

## STRATEGIC-OPERATIONAL PLANNING PROCESS

**1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) directive requires a strategic-operational planning process that assesses the health care needs of Veterans, plans how to accommodate those needs and ensures compliance with applicable Federal and Department of Veterans Affairs (VA) planning requirements.

**2. SUMMARY OF MAJOR CHANGES:** This directive updates the current VHA comprehensive planning continuum through integration with the VA strategic planning process, as outlined in VA Memorandum, VA Planning Framework, dated August 13, 2019.

**3. RELATED ISSUES:** None.

**4. RESPONSIBLE OFFICE:** The Chief Strategy Office is responsible for the contents of this directive. Questions may be addressed to 202-461-7100.

**5. RESCISSIONS:** VHA Directive 1075, Strategic Planning Process, dated March 10, 2014, is rescinded.

**6. RECERTIFICATION:** This VHA directive is due to be recertified on or before the last working day of July 2025. This VHA directive will continue to service as national policy until it is recertified or rescinded.

**BY DIRECTION OF THE UNDER  
SECRETARY FOR HEALTH:**

/s/ Lucille B. Beck, Ph.D.  
Deputy Under Secretary for Health for  
Policy and Services

**NOTE:** All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.

**DISTRIBUTION:** Emailed to the VHA Publication Distribution List on July 29, 2020.

**CONTENTS**

**STRATEGIC-OPERATIONAL PLANNING PROCESS**

1. PURPOSE..... 1

2. BACKGROUND..... 1

3. DEFINITIONS ..... 1

4. POLICY ..... 2

5. RESPONSIBILITIES ..... 2

6. VHA ALIGNMENT TO VA PLANNING ..... 8

7. VHA STRATEGIC-OPERATIONAL PLANNING FRAMEWORK..... 9

8. TRAINING ..... 10

9. RECORDS MANAGEMENT..... 11

10. REFERENCES..... 11

APPENDIX A

OVERVIEW OF PLANNING PHASES .....A-1

## STRATEGIC-OPERATIONAL PLANNING PROCESS

### 1. PURPOSE

This Veterans Health Administration (VHA) directive requires a strategic-operational planning process, in alignment with the Department of Veterans Affairs (VA) Strategic Plan, that assesses the health care needs of Veterans, plans how to accommodate those needs and ensures compliance with applicable Federal and VA planning requirements. VHA develops plans (Level II and Level III, as provided in VA Memorandum, VA Planning Framework, dated August 13, 2019) that include long-range outcomes and strategies that support the VA Level I plan. **AUTHORITY:** Title 5 United States Code (U.S.C.) § 306; 31 U.S.C. § 1115, § 1116; 38 U.S.C. § 7330C.

### 2. BACKGROUND

a. Health care requires a timely and disciplined planning process. This process is given structure by a clearly defined standardized framework, components, responsibilities and timeframes. This directive outlines a comprehensive continuum that effectively integrates various tasks, activities, reporting requirements associated with budget, capital assets, information technology, human resources workforce development, performance management and strategic-operational planning within VHA. The process defines and integrates strategic planning and operational development for VHA program offices, Veterans Integrated Service Networks (VISNs) and VA medical facilities with the needs and expectations of Veterans.

b. The VHA strategic-operational planning framework provides a structure for alignment of VHA initiatives to the organization's plan of action for the delivery of services into the future. Program offices coordinate and communicate with VISNs through the Office of the Assistant Under Secretary for Health for Operations in developing plans for VHA programs (see paragraph 5.d.).

### 3. DEFINITIONS

a. **Agency Priority Goals.** For the purposes of this directive, as it relates to the VA Planning Framework, agency priority goals (APGs) are a performance accountability structure of 5 U.S.C. § 306 that provides agencies a mechanism to focus leadership priorities, set outcomes and measure results, bringing focus to mission areas where agencies need to drive significant progress and change. APG statements are outcome-oriented, ambitious and measurable with specific targets set that reflect a near-term result or achievement agency leadership wants to accomplish within approximately 24 months. APGs are required by Office of Management and Budget (OMB) Circular A-11.

b. **Environmental Scan.** The environmental scan is an ongoing assessment process conducted at all levels of the organization for use in developing national vision, goals and objectives. The environmental scan reviews current internal and external trends in health care and related systems, current research, emerging practices, government requirements and Veteran and employee feedback.

