



**VETERANS AFFAIRS/DEPARTMENT OF DEFENSE
VA/DoD HEALTH EXECUTIVE COUNCIL
EXECUTIVE DECISION MEMORANDUM**



To: Department of Veterans Affairs (VA)/Department of Defense (DoD) Health Executive Council (HEC)

From: Ms. Rachel Foster, DoD Co-Chair, Financial Management Work Group
Mr. Paul Kearns, VA Co-Chair, Financial Management Work Group

Subject: Approval of Fiscal Year (FY) 2010 Joint Incentive Fund (JIF) Projects

Prepared by: Michael Gardner, Veterans Health Administration (VHA) VA/DoD Sharing Office, VA; and Connie McDonald, Office of the Assistant Secretary of Defense (Health Affairs), Health Budgets & Financial Policy

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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 HEC approve the attached 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:

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| • 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 work group to review the proposals. The work 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, Office of Health Informatics, Patient Care Services, Office of Finance, the offices of the Surgeons General of Army, Navy, and Air Force, and the Office of the Assistant Secretary of Defense (Health Affairs) and TRICARE Management Activity.

The JIF selection process for FY 2009 included selection of one project being approved with the understanding that it would not be funded until FY 2010, one project partially funded in 2009 and one additional project that could not be funded until 2010. The total owed to these projects is \$17,704,995 leaving the JIF starting point for FY 2010 at \$12,259,005. The Work Group received 35 proposals for evaluation in January 2010. Of the 35 proposals, 22 proposals did not achieve the minimum score for selection. Due to availability of funding for FY2010 projects, and the large number of submissions, the minimum score for selection was raised to 75 for this selection process. Thirteen projects totaling \$18,447,762 are recommended for approval. The following options are presented for consideration.

PROJECTS RECOMMENDED: The projects recommended by the FMWG are an attachment to this Executive Decision Memorandum.

OPTIONS:

Option 1: The HEC approve all FY2010 projects that achieved the minimum score (75 and above). Funds allocation would be managed by allocating only one year of funding for the three FY2009 projects in FY 2010. The second year would be funded using FY 2011 JIF funds (approximately \$5.6 million). Additionally, one FY 2010 project's second year funding would be delayed until 2011 (approximately \$0.5 million).

Pro: All FY 2010 proposals that achieved the minimum score will be funded. Selected initiatives may begin preparing implementation plans immediately.

Con: Will reduce funds available for FY 2011 projects by approximately \$6.1 million.

Option 2: The HEC select fewer sites than recommended by the incentive fund selection work group in order to expend only funds that are currently available in the JIF fund (approximately \$12.2 million).

Pro: 1. Does not obligate any future JIF funding.
2. Funds not allocated for currently proposed projects can be carried over as "no-year money" for future projects.

Con: 1. Funds available for FY 2010 may not be maximized.
2. Allows for funding of only eight projects vice thirteen and may discourage future participation.

RECOMMENDED OPTION: Option 1. This option would allow for immediate funding for all projects meeting the minimum score.

NECESSARY ACTIONS: Funds will be dispersed according to the approved option. Project sites will be 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 offices 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: This action will obligate approximately \$6.1 million of FY 2011 funding.

LEGAL OR LEGISLATIVE CONSIDERATIONS OF THE RECOMMENDED OPTION:

Sharing of clinical information will be done in accordance with HIPPA regulations. Otherwise, there are no legal or legislative issues anticipated from approval and implementation of the recommended option.

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:

There is high interest by Congressional members in sharing health care resources. 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
LCDR Luis Asqueri, BUMED
Harold Harris, OTSG
Debra Irwin, AF/SG
Katharine Murray, OASD/TMA

VA:

David Wham, VHA
Kendra Vinton, VHA
Fred McLain, VHA
Sharice Thompson, VHA
Rhonda Crawford, VHA

**Joint Incentive Fund Project (JIF)
Executive Summary**

Gulf Coast Health Care System/96th Medical Group Eglin AFB

(Mammography)

This proposal is to enhance the existing in-house mammography clinic at the 96th Medical Group. The project proposes to hire support staff increase access mammograms and to provide continuity of care for women's health services.

Cost: \$169,440

James A Haley Veterans Affairs Hospital/6th Medical Group MacDill AFB

(Magnetic Resonance Imaging)

Presently there are MRI capabilities at both facilities. However, both lack the staff and capacity to fully support these capabilities. This proposal includes staffing for one specialty radiologist and two MRI technicians which will allow the facilities to expand for after-hours MRI services, thereby maximizing utilization of current equipment.

