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Statement of

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Subcommittee on Defense
of the
House Appropriations Committee

Transformation of Medical Care in the National Capitol Region
Through BRAC and Beyond

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Chairman Dicks, Congressman Young and distinguished members of the Subcommittee: I am honored to appear before you to discuss the transformation of medical care in the National Capital Region (NCR) through the Base Realignment and Closure (BRAC) actions at Walter Reed National Military Medical Center (WRNMMC) and the Fort Belvoir Community Hospital (FBCH). I will also highlight the Department's effort beyond BRAC.

Introduction

I am responsible for overseeing the Department's building and installation portfolio, which is valued at some \$700 billion. My office is the advocate for maintaining the investment necessary for our facilities to effectively support our missions and personnel. I also oversee the BRAC process which, among other things, has been a significant engine for the recapitalization of our enduring facilities. The 2005 BRAC process is channeling a significant amount of money into our facilities, with hospitals and other medical facilities among the largest beneficiaries. My office has also become a champion for the establishment of multi-service, or "joint" installations, as a result of the BRAC 2005 decision to "merge" a number of bases that are located in close proximity. The goal is to improve the efficiency and effectiveness of these bases by broadening their utilization in support of the overall military mission.

The initiative to consolidate and realign medical care delivery in the NCR is of particular importance to my office, because of its basis in BRAC and its focus on

transforming medical care through a joint delivery system. My staff and I work closely with the people who have direct responsibility for planning and executing the construction necessary to implement BRAC for healthcare facilities in the NCR: VADM John Mateczun, the Commander of the Joint Task Force National Capital Region Medical; and Dr. Charles Rice, the senior official performing the duties of the Assistant Secretary of Defense for Health Affairs.

In my testimony today, I will provide an overview of the original BRAC goals for restructuring our healthcare facilities in the NCR and subsequent enhancements the Department has pursued. I will also summarize our near-term plans to improve the Bethesda campus outside of the BRAC program and the status of the NCR Medical Master Plan.

Basis for and Execution of the BRAC 2005 Action

The BRAC 2005 decision reflected four major concerns about medical care in the NCR. First, there was a growing mismatch between the location of eligible beneficiaries and that of major medical facilities. Although the patient population was becoming increasingly concentrated in the southern part of the region, the two largest facilities (Bethesda and Walter Reed) were located just 6.4 miles from one another in the north. Second, due to a growing demand for outpatient services, Bethesda and Walter Reed had significant excess inpatient capacity. For example, Walter Reed was only using about 200 beds - less than one-sixth of its design capacity (1230 beds). Third, Walter Reed's

infrastructure was deteriorating due to a combination of heavy use and chronic under-investment in maintenance and repair. Estimates at the time indicated it would cost \$600-700 million to replace or renovate Walter Reed and under existing budget assumptions, that work would take many years to complete (6-8 years for replacement, 10-15 years for renovation). Finally, while medical care in the NCR was of superb quality, the attributes of a more modern, integrated system would improve the previous Service-centric, facility-based approach.

In response to these concerns, the 2005 BRAC Commission endorsed the Department's proposal to consolidate and realign medical care delivery in the NCR. Consistent with the BRAC directive, and in compliance with the BRAC deadline of September 15, 2011, the Department will:

- Close Walter Reed and move some of its activities to the Bethesda Naval hospital, creating the consolidated Walter Reed National Military Medical Center.
- Move other Walter Reed activities to a new community hospital at Ft. Belvoir.
- Close inpatient services at the medical center at Andrews Air Force Base, leaving an ambulatory clinic, the Malcolm Grow Surgical Center, in place.

The BRAC decision recognized that renovation of the aged and deteriorating Walter Reed facility was not the best use of our resources. By allowing us to channel these resources to the new configuration, BRAC addressed long-standing healthcare facility needs in this area.

In the Department's view, this restructuring will transform medical care delivery in the NCR. The strategic relocation of facilities and the related expansion of outpatient services will give eligible beneficiaries more proximate and convenient access to healthcare. The reduction of excess capacity and related overhead will free up scarce personnel and resources to meet the changing needs of wounded warriors, active duty families, and retirees. Furthermore, the shift from a legacy medical platform to a modernized, joint operational system will provide a host of benefits, ranging from enhanced recruiting and personnel retention to an improved ability to incorporate and capitalize on evolving methods and trends in healthcare delivery.