c. **Operational Planning.** Operational planning is the process by which VHA implements annual actions and performance measures to accomplish its strategic goals and objectives. Operational planning is synonymous with tactical or business planning; the product of operational planning is the Level III Operating Plan. Operational planning occurs at all levels of the agency and represents the collective actions of VHA program offices, VISNs and VA medical facilities. Operational planning is used at VA Level III plans.

d. **Performance Measures.** Performance measures are founded on defined domains of value and are valid and reliable metrics for evaluating the extent to which strategies and objectives are achieved.

e. **Strategic-Operational Planning.** Strategic-operational planning is the systematic process of envisioning a desired future and translating this vision into broadly defined goals, objectives and a sequence of steps to achieve them. VHA's strategic-operational planning is focused on the next 2 to 4 years, consistent with priorities established by the Secretary of Veterans Affairs, as expressed in the VA Strategic Plan. There is one VA Strategic Plan; however, strategic-operational planning involves all parts of the organization (see paragraph 10.e.).

f. **Strategies.** Strategies are the actions the organization takes to achieve its objectives, i.e., the broad, overall priorities or direction for actions by an organization. Strategies, as identified in strategic-operational planning, are established in VA Level II and Level III plans.

#### 4. POLICY

It is VHA policy to maintain a strategic-operational planning process to choose long-term goals wisely and establish ambitious, yet realistic, plans to advance its mission. VHA strategic-operational planning must align with VA core missions and criteria established by VA senior management, VHA senior management and Federal law.

#### 5. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for:

(1) Ensuring overall VHA compliance with this directive.

(2) Representing VHA in the development of VA goals and objectives, establishing vision and clear direction and setting goals and objectives for the VHA strategic-operational planning process (see paragraph 10.g.).

(3) Ensuring a sound strategic-operational planning framework and process for VHA, which includes ensuring all VHA leaders effectively engage their staff in the strategic-operational planning process. This is accomplished through the roles of the Deputy Under Secretary for Health for Policy and Services and the Chief Strategy Officer (see paragraphs 5.c. and 5.f.). **NOTE:** See paragraph 6.d., in which Figure 1 depicts the integration of VA and VHA planning processes.

(4) Ensuring recognition of achievement or resolution of barriers related to the progress of the VHA Long-Range Plan.

b. **Deputy Under Secretary for Health.** The Deputy Under Secretary for Health is responsible for:

(1) Ensuring VHA compliance with VA biennial long-range strategic planning guidance (see paragraph 10.g.).

(2) Overseeing the development of an integrated VHA Long-Range Plan that is aligned with and accomplishes VHA's goals and objectives.

c. **Deputy Under Secretary for Health for Policy and Services.** The Deputy Under Secretary for Health for Policy and Services is responsible for:

(1) Ensuring VHA program office, VISN, VA medical facility compliance with annual strategic guidance (see paragraph 10.g.).

(2) Overseeing the development of operational plans that are aligned with and accomplish VHA's goals and objectives. **NOTE:** *This includes implementing VHA strategies and performance goals and providing input for future goals and objectives. The VHA strategic-operational planning framework (Level II plan) provides a structure for alignment of program office plans and delivery of services into the future. Program offices provide coordination and communication with the VISNs in developing plans for the full continuum of health care delivery sites in their networks.*

(3) Overseeing, with the Assistant Under Secretary for Health for Operations, the review of operational plans and actions taken to improve performance outcomes.

d. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Ensuring VISN, and VA medical facility compliance with annual strategic-operational planning guidance (see paragraph 10.g.).

(2) Providing assistance to VISN Directors to resolve implementation and compliance challenges in all VA medical facilities within that VISN.

(3) Overseeing, with the VHA Chief Strategy Officer, the development of VISN Operating Plans that are aligned with and accomplish VHA's goals and objectives. This includes implementing VHA strategies and performance goals and providing input for future goals and objectives. The VHA strategic-operational planning framework (Level II plan) provides a structure for the alignment of VISN initiatives and delivery of services into the future. VISNs provide coordination and communication with program offices in developing plans for the full continuum of health care delivery sites in their networks.

(4) Overseeing, with the VHA Chief Strategy Officer, the review of operational plans and actions taken to improve performance outcomes.

e. **Chair, VHA Governance Board.** The Chair, VHA Governance Board for strategic-operational planning is responsible for:

(1) Providing strategic direction and overseeing VHA's enterprise level planning, investment and resource decisions, policy efforts and decisions related to implementation of strategic initiatives for health care delivery.

