trade businesses	-4.4	(\$177,427	(\$302,564	(\$467,954
324	Retail Stores - Food and beverage	-3.9	(\$93,274	(\$141,120	(\$226,541
	Offices of physicians, dentists, and				
	Automotive repair and maintenance,				
398	Nursing and residential care facilities	-3.2	(\$91,018	(\$94,349	(\$138,480

Note: Impacts may not sum to total due to rounding. All effects are expressed in 2011 dollars on an annual average basis. Employment includes both full-time and part-time jobs.

Prepared by Labor Market Information Center, SD Department of Labor and Regulation, December 2011.

Appendix J-2

VA Employee Data

The VA made available to the Save the VA group a list of all employees and their pay grades. This list was used to calculate total wages, average wages and place of residence for all current VA employees.

Total employee count from this list is 393. Note that this is a slight variance from the 385 contained in the VA proposal. This is probably due to taking the count at different points in time.

Government wage tables are public and it was a simple matter to cross reference employee pay grades to the corresponding salary and then calculate average wage and total wages. Total yearly wages of all VA employees is \$20,971,465. Average salary is \$53,363.

The VA was not able to release employee residence data so this data had to be created and so must be considered as projected residences but should be very accurate projections. Members of the save the VA group were very familiar most of the names on the list and place of residence of 268 of the employees were know. Of the remaining 125 names 99 were easily found using internet based research, primarily whitepages.com. This left only 26 names whose residences were completely unknown. The author looked at the percentages of known employees living in each of the surrounding communities and, assuming that the unknown employees would be geographically scattered in roughly the same areas, used those percentages to project where the unknown 26 employees most likely lived. Following are tables of the projected town and county of residence for the 393 VA employees.

County	Employee Count	Percent of Total
Fall River	329	83.65%
Custer	35	8.99%
Pennington	26	6.54%
Shannon	2	0.54%
Mellette	1	0.27%

Town	Employee Count	Percent of Total
Buffalo Gap	11	2.72%
Custer	21	5.18%
Edgemont	16	4.09%
Fairburn	2	0.54%
Hill City	1	0.27%
Hot Springs	292	74.11%
Keystone	1	0.27%
Oelrichs	6	1.63%
Oral	13	3.27%
Pine Ridge	2	0.54%
Pringle	2	0.54%
Rapid City	24	5.99%
Smithwick	2	0.54%
White River	1	0.27%

Appendix J-3

Individual Business Person Comments

A poll of Hot Springs businesses was done by hand delivering surveys, advertising the survey in the local paper Chamber of Commerce Enewsletter and distributing the survey at local events. Responses were received via an online website where the survey was available, by dropping the survey off at the local newspaper or Chamber of Commerce office and by direct mail.

Following is the question business people were asked to respond to:

The Veteran's Administration proposal reduces their employment at The Hot Springs facility by 330 positions over five years. The South Dakota Dept. of Labor estimates that an additional 123 jobs will be lost due to the ripple effect. For a Total of 453 jobs lost. The Fall River County Census of 2010 reports 3000 employment positions in the County. In the next 5 years over 15 percent of these jobs could be lost. How will this impact your business?

Following are responses:

- The newspaper business is only successful if the area business community is successful due to our high reliance on advertising revenue to survive. As the population decreases due to lack of jobs, so will our advertising base, as well as subscription base.
- the loss of jobs will have a negative impact on our local economy which will impact every business in this town. If you lose the VA then you have less money to invest in our town, which then impacts our tourist industry, which impacts our businesses, which impacts our schools and our housing. Loss of tax dollars will most definitely affect everything.
- It won't Hot Springs is dying!
- most of the businesses will close town will go down hill
- I work in retail sales and the loss of those jobs would affect me greatly. I would likely have to look at what I stocked in inventory and cut back as warranted.
- As a hotel owner, I will lose approx. \$5,000 from rooms not rented to veterans coming for eye surgery
- A retail business typically runs on a less then 10% profit margin. A 15% cut in sales doesn't cut profits, it eliminates them. If we have a 15% cut in sales I might be able to