Now, with less than 17 months to go before the BRAC deadline, we are on schedule and on track to provide state-of-the-art facilities under the BRAC program for our wounded warriors and other beneficiaries in the NCR. VADM Mateczun and Dr. Rice deserve praise for their leadership and the efforts of their staffs. I just toured the Bethesda campus and was impressed with the amount of construction being accomplished within the limited footprint of that facility. The Navy is doing a great job in carefully managing construction while continuing to operate the medical center.

By the BRAC deadline, we will have constructed and renovated the Bethesda and Ft. Belvoir facilities to accommodate a staff of over 9,000 with approximately 3 million square feet of clinical and administrative space, supporting 465 inpatient beds (345 at

Bethesda and 120 at Ft. Belvoir). These statistics underscore the enormity and complexity of this undertaking:

1. More than 682,000 square feet of world-class inpatient and ambulatory clinical space will be added to Bethesda's final footprint;
2. Over 300,000 square feet of alterations to the existing medical center at Bethesda will be completed;
3. 700,000 square feet of administrative space, enlisted quarters, and facilities will be provided at Bethesda in support of the Warrior Transition Services; and
4. A 1.2 million square foot, innovative, state-of-the-art hospital will be constructed at Ft. Belvoir, fully incorporating Evidence-Based Design.

Enhancements to the Process

Our effort to transform medical care in the NCR has undergone positive course corrections at several points in the last several years. Let me mention two. The first one came in response to the *Independent Review Group (IRG) on Rehabilitative Care and Administrative Processes at Walter Reed Army Medical Center and National Naval Medical Center*, which was co-chaired by former Secretary of the Army Togo West and former Secretary of the Army and Congressman Jack Marsh. Drawing on the IRG recommendations as well as on lessons learned directly from combat, the Department committed to creating "Warrior Transition Unit" facilities at Bethesda to enhance wounded warrior care, especially for the outpatient convalescent phase. The Department also committed to enhancing inpatient facilities at both Belvoir and Bethesda by

incorporating “Evidence-Based Design” in the construction of these facilities through the translation of principles for improving the healing environment into the built environment. These enhancements account for most of the increase in the cost of medical transformation in the NCR that we have seen—from the initial BRAC estimate of \$1 billion to the current estimate of \$2.6 billion.

Second, the Department has responded to the recommendations of the July 2009 Defense Health Board (DHB) Subcommittee report, *Achieving World Class: An Independent Review of the Design Plans for the Walter Reed National Military Medical Center and the Fort Belvoir Community Hospital*. As a result, by the time we complete the medical BRAC construction in the NCR, WRNMMC and Belvoir will have many of the attributes of the DHB’s newly defined world-class standard. Specifically, we are using \$65 million in FY2010 to expand the existing operating rooms at Bethesda to meet this standard. We have also realigned \$125 million of BRAC FY 2010 funding for WRNMMC to address other DHB recommendations, including the incorporation of input from clinicians and end users. We have also requested \$80 million in military construction projects in our FY 2011 budget for warrior lodging and parking at WRNMMC, Bethesda. Once we finish the BRAC renovations, conversion to single-patient hospital rooms (one of the newly established world-class standards) will be more than 50 percent complete at Bethesda.

In addition to the improvements described above, we will be making longer-term efforts to achieve all the world-class attributes at WRNMMC. However, those improvements should occur separate from BRAC and after we have completed the BRAC construction process. The reason is simple: we have an enormous amount of construction underway now at Bethesda because of BRAC. Moreover, the installation has a small footprint, and the terrain and the system of on-base roads impose additional constraints. We simply cannot undertake any additional construction without jeopardizing the safety of the ongoing medical operations.

The NCR Medical Master Plan, required by section 2714 of the National Defense Authorization Act of FY 2010, will provide detail on the framework and future actions necessary to further achieve the DHB-defined attributes of a world class medical facility and an integrated healthcare delivery system. The Department will provide this plan to the Congress in the very near future.

Conclusion

Thank you for this opportunity to highlight the Department's efforts to improve the delivery of healthcare in the NCR. This is an extraordinarily complex undertaking but one that will deliver major benefits. BRAC provides the NCR with a medical platform superior to what we have now, and the NCR Medical Master Plan will map the actions necessary to achieve "world class" for the rest of WRNMMC. My colleagues and I look forward to working with the Congress to help make these goals a reality.