(2) Overseeing activities related to the operational strategy to ensure decisions are consistent with VHA's mission. This includes reviewing, discussing and making decisions in the key areas of operations, resource allocation and enterprise-wide policy.

(3) Integrating large-scale change initiatives across VHA via Enterprise Councils to ensure fidelity of strategic-operational plan implementation at the VISN level. VISN Councils will determine how to execute the initiatives prioritized by the Enterprise Councils within the field.

f. **VHA Chief Strategy Officer.** The VHA Chief Strategy Officer supports VHA as an advisor to VHA senior leadership on the development, implementation and impact of VHA policy, strategic-operational planning, forecasting and data analysis. VHA's Chief Strategy Office guides these efforts to ensure organization-wide involvement and achievement of VHA's strategic goals and objectives. The VHA Chief Strategy Officer is responsible for:

(1) Directing VHA's strategic-operational planning efforts (see paragraph 10.g.).

(2) Developing and coordinating VHA's national strategic-operational planning guidance, based upon the analysis of the Enrollee Health Care Projection Model, Survey of Veteran Enrollees' Health and reliance upon VA and other available data sources.

(3) Ensuring that VA's strategic goals and objectives are embedded into VHA's goals, objectives, strategies so that VA and VHA are aligned and moving in the same direction.

(4) Conducting program reviews, surveys and management studies that integrate strategic-operational planning and quality management into on-going organizational improvements.

(5) Developing planning assumptions based on information gathered from environmental scans for use by VHA Governance Board and the Under Secretary for Health.

(6) Developing data summaries, gap analyses and data for use by VISNs in the development of their plans. **NOTE:** *These summarized data include space, costs and utilization projections, which are analyzed and displayed in a standardized format.*

(7) Providing strategic-operational consultation to VHA leadership on VHA performance measures, as appropriate.

(8) In collaboration with VHA Governance Board, developing and coordinating VHA's input into the VA Strategic Plan.

(9) Supporting the Under Secretary for Health and VHA Governance Board in the development, dissemination and oversight of the integrated VHA Long-Range Plan.

(10) In conjunction with the VHA Chief Financial Officer, preparing mandatory external budget reports.

g. **Executive Director, Office of Strategic Planning and Analysis.** The Executive Director, Office of Strategic Planning and Analysis is responsible for:

(1) Leveraging expertise in utilization, cost modeling, quantitative analytical techniques and integration of VA and non-VA databases to conduct special studies and analyses in support of VHA strategic-operational planning.

(2) Providing evaluative tools and planning models to assist in data analysis and strategic plan development, available at: <http://raft.vssc.med.va.gov/Pages/default.aspx>.  
**NOTE:** *This is an internal VA website that is not available to the public.*

(3) Providing support and consultation to VHA program offices, VISNs and VA medical facilities in strategic-operational planning (see paragraph 10.g).

(4) Oversee the development and coordination of VHA APGs.

(5) Collaborating with the VHA Office of Healthcare Transformation by:

(a) Facilitating standardized business processes that ensure coordination, integration and effective execution of the VA Strategic Plan and VHA Long-Range Plan, in accordance with VA Memorandum, VA Planning Framework.

(b) Providing support and consultation to VHA program offices, VISNs and VA medical facilities in operational planning.

(6) Monitoring and reporting on the progress of the VHA Long-Range Plan to the Under Secretary for Health on a quarterly basis (see paragraph 10.g.).

(7) Coordinating data collection and strategic analyses needed by VA and VHA senior management, VHA program offices, VISNs, VA medical facilities and VHA Governance Board.

(8) Conducting program reviews and strategic infrastructure analyses.

(9) Providing technical expertise through integrated and system-wide health-related data analysis on VA medical facility infrastructure policy and strategic capital planning.

(10) Coordinating technical assistance for VISN integrated capital master planning based on VISN strategic-operational plans.

(11) Managing the mandatory training requirements for VHA strategic-operational planning, as described in paragraph 8 of this directive.

h. **Executive Director, VHA Office of Healthcare Transformation.** The Executive Director of the VHA Office of Healthcare Transformation is responsible for:

(1) Collaborating with the VHA Chief Strategy Officer, VHA Governance Board, VISN leadership, program office leadership and VHA and VA leadership.

