



**VA/DoD HEALTH EXECUTIVE COUNCIL
EXECUTIVE DECISION MEMORANDUM (EDM)**



To: VA/DoD Health Executive Council (HEC)

From: Mr. Allen Middleton DoD Co-Chair, Financial Management Work Group
Mr. Paul Kearns, VA Co-Chair, Financial Management Work Group

Subject: Approval of Fiscal Year (FY) 2007 Joint Incentive Fund (JIF) Projects

Prepared by: John Bradley, Veterans Health Administration (VHA) VA/DoD Sharing Office, VA; and Connie McDonald, Health Affairs, Health Budgets & Financial Policy Office, DoD

For Information Contact: John Bradley, phone: (202) 273-8228, e-mail: John.Bradley@va.gov or Connie McDonald, phone: (703) 681-1724, e-mail: Connie.McDonald@ha.osd.mil

ACTION REQUESTED: Approve JIF proposals recommended by the VA/DoD Financial Management Work Group (FMWG).

STATEMENT OF ISSUE: The VA/DoD FMWG recommends that the Health Executive Council approve the attached list of projects for funding through the JIF.

BACKGROUND:

The FY 2003 National Defense Authorization Act, Public Law 107-314, Section 721, requires that DoD and VA establish a joint incentives program, through the creation of a DoD-VA Health Care Sharing Incentive Fund. The intent of the program is to identify, fund and evaluate creative local, regional and national sharing initiatives.

The FMWG used the following criteria and associated points to evaluate the proposals submitted in the latest round:

- | | |
|--|----|
| • Improves Quality of Care | 20 |
| • Improves Access to Care | 20 |
| • Mission Priority/Corporate Direction | 10 |
| • Return on Investment | 10 |
| • Measurable Performance Data Identified | 10 |
| • Supports VA/DoD Joint Strategic Plan | 10 |
| • Size and Scope of Impact | 10 |
| • Other Intangible Benefits | 10 |

SELECTION PROCESS: The FMWG designated a group to review the proposals. The group is comprised of members from VHA's VA/DoD Sharing Office, the Office of the Deputy Under Secretary for Health for Operations and Management, and Office of Health Informatics and from the Army, Navy, Air Force, Health Affairs and TRICARE Management Activity. The Work Group received 27 proposals for evaluation in June 2007. Of the 27 proposals, 11 proposals did not achieve the minimum score for selection. Sixteen projects totaling \$41.02 million are recommended for approval. The following options are presented for consideration.

PROJECTS RECOMMENDED: The projects recommended by the FMWG are an attachment to this EDM. The current funding level for FY 2007 JIF projects is \$26 million.

OPTIONS:

Option 1: The HEC approve funding for all 16 proposals that achieved the minimum score for selection, but divide the total cost of these projects into two separate allocations i.e. FY 2007 \$26.9 million and FY 2008 \$14.06 million.

Pro:

1. All FY 2007 proposals that achieved the target score (70 and above) will be funded. This has been the funding goal for the past 4 years.
2. Selected initiatives may begin preparing implementation plans immediately.

Con: All FY 2007 funds plus more than half of FY 2008 funds would be committed, potentially limiting the number of projects that can be funded or approved next year. However, additional funds beyond the combined minimum contribution of \$30 million could be deposited in FY 2008 to cover the additional FY 2007 project funding.

Option 2: The HEC approve funding the 13 highest scoring proposals.

Pro:

1. All FY 2007 funds will be used.
2. Selected initiatives may begin preparing implementation plans immediately.

Con: Process may be perceived as arbitrary and biased because some projects that received the same score will not be funded.

RECOMMENDED OPTION: Option 1. This option would follow the recommendation of the FMWHG.

NECESSARY ACTIONS: If Option 1 is selected, approved projects will be funded for the first year from FY 2007 JIF funding. The second year will be funded from FY 2008 JIF funding. All selected project sites required to submit to the FMWG quarterly interim

progress reports during implementation for the purpose of determining if projects are progressing and if performance measures have been met.

DISSENTING OPINIONS REGARDING RECOMMENDED OPTION: None known.

EFFECT OF RECOMMENDED OPTION ON EXISTING PROGRAMS AND HEALTH EXECUTIVE COUNCIL WORK GROUPS: Selection of the incentive fund proposals will allow the involved sites to proceed with their implementation plans. The results of funding these projects will promote mutually beneficial health resource sharing between the two Departments as required by the FY 2003 National Defense Authorization Act.

FINANCIAL CONSIDERATIONS OF THE RECOMMENDED OPTION: The FMWG recommends 16 projects for approval totaling \$41,023,000.

LEGAL OR LEGISLATIVE CONSIDERATIONS OF THE RECOMMENDED OPTION: There are no legal or legislative issues anticipated from approval and implementation of the recommended option. There is high interest in this project from Congressional members.

