

VA REAL PROPERTY:

VA Should Improve Its Efforts to Align Facilities with Veterans' Needs

GAO-17-349: Published: Apr 5, 2017. Publicly Released: May 5, 2017.

What GAO Found

Geographic shifts in the veteran population, changes in health care delivery, and an aging infrastructure affect the Department of Veterans Affairs' (VA) efforts to align its services and real property portfolio to meet the needs of veterans. For example, a shift over time from inpatient to outpatient care will likely result in underutilized space once used for inpatient care. In such instances, it is often difficult and costly for VA to modernize, renovate, and retrofit existing facilities given the challenges associated with these older facilities.

VA relies on the Strategic Capital Investment Planning (SCIP) process to plan and prioritize capital projects, but SCIP's limitations—including subjective narratives, long time frames, and restricted access to information—undermine VA's ability to achieve its goals. Although VA acknowledges many of these limitations, it has taken little action in response. Federal standards for internal control state that agencies should evaluate and determine appropriate corrective action for identified limitations on a timely basis. Without doing so, VA lacks reasonable assurance that its facility-alignment reflects veterans' needs.

A separate planning process—VA Integrated Planning (VAIP)—was designed to supplement SCIP and to provide planners with a more strategic vision for their medical facilities through the creation of facility master plans. However, GAO found limitations with this ongoing effort, which VA estimated to cost \$108 million. Specifically, the facility master plans assume that all future growth in services will be provided directly through VA facilities without considering alternatives, such as purchasing care from the community. However, VA's use of care in the community has increased to an obligated \$10.1 billion in fiscal year 2015. Federal capital-acquisition guidance identifies inefficient spending as a risk of not considering other options for delivering services. This consideration is particularly relevant as VA's data project that the number of enrolled veterans will begin to fall after 2024. Officials who oversee the VAIP process said that they were awaiting further analyses required by recently released VA guidance on the proportion of care and types of services to obtain from the community. As a result of this and other limitations, some local VA officials said that they make little use of the VAIP facility master plans and contract for their own facility master plans outside the VAIP process.

Although VA instructs local VA officials to communicate with stakeholders, its guidance is not detailed enough to conform to best practices. VA has not consistently followed best practices for effectively engaging stakeholders in facility consolidation efforts—such as in utilizing two-way communication early in the process and using data to demonstrate the rationale for facility alignment decisions. GAO found that when stakeholders were not always engaged consistently with best practices, VA's efforts to align facilities with veterans' needs were challenged. Also, VA officials said that they do not monitor or evaluate these communications efforts and, therefore, have little assurance that the methods used effectively disseminate information to stakeholders. This approach runs counter to federal standards for internal control, which instruct agencies to monitor and evaluate activities, such as communications methods.

Why GAO Did This Study

VA operates one of the largest health care systems in the United States, with 168 VA medical centers and more than 1,000 outpatient facilities. Many of these facilities are underutilized and outdated. A previous effort aimed at modernizing and better aligning facilities was not fully implemented.

GAO was asked to review the current alignment of VA medical facilities with veterans' needs. This report examines: (1) the factors that affect VA facility alignment with veterans' needs, (2) the extent to which VA's capital-planning process facilitates the alignment of facilities with the veteran population, and (3) the extent to which VA has followed best practices by integrating stakeholders in facility alignment decisions. GAO reviewed VA's facility-planning documents and data, and interviewed VA officials in headquarters and at seven medical facilities selected for their geographic location, population, and past alignment efforts. GAO also evaluated VA's actions against federal standards for internal control and best practices for capital planning.

What GAO Recommends

GAO made four recommendations, including that: VA improve SCIP's scoring and approval process among other limitations and discontinue or improve the utility of the VAIP facility master plans, and improve guidance to effectively communicate facility alignment decisions with stakeholders and to evaluate these efforts. VA partially concurred with the first recommendation and fully concurred with the other recommendations. GAO believes the recommendations are sound, as described in the report.

For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov, or Debra A. Draper at (202) 512-7114 or draperd@gao.gov.

Recommendations for Executive Action

- 1. Recommendation:** To improve VA's ability to plan for and facilitate the alignment of its facilities with veteran needs, the Secretary of Veterans Affairs should direct the appropriate offices and administrations to address identified limitations to the SCIP process, including limitations to scoring and approval, and access to information.