remain profitable but I would have to make cuts and it would be very difficult to maintain cash flow, IE pay my loans. If the cut in sales gets much more than 15% it would be nearly impossible to stay in business. Most of my expenses are fixed so the places I can cut are in things like donations and work force. A 15% sales decrease would probably mean a 15 to 20 % cut in a workforce of 15. These folks would not get early retirements or paid transfers to new jobs like the 350 VA employees. I fear that our sales will drop a lot more than 15%. The VA jobs are the best paying jobs in town and these people probably represent a disproportionately large part of our sales. I think it's ridiculous that the VA could come out with this proposal without having given us some kind of professionally done economic impact analysis that would help the business owners plan for the future.

- As a Realtor, the problem I foresee is that we will have a flood of property for sale with desperate Sellers, which will negatively affect the value of the rest of the area properties. Our business district will suffer with the sudden drop in population and our town may not be able to survive! As a Realtor, I may be very busy listing properties, but we won't have people to Buy.
- It will be devastating.
- Spouse of VA employee will be forced to move as well. We will see a decrease in the number of families we see due to VA employees moving, we will not build a new office due to this fact. We have been planning on a build in the next year or so, now we are forced to forfeit those ideas. That would have given more jobs to local businesses.
- It will have a devastating effect on our businesses. I do not know if we will be able to survive a hit like that.
- As a motel, we house a number of vets each week who are here to be seen at the VA. If our revenue drops, we will have no choice but to lay off staff.
- Many veterans purchase homes in Hot Springs to be close to the VA. The influx will likely cease if the VA moves and some of those who have already purchased may choose to sell their homes creating a glut of homes on the market.
- Our business probably will not be affected by job loss because we do not see locals coming out to camp in our campground. We will however see a loss in the number of vets coming to the area for their VA appointments as a lot of vets stay in their campers at our campground when here for their medical needs.
- It would significantly affect our business as we are dependent on people with good jobs and good benefits for our success also. I would expect to see a similar number of 15 percent decrease in our numbers.
- Long term like other business owners the loss of clients will result in loss of employment for my employees. I believe between the major employers in town the actual loss of jobs will be closer to 1000 including, schools, ACE, grocery stores and health care.
- Honestly we have already tossed around the thought of selling our business now. If the VA closes it will have an ominous affect on our livelihood. We are not only losing the

people whose jobs are eliminated but we will lose entire families from the area. It is hard to make ends meet in the winter with the population we have already. If the population decreases winters will be impossible to make a living and we will be forced to close our doors. Selling before the VA announces its closure (hopefully they decided against this) makes better financial sense and a secure future for our family.

- I am a service business. I believe my revenues would be down by at least 15%, maybe down by 20%. All of my expenses would remain the same so that would be a \$20-25,000 decrease in profits, not to mention the decrease in the value of the business if I wish to sell. Probably could not get it sold. Who wants to move to a dieing community?
- SERIOUSLY...THIS WOULD BE A TOTAL DISASTER FOR OUR COMMUNITY AND THE SURROUNDING AREA.
- We insure a good percentage of this town. If our town shuts down then so does our business.
- If the population of Hot Springs decreases, that will have a direct, negative impact on our business
- So far with the down sizing of the V.A. we have noticed a decline in business from the from VA employees.
- We won't have Doctors staying at our hotel for visits to the VA.
- Possible reduction in staff/wages/benefits, possible reduction in services and community support.
- This will greatly impact an already struggling post office in a smaller community. The revenue brought in by VA and employees is a large chunk for this office. Lower revenue could result in layoffs and or hours reduction.
- The loss of 453 jobs in our community would be a big blow to the businesses in our area. In our store we could see decreases in business of 20 to 25%. This loss in business would lead to a reduction in jobs of 5-10 positions.
- The negative impact to all businesses in the community would be exponential. That much revenue taken out of the local economy impacts all businesses whether or not they do business directly with VA employees and veterans or not, it's the law of economics, if some do better we all do better and vice versa.
- This would take roughly 35% of my client base from my shop, this would not fair well on a one person business.

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