PUBLIC RELATIONS OR MEDIA CONSIDERATIONS OF THE RECOMMENDED OPTION: This proposal promotes positive relationships between VA and DoD. There are no media or other relationship difficulties foreseen by this action. VA and DoD should have a joint press release after projects are approved and funded.

CONGRESSIONAL CONSIDERATIONS OF THE RECOMMENDED OPTION: Congress would view approval of these projects positively.

IMPLEMENTATION ISSUES: Implementation will start as soon as funding is transferred to the approved sites. Staffing and resource issues would be resolved at the facility level.

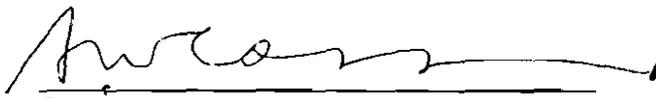
REVIEWERS OF JIF PROPOSALS:

DoD:

Connie McDonald, OASD/HA
CAPT Victoria Mundt, BUMED
Harold Harris, OTSG
Maj Melanie Carino, AF/SG
Veronica Oberdorf, OASD/TMA

VA:

John Bradley, VHA
Kendra Drew, VHA
Fred McLain, VHA
John Vitikacs, VHA
Michael Hughes, VHA



S. Ward Casscells, MD
Assistant Secretary of Defense
for Health Affairs
Department of Defense
Date
AUG 16 2007



Michael J. Kussman, MD, MS, MACP
Under Secretary for Health
Veterans Health Administration
Department of Veterans Affairs
Date
AUG 15 2007

Incentive Fund Project Executive Summary

Lyster Army Health Clinic Fort Rucker/VA Central Alabama HCS (Joint Outpatient Clinic)

The proposal seeks to renovate the second floor of Lyster Army Health Clinic to establish a VA Outpatient Clinic to enhance access to care for the population served by the current contracted Dothan Community Based Outpatient Clinic and the VA staffed Mental Health Clinic, both located in the Dothan area. It will create an integrated health system by establishing an expanded DoD/VA medical clinic that maximizes the use of existing infrastructure, drastically reduces average patient drive time for VA beneficiaries and provides an integrated exit physical for seamless transition from active duty to veteran status. Cost: \$2,953,000

88th Medical Group, Wright-Patterson AFB/Dayton VAMC (Radiation Oncology Center)

This proposal will provide the funds to purchase stereotactic radiosurgery and high dose rate brachytherapy equipment. The radiosurgery equipment will offer new, standard-of-care treatment options to patients with primary brain tumors and brain metastasis. High dose rate brachytherapy equipment will offer expanded cancer treatment options to breast, lung, gynecologic, head and neck, and esophageal cancer patients. Cost: \$1,044,000

81st Medical Group, Keesler AFB/VA Gulf Coast HCS (Cardiovascular Care Center)

This initiative will modernize the existing Keesler Medical Center Angiography/Cardiac Catheterization Suite to serve as a dual cardiac catheterization lab and peripheral angiography suite in order to recapture procedures and treatments that are currently being referred to the network. In addition, this initiative will ensure beneficiaries will be provided a similar standard-of-care and seamless transition as they move between VA and the military health system. Cost: \$3,927,000

Madigan Army Medical Center/Womack Army Medical Center/Portland VA Medical Center (Hearing Conservation Program)

This project will create a multimedia Hearing Loss Prevention Program that can be delivered in a hearing conservation program site or a primary care or other medical setting. It will expand and modify existing education and training materials of warfighters and includes building three portable booths (kiosks) that provide education and training about hearing loss and tinnitus, measures that can be taken to preserve hearing, self-help to reduce the effects of tinnitus, self-screening of auditory sensitivity and instruction about hearing protection devices. Cost: \$997,000

**Naval Hospital Pensacola/VA Gulf Coast Veterans HCS
(Sleep Lab)**

This project proposes to expand and renovate the already existing Sleep Diagnostic/Treatment Lab located at Naval Hospital Pensacola. Funds will be used to pay for DoD technicians. Additionally, equipment will be purchased to expand the preparation and admitting areas to handle the increased demand. Cost: \$803,000

**81st Medical Group, Keesler AFB/VA Gulf Coast HCS
(MRI)**

This initiative seeks to pay for supplies and contract personnel to staff the new MRI equipment at Keesler, allowing it to become the MRI center for both facilities. This proposal includes greater resource sharing designed to improve in-house patient care access and provide efficient delivery of timely diagnostic evaluation that was lost as a result of hurricane Katrina. Cost: \$1,993,000