Cost: \$1,296,659

Alaska Veterans Affairs Medical Center/3rd Medical Group Elmendorf AFB

(Pain Management)

This initiative adds pain management services to 3rd Medical Group to recapture both Air Force private sector care and VA fee patients currently being referred to the private sector. The project will allow the 3rd Medical Group to contract for one anesthesiologist and one support nurse. Cost: \$1,217,600

James A Haley Veterans Affairs Hospital/6th Medical Group MacDill AFB

(Physical Therapy)

This initiative provides expanded access to physical therapy services for DoD beneficiaries and Veterans at the 6th Medical Group. The 6th Medical Group Physical Therapy department has sufficient facility capacity to absorb more workload but requires additional staffing to do so. The Initiative calls for funding of two Physical Therapists and four Physical Therapy Technicians. Cost: \$1,114,773

Charleston Veterans Affairs Medical Center/437th Medical Group

(Optometry)

This initiative proposes for VA to stand up a joint Optometry Clinic and provide services to DoD beneficiaries and Veterans. The proposal requests funding for five FTEs, equipment, IM/IT support, furniture, staff training/travel and other miscellaneous supplies. The staffing requirements include two Optometrists, two Optometry Technicians, and an administrative clerk. Cost: \$931,472

Gulf Coast Health Care System/96th Medical Group Eglin AFB

(Dental)

This proposal seeks to hire a dental assistant and a dental hygienist to optimize the use of the current staff by providing the baseline resources to enable the dental clinic to function more efficiently and effectively. Additional funding will be used for costs associated with supplies and operation of one additional dental treatment room.

Cost: \$176,000

VA Northern California Health Care System/60th Medical Group Travis AFB
(Physical Therapy)

Proposal seeks to combine the physical therapy services of at McClellan Outpatient Clinic and 60th Medical Group satellite clinic McClellan. This initiative provides for hiring a physical therapist and two physical therapy technicians, two assistants, one health technician and one administrative clerk to augment the existing staff. Additional costs include facility modifications for equipment, supplies, leasing fees and IT/Phone requirements. Cost: \$1,547,000

O'Callaghan Federal Hospital/99th Medical Group Nellis AFB
(Dialysis)

This initiative proposes to implement a joint outpatient and inpatient dialysis service that provides dialysis for DoD beneficiaries and Veterans. The outpatient service will provide initial (first 90 days) dialysis treatment. The project also includes minor renovation of existing space to establish two treatment stations, storage, clean/dirty utility areas, and furniture. Staffing requirements are two registered nurses, four dialysis technicians, and one administrative technician. Cost: \$1,790,750

San Diego Veterans Affairs Medical Center/Naval Medical Center San Diego
(Linear Accelerator)

This initiative will build upon the successful Radiation Therapy services at NMC San Diego by adding another linear accelerator. This expansion would allow both organizations to have a shared ownership of an important medical infrastructure asset that allows leverage of economies of scale to the aggregate benefit of both agencies. Cost: \$5,811,300

Gulf Coast Health Care System/96th Medical Group Eglin AFB
(Vascular Technician)

This initiative seeks to expand vascular surgery services, specifically non-invasive peripheral vascular intervention procedures, to Eglin Hospital and VA beneficiaries. The project calls for hiring a registered vascular technician and purchasing two software packages (Vascubase/Vasculab). Other costs include the addition of standard computer terminals and training costs. Cost: \$225,248

New Mexico Health Care System/377th Medical Group Kirkland AFB
(Emergency Room Renovation)

This proposal is a follow-on to a previous project renovating the Emergency Department (ED) for increased triage space and a fast track area. This proposal will eliminate constraints imposed by the existing layout of the ED that prevents the efficient movement of patients and personnel. It will also bring patient exam rooms and a provider workstation into close proximity with the expanded triage area. In addition to the renovation, the proposal adds cardiac monitoring capability to six beds in the ED. Cost: \$783,262

Gulf Coast Health Care System/81st Medical Group Keesler
(Sleep Lab)

This initiative is to sustain the existing Sleep Lab operations at the 81st Medical Group and provide additional staff to increase the overall number of available annual

appointments. This project will also fund four additional technologists (VA-2/DoD-2), a VA program assistant and upgrade for the existing equipment for the Joint Sleep Diagnostic/Treatment Laboratory located at the VAGCVHCS Biloxi, Mississippi Campus. Cost: \$ 733,252

Gulf Coast Health Care System/325th Medical Group Tyndall AFB

(MRI)

This project will replace the leased mobile MRI with a fixed 1.5 Tesla MRI unit at the 325th Medical Group in an effort to serve the increasing needs of DoD beneficiaries and Veterans in the Panama City area. This fixed MRI unit would add two additional days of service to be able to recapture most of our private sector care beneficiaries and the expected growth over the next few years while improving access and quality of care.

Cost: \$2,651,000