

***DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
2521 CLARK STREET, SUITE 600
ARLINGTON, VIRGINIA 22202
(703) 699-2950***

MEMORANDUM OF MEETING

DATE: May 27, 2005

TIME: 11:15 PM

MEETING WITH:

Col (USMC) John D. Gumbel, Commanding Officer, Naval Air Depot Cherry Point, Phone: (252) 464-7000/7001, E-Mail: john.gumbel@navy.mil

Ms. Mary Beth Fennell, Industrial Business Operations Head, Phone: (252) 464-7049/7703, E-Mail: mary.fennell@navy.mil

Capt. (USN) Richard "Dick J. Fletcher, Commanding Officer, Naval Hospital, Marine Corps Air Station, Cherry Point, Phone: (252) 466-0337/0336, E-Mail: rjfletcher@nhcp.med.navy.mil

Capt. (USN) Stephen E. Mandia, Executive Officer, Naval Hospital, Marine Corps Air Station, Cherry Point, Phone: (252) 466-0541/0336, E-Mail: semandia@nhcp.med.navy.mil

Mr. Joe Reilly, Facilities Development Officer, MCAS Cherry Point, Phone (252) 466-4763, E-Mail: joe.reilly@usmc.mil

SUBJECT: Close-out BRAC Meeting at Cherry Point.

PARTICIPANTS:

Thomas A. Pantelides*
Colleen Turner

MEETING SUMMARY:

We thanked everyone for their hospitality and summarized our observations:

Naval Air Depot Cherry Point

The Cherry Point Depot level rework facility has made a number of improvements that have allowed the facility to under-execute indirect and to a lesser degree direct labor standards. Additionally, the Cherry Point facility has drastically reduced turnaround time for its work, this

at a time of increased workload given significant extra wear and tear on equipment operating in hostile overseas theaters of operation.

The Cherry Point Depot currently has about 230 positions that are not filled. Given that cost savings are calculated across all FRC's, the effect of this variance could not be determined from our visit at Cherry Point. However this variance would have the effect of reducing projected savings by a degree. We plan to follow-up at the headquarters and the West Coast depot maintenance facilities to assess the variance between authorized and actual personnel in order to assess the manpower implications and the extent and timing of potential costs and savings.

Naval Hospital, Marine Corps Air Station, Cherry Point

In considering the closure of the in-patient function at Cherry Point Naval Hospital a number of issues arose. Although the hospital provides a wide array of medical services, the in-patient services provided are overwhelmingly labor and delivery (92%) constituting 586 total deliveries per year for an average of approximately 50 births per month (Range 40-70). If these in-patient services are eliminated they must be provided by the local community. The Hospital currently has 28 beds for in-patient care. The average in-patient population is about nine. Based on available beds and average occupancy, the hospital has excess physical in-patient capacity.

The issue of closing the in-patient care facility centers on whether the civilian community can accept the workload. Our discussions indicate that the two local hospitals can accept the workload, however, an outstanding question is whether the local physicians will accept new patients and if so, at what cost?

One hospital is a participating hospital which indicated the physicians would not accept new patients other than for the delivery at the current government reimbursement schedule. The other hospital is a non participating hospital which would require a higher rate than is paid to participating hospitals. Additionally, the issue of initial care being provided by the military hospital and doctors using civilian hospitals to perform deliveries became an issue because of the malpractice complications involved.

To complicate the issue even further, if it is agreed that civilian physicians and hospitals will provide both initial and delivery services, the military hospital would be faced with excess capacity in its initial care workload and the physicians associated with that care. Hospital officials agreed to raise the issues discussed for resolution by higher headquarters and advise us as the resolution of the issues are identified.

Additional Comments Provided

Comments by Base and NADEP Officials indicate the Cherry Point community is not concerned over the proposed realignment to FRC's. In our discussions with Hospital personnel we were told that the community was very hopeful about the planned deployment of two F-18 squadrons at Cherry Point. Mr. Joe Reilly confirmed that the community is aware of the proposed transfer of two squadrons from Oceana. The proposal would transfer one VFA 22 Squadron in fiscal 2008 and one VFA 18 squadron in fiscal 2009. The transfer of these squadrons would increase

military personnel at Cherry Point by 500. It was estimated that the total population of Cherry Point will increase by about 3,000 due to the additional family members associated with the proposed transfer. Mr. Joe Reilly said that the plan is documented in an environmental study as one of the options of that study. Mr. Reilly agreed to provide us a copy of the study.