**Tripler Army Medical Center (TAMC)/VA Pacific Island HCS
(Sleep Studies)**

This initiative calls for the modification of existing space on TAMC to accommodate and equip a 4-bed Joint Sleep Studies Unit for this DoD-VHA joint venture site. This project includes appropriate diagnostic evaluation, including testing when necessary. The unit will also provide treatment and follow-up for patients, including the prescription of mechanical or pharmacological therapy, in coordination and consultation with the referring providers. Funding includes hiring certified sleep/ respiratory technicians, medical administration support, and a .25 Full Time Equivalent (FTE) sleep-certified physician. Cost: \$1,219,000

Moncrief Army Community Hospital (MACH)/20th Medical Group (20 MDG), Shaw AFB/William Jennings Bryan Dorn VAMC (Outpatient Mental Health Counseling Services)

This initiative proposes to provide outpatient mental health counseling services that will increase capacity to allow the annual recapture of mental health services referred to the private sector by Dorn VAMC, MACH, and 20 MDG. The program will focus on providing intensive outpatient mental health treatment with particular emphasis on adjustment issues related to returnees from Operation Enduring Freedom (OEF)/ Operation Iraqi Freedom (OIF) in support of the Global War on Terror. Cost: \$807,000

**Tripler Army Medical Center/VA Pacific Island HCS
(Integrative Pain Center)**

This project will develop the specific staff, equipment, and services needed for an Integrative Pain Center at Tripler Army Medical Center. This new initiative, building on existing resources, is the logical next step in developing our pain rehabilitation program into a model Integrative Pain Center delivered by a multidisciplinary, well-trained coordinated team involving both traditional and complementary care practitioners. Cost: \$2,056,000

**Naval Hospital Pensacola/VA Gulf Coast Veterans HCS
(Panama City Consolidation)**

This project expands while consolidating services and space in three buildings at Naval Support Activity Panama City. The expansion of services, specifically Audiology and Dental, will eliminate the lengthy travel required by a population with extremely limited resources as well as significantly reducing current delays in treatment. This proposal supports the hiring of a full-time VA audiologist and audiology technician, provides equipment and supports Department of Veterans Affairs Capital Asset Realignment for Enhanced Services initiatives through sharing services. Cost: \$1,238,000

U.S. Army Medical Department Activity, Ft. Carson/10th Medical Group, U.S. Air Force Academy/VA Eastern Colorado HCS (Cardiology)

The intent of this project is to hire two cardiologists and two physician extenders at VA Eastern Colorado HCS to provide non-invasive cardiology services to DoD and VA beneficiaries in southern Colorado, while augmenting the VA's cardiology department in Denver with additional providers able to conduct cardiac catheterizations. Cost: \$1,418,000

**60th Medical Group (DGMC), Travis AFB/VA Northern California HCS
(Radiation Oncology Center)**

The JIF proposal will build on an existing joint venture by providing state-of-the-art technology for improved patient care and cost savings, and includes the acquisition of a Varian iX linear accelerator (LINAC) for DGMC and the expansion of the DGMC Radiation Oncology Department through VA staffing. Cost: \$5,718,000

**Naval Health Clinic Charleston/Ralph H. Johnson VAMC
(Mobile MRI)**

This initiative will purchase a state-of-the-art 1.5 Tesla magnet mobile MRI unit and associated service contracts and a FTE MRI technician which will allow three separate Federal facilities (VA, Navy, and Air Force) to increase accessibility to higher quality MRI services for beneficiaries and avoid expensive referrals to civilian sources. Cost: \$2,469,000

**Munson Army Health Center/VA Eastern Kansas HCS
(Mobile MRI)**

The JIF allocation would be used to purchase a mobile MRI unit that would enable two divisions of Eastern Kansas HCS (one located at Leavenworth and the other at Topeka) and Munson Army Health Center (at Fort Leavenworth) to provide state-of-the-art MRI scanner and recapture MRI examinations that are currently purchased from the private sector. Cost: \$3,650,000

**Naval Branch Health Clinic Mid-South/Memphis VAMC
(MRI)**

This project proposes to build an addition to the existing MRI unit and place a GE Medical Signa HDx 1.5T EchoSpeed 16-Channel Fixed Site MR machine at Memphis VAMC to recapture radiology purchased care and expand capacity. The improved

access and additional flexibility in the scheduling of urgent appointments will improve reduce waiting times and improve overall patient satisfaction. Cost: \$4,430,000

DoD/VA

(Data Synchronization Phase 3)

This Joint Incentive Fund proposal is an ongoing initiative focused on the opportunity to build on Phases 1 and 2 achievements and the work to synchronize the medical/surgical catalog data and pricing used by the VA and DoD. Previous phases resulted in the synchronization of medical/surgical items in the VA National Item File and the development of the mechanisms to distribute the synchronized data to the retail level (i.e., VHA and DoD health care facilities) of the supply chain. Phase 3 seeks to improve the technical and practical environment for joint VA/DoD contracting for medical/surgical products by establishing one authoritative location for consolidated, standardized data for joint contracting that can be seen by both Departments.

Cost: \$6,300,000