

Demonstration Project to Integrate Operations at VA and DoD Health Care Facilities

**VA/DoD Health Executive
Council**

October 16, 2002

VA/HUD Appropriations

Conference Report: "...the conferees direct the Secretary of Veterans Affairs, in cooperation with the Secretary of Defense, to submit to the Committees on Appropriations a credible plan by September 1, 2002 for no less than three Demonstration sites where VA and DoD will fully integrate operations, pharmacy services, billing and records, and treatment. ... consider the opportunity presented at the Tripler Army Medical Center..."

Demonstration Project Plan

Addresses integration of:

- Operations
- Pharmacy services
- Billing
- Records
- Treatment

Integration of Operations

Methodology

- Different model at each of three sites
- Inpatient and/or outpatient facilities
- Collocated or in close proximity
- **Goal:** a model that can be used as a template for future VA/DoD enterprises

Integration Models

- **Governance model**
- **Federal Health Care System model**
- **Defined Executive Agent Model**

Governance Model

- Initial senior leadership positions determined by host facility and campus
- All levels of management by incumbent managers at host facility
- Mix of VA or DoD managers within 18 months
- Staff and employees both VA & DoD
- Integration of clinical and administrative services
- Department specific programs continue

Federal Health Care System Model

- Focus on partnership, collaboration and coordination of services
- CEO reports to a Federal Health Care Coordination Board
- CEO from tertiary care or single inpatient facility, otherwise selected by HEC.
- Health benefit consistent with respective Department

Defined Executive Agent Model

- Facilities in a defined geographical area
- Executive Agent selected by HEC
- Executive Agent reports to Board of Directors – (leaders of facilities)
- Executive Agent has line authority over all members and employees of combined facilities.

Defined Executive Agent Model (continued)

- Consolidated budget
- No billed charges between VA and DoD
- Common Business Office
- Managers selected from VA and DoD
- Staff and employees from DoD and VA
- Consolidated human resource office.
Specific requirements managed by
respective Department

Pharmacy Services (all models)

- Department specific benefits for beneficiaries
- Common or agreed upon operating standards
- Combined formulary of facilities
- Shared best practices for safety and management
- Common pharmacy platform and standards for communications

Pharmacy Services (all models)

- Common payment/billing system
- Online e-pharmacy utilized
- Common medication profile established
- Common pharmacy mail-out system
- Joint acquisition of pharmaceuticals using process most beneficial to site

Billing

- **For Governance and Federal Health Care System models:**
 - Facilities use respective billing systems
 - Utilize current business practices
 - Reimbursement based on CMAC.
(negotiated rate exempt from national rate)
 - Consider online e-billing

Billing (continued)

- **For Defined Executive Agent model:**
 - Consolidated budget
 - Initial budget allocation based on CMAC or aggregated budgets of facilities involved
 - No billing between VA and DoD
 - Common Business Office
 - Quarterly reconciliation of workload
 - Use of online e-billing

Records (all models)

- Use current respective medical records systems and available software applications
- Federal Health Information Exchange - DoD information to VA
- HealthePeople (Federal) – enables shared information – FY05
- Work towards common standards and security solutions

Treatment (all models)

- Focus on improved access and quality
- Integrated clinical services for all beneficiaries
- Care provided by direct or external sources
- Maintain or improve standards of care
- Common credentialing and privileging
- Share and collaborate in best practices
- Ensure that patient safety is paramount

Treatment (all models)

- Utilize and monitor clinical indices
- Utilize clinical practice guidelines
- Develop clinical centers of excellence
- Utilize care management principles
- Utilize telemedicine and other modalities to provide increased access to care

Other Areas (all models)

General:

- Written charter with defined parameters and goals approved by respective Major Command and VISN
- Defined process to provide care in event of deployment or mobilization
- Performance goals specified in performance contracts or appraisals of senior leadership of sites

Other Areas (all models)

Information Management

- Develop interfaces between DoD and VA systems
- Coordination and collaboration in information systems development, acquisitions, and standards
- Joint information security
- Data integrity
- Importance of information management to the success of demonstration project.

Other Areas (all models)

Procurement and Acquisition

- Consolidated logistics system
- Joint procurement
- Standardization of supplies/equipment

Contracting Services

- Consolidated contracting services
- Joint contract procurement
- Shared utilization of contracts

Facility Maintenance- joint

Other Areas (all models)

Research - collaboration

Graduate Medical Education

- Possible integration of programs
- Teaching appointments for staff

Employee Education and Training

- Joint education and training
- Shared programs and distance learning

Disaster Preparedness – joint training

Desired Outcomes

- Improved access, choice, satisfaction
- Improved or continued high quality care
- Increased range of clinical offerings
- Improved patient safety
- Reduction of operational redundancies
- Efficiencies and cost savings
- Increased partnership and collaboration

Metrics

- Access – timeliness, waiting times, specialty availability
- Quality of care measures
- Satisfaction surveys
- Cost per episode of care or unit
- Workload – comparison with prior data
- Cost reduction, avoidance, or increases

Requested Action

- Approval of the concept of the plan
- Approval to include the plan in a joint comprehensive assessment of changes to DoD and VA health care delivery to determine the feasibility of the plan.
(Discussion on assessment to follow)