



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



To: VA/DoD Health Executive Council (HEC)

From: Mr. John Kokulis, DoD Co-Chair, Financial Management Work Group
Mr. Jimmy A. Norris, VA Co-Chair, Financial Management Work Group

Subject: Joint Incentive Fund (JIF) Projects

Prepared by: Rose Quicker, VHA VA/DoD Sharing Office, VA; and Connie McDonald, Health Affairs, Health Budgets & Financial Policy Office, DoD

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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 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.

To expedite this year's review process, the FMWG combined the two step review procedure into one by requiring description of the project, business case analysis and official certifications by the Military Services and VISN/Chief Officer to be included with each submission. 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 of 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 comprised 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 DoD's Services, Health Affairs and TRICARE Management Activity. The Work Group received 7 proposals for evaluation in November 2005. Of the 7 proposals, one proposal was deferred for evaluation at a later date, and another did not achieve the minimum score for selection. Five projects totaling \$5.5 million are recommended for approval. However, because so few projects were submitted for approval another call for proposals has been initiated with the evaluation process tentatively scheduled for June 2006.

SITES RECOMMENDED:

The sites recommended by the FMWG are an attachment to this EDM.

OPTIONS:

Option 1: The HEC approve the incentive fund proposals as recommended by the FMWG.

Pro:

1. Incentive fund proposals selected were vetted by the agreed upon approval process for funding.
2. Selected initiatives may begin preparing implementation plans immediately.
3. Potential funds for FY 2006 will be utilized

Con:

1. It does not commit all of the funds remaining.

Option 2: The HEC select fewer sites than recommended by the incentive fund selection work group.

Pro:

1. Funds not allocated for currently proposed projects can be carried over as "no-year money" for future projects.

Con:

1. Funds available for FY 2006 may not be maximized.
2. Process may appear to be arbitrary and biased.

RECOMMENDED OPTION: Option 1. This option would follow the recommendation of the Financial Management Work Group.

NECESSARY ACTIONS: Selected projects will be required to submit to the FMWG quarterly interim progress reports on their initiative 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 5 projects for approval totaling \$5,569,186. Because so few projects were submitted for approval another call for FY 2006 projects is underway.

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:

The 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:

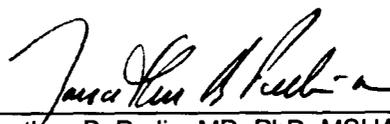
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 2/17/06
William Winkenwerder, Jr., MD Date
Assistant Secretary of Defense, Health Affairs
Department of Defense

 2/21/06
Jonathan B. Perlin, MD, PhD, MSHA, FACP Date
Under Secretary for Health
Department of Veterans Affairs

Incentive Fund Project Executive Summary

David Grant Medical Center (DGMC)/ VA Northern California Health Care System (VANCHCS) (*Continuous Ambulatory Peritoneal Dialysis Program*)

Continuous Ambulatory Peritoneal Dialysis is a home-based program where dialysis fluid is placed into the abdomen through a tube or catheter. This JIF proposal calls for a program where DGMC expands its current continuous ambulatory peritoneal dialysis program to VANCHCS. Currently, no program exists in VANCHCS and veterans travel as far as from Redding and Sacramento (5 and 2.5 hours respectively) to San Francisco VA Medical Center for evaluation, catheter placement, training and monthly follow-up. This JIF will be the final phase of a joint renal program which started with the approved FY04 JIF submission for Hemodialysis. This program allows for a smooth transfer and familiarity of care for patient and provider as he/she moves from one modality to another. Cost: \$607,000

Naval Hospital Great Lakes (NHGL)/ North Chicago Veterans Affairs Medical Center (NCVAMC) (*Hospitalist Program*)

The VA-DoD Hospitalist Program initiative proposes to facilitate access for inpatient care of Department of Defense (DoD) beneficiaries and to decrease costs overall for both institutions by reducing the number of patients referred to network facilities for acute care. Currently, approximately 500 DoD beneficiaries including Navy Recruits are transferred to local hospitals for medical specialty support. The presence of a Hospitalist will enable Internal Medicine, Primary Care, and Specialty providers at NHGL and NCVAMC to increase capacity in the outpatient setting. Cost: \$403,000

DoD/VA National (*Continuing Education Sharing Plan*)

This initiative will assess the technical and functional feasibility of utilizing existing collaborative and/or distributed learning architectures currently available within the VAVHA and DoD/Military Health System (MHS) to facilitate a significant increase in the amount and quality of training made available to the healthcare community in MHS and VHA. This project will assist the VA/DoD In-Service Training and Continuing Education Work Group in determining where training produced by each agency would have comparable education value to the staff of the other agency and how it could be made available in a timely and economic manner. Cost: \$400,000

General Leonard Wood Army Community Hospital (GLWACH)/ Whiteman Air Force Base (WAFB)/ Harry S Truman Memorial Veterans Hospital (HSTMVH) (Behavioral Health Services)

This project proposes to expand Behavioral Health services to include active duty soldiers, TRICARE beneficiaries, and veterans, particularly those returning from Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) in need of diagnosis and treatment for Post Traumatic Stress Disorder (PTSD) and other mental illnesses. In order to expand mental health services and meet the growing needs of both veterans and DoD beneficiaries, additional staff, equipment, furnishings and tele-video equipment is needed. Additionally, this initiative will allow the annual recapture of 304 clinic visits to GLWACH, 673 visits to WAFB and an additional 800 visits annually for the VA. Cost: \$217,000

DoD/ VA National (Health Services Satellite Broadcast Initiative)

This project will significantly improve the amount and quality of training available to the healthcare community in the Uniformed Services, DoD and VHA. This will be accomplished by taking advantage of existing satellite training systems in VHA and DoD and by establishing a robust operational partnership to share the satellite training developed or acquired by either partner with the other. A significant amount of training will be made available to both agencies in the first year of the partnership. VA's Employee Education System will provide Continuing Education credit to clinical personnel in the Uniformed Services and DoD who view the satellite broadcast. An additional benefit of this project is that the shared training satellite system can be used for real time communications between DoD and VA leadership and their facilities in times of national emergency. This system could be used to link all VA and DoD health care facilities in the continental United States into a single emergency management communications system. Cost: \$3,204,776