Agency Affected: Department of Veterans Affairs

Status: Open 

Comments: VA partially concurred with this recommendation. In their 60-day letter dated August 3, 2017, VA noted that it has made process changes in those areas that it concurred with. This includes both access to information, improving communication and timing of SCIP results, and lessening the administrative burden of providing SCIP documents to SCIP users. For fiscal year (FY) 2018 SCIP, including the projects that were funded, the results were provided prior to the 2018 budget release, and prior to the development of SCIP 2019 business cases. In the past, these results were not released to planners until after the budget was publicly released. In addition, the threshold for inclusion of projects into the SCIP process was raised from \$1 M to \$3M for the Veterans Health Administration (VHA) nonrecurring maintenance (NRM) projects. This was done to lessen the administrative burden and provide more flexibility to the field to manage their operational needs. Although VA has made some progress towards this recommendation, they have not satisfied the full intent. Specifically, VA has not yet made changes to improve the visibility and prioritization of sequenced projects or the scoring and approval process. VA noted that it disagreed that the SCIP scoring and approval process introduces subjectivity through the use of its business cases, but we will follow up over the next year to see if they made any changes that would help address this portion of the recommendation.

2. **Recommendation:** To improve VA's ability to plan for and facilitate the alignment of its facilities with veteran needs, the Secretary of Veterans Affairs should direct the appropriate offices and administrations to assess the value of VAIP's facility master plans as a facility-planning tool. Based on conclusions from the review, either 1) discontinue the development of VAIP's facility master plans or 2) address the limitations of VAIP's facility master plans.

Agency Affected: Department of Veterans Affairs

3. **Recommendation:** To improve VA's ability to plan for and facilitate the alignment of its facilities with veteran needs, the Secretary of Veterans Affairs should direct the appropriate offices and administrations to develop and distribute guidance for Veterans Integrated Service Networks (VISNs) and facilities using best practices on how to effectively communicate with stakeholders about alignment change.

Agency Affected: Department of Veterans Affairs

4. **Recommendation:** To improve VA's ability to plan for and facilitate the alignment of its facilities with veteran needs, the Secretary of Veterans Affairs should direct the appropriate offices and administrations to develop and implement a mechanism to evaluate VISN and facility communication efforts with stakeholders to ensure that these communication efforts are working as intended and align with guidance and best practices.

Agency Affected: Department of Veterans Affairs

Status: Open 

Comments: In its 60-day letter dated August 3, 2017, VA noted that its VAIP facility master plans have been discontinued while VA pursues a congressionally-directed National Realignment Strategy, which will last a minimum of 18 months. VA will be evaluating service delivery opportunities in each contiguous United States (CONUS) market, to improve the networks of complementary community care providers, best coordinate Veteran healthcare, and move certain components of care into the community when appropriate. Once a National Realignment Plan is submitted and approved by Congress, future facility master plans will be adjusted accordingly, and incorporate pertinent information. Such information will include community care realignment opportunities. We will follow-up with VA to obtain additional information regarding this recommendation.

Status: Closed - Implemented 

Comments: In its 60-day letter dated August 3, 2017, VA noted that to ensure consistency in stakeholder engagement efforts, VHA Office of Communications developed a standard operating procedure (SOP) for all VISN and facility public affairs officers to follow when planning/implementing a facility mission change and/or realignment. The SOP directs that the template communications plan, including timeline for notifications, target audiences, and example key messaging, will be utilized. A mechanism for sharing best practices has been established for implementation in moving forward with local communications. The SOP was launched and discussed on the June 28, 2017 monthly Public Affairs Officers (PAO) conference call. In addition, further dissemination of the SOP occurred through an email from the VHA Deputy Under Secretary for Health for Operations and Management to facility and VISN leadership on June 30, 2017. VA has clarified that these activities were a direct result of our recommendation.

Status: Open 

Comments: In its 60-day letter dated August 3, 2017, VA noted that it has created a standard operating procedure (SOP) to follow when planning/implementing a facility mission change and/or realignment. The SOP provides guidance for facilities to implement evaluation tools to measure the return on their communications investment in sharing information with stakeholders, including after action reports, media monitoring tools, and direct feedback from target audiences. A mechanism for sharing best practices has been established for implementation in moving forward with local communications. We are in the process of obtaining further documentation from VA to support that this evaluation mechanism ensures that communication efforts are aligned with guidance and best practices.