(2) Collaborating with the VHA Chief Strategy Officer, other key stakeholders and VHA leadership to develop and align operational plans with the VHA Long-Range Plan and VA departmental requirements.

(3) Collaborating with the Office of Strategic Planning and Analysis by:

(a) Facilitating standardized business processes that ensure coordination, integration and effective execution of the VA Strategic Plan and VHA Long-Range Plan, in accordance with VA Memorandum, VA Planning Framework.

(b) Providing support and consultation to VHA program offices, VISNs and VA medical facilities in operational planning and implementation (see paragraph 10.g.).

(4) Developing a systematic approach to the design, evaluation and diffusion of new capabilities.

(5) Ensuring that a global change management strategy is incorporated into operational plans.

i. **VHA Chief Financial Officer.** The VHA Chief Financial Officer is responsible for:

(1) Ensuring that VHA financial goals, objectives and strategies are incorporated into the budget development and submissions.

(2) Providing appropriate financial assumptions and resource guidance to the strategic-operational planning process.

(3) Coordinating with and assisting the VHA Chief Strategy Officer in the preparation of mandatory external budget reports.

j. **Director, VHA Support Service Center.** The VHA Support Service Center (VSSC) Director is responsible for maintaining the intranet portal for data related to health care planning. **NOTE:** Please see <http://vssc.med.va.gov/> for the VSSC intranet portal. This is an internal VA website that is not available to the public.

k. **Senior Leaders, VHA Program Offices.** VHA program office Senior Leaders are responsible for contributing to the VHA strategic-operational planning process (see paragraph 10.g.) by:

(1) Serving as subject matter experts to VHA Governance Board in their respective program areas.

(2) Providing information on new technology, future health and business practices, benchmarking and special population demographics.

(3) Gathering stakeholder input for their respective program(s).

(4) Developing Level III Operating Plans in alignment with the integrated VHA Long-Range Plan (which aligns to the VA Level I Plan).

(5) Developing and implementing Operating Plans consistent with the VHA Long-Range Plan using information gained from the environmental scan, VHA Governance recommendations and VISN Operating Plans. **NOTE:** *Operating Plans identify actions to be taken by various organizational units to collectively carry out VHA strategies.*

(6) Tracking and reporting on their office's progress of the VHA Long-Range Plan to the Office of Strategic Planning and Analysis.

(7) Providing subject matter expert input regarding future goals, objectives and strategies.

I. **Veterans Integrated Service Network Directors.** VISN Directors are responsible for:

(1) Ensuring that all VA medical facilities within the VISN comply with this directive and informing leadership when barriers to compliance are identified.

(2) Maintaining lines of communication in their VISN to seek, gather and account for Veterans input into future health care needs.

(3) Submitting ideas and needs to VHA Governance Board for input into VA and VHA strategic-operational planning (see paragraph 10.g.).

(4) Developing Level III Operating Plans that are aligned with the VHA Long-Range Plan (see paragraph 10.g.).

(5) Collaborating with VA medical facility Directors in:

(a) Developing and implementing tactical plans to achieve the VISN Operating Plan.

(b) Tracking and reporting on the progress of the VHA Long-Range Plan to the Office of Strategic Planning and Analysis on a quarterly basis (see paragraph 10.g.).

(6) Regularly updating plans to address local issues.

(7) Providing input regarding future goals, objectives and strategies.

m. **VA Medical Facility Directors.** VA medical facility Directors are responsible for collaborating with their VISN Director in:

- (1) Ensuring overall VA medical facility compliance with this directive and appropriate corrective action is taken if non-compliance is identified.
- (2) Maintaining lines of communication in their catchment area to seek and gather Veterans input into future health care needs.
- (3) Developing and implementing tactical plans (see paragraph 10.g.).
- (4) Tracking and reporting on the progress of the VHA Long-Range Plan to the Office of Strategic Planning and Analysis on a quarterly basis (see paragraph 10.g.).
- (5) Regularly updating plans to address local issues.
- (6) Providing input regarding future goals, objectives and strategies.

## 6. VHA ALIGNMENT TO VA PLANNING

In compliance with VA Memorandum, VA Planning Framework, dated August 13, 2019, VHA develops Level II and Level III plans that include long-range outcomes and strategies that support the VA Level I plan. As per VA Memorandum, VA Planning Framework, a description of the planning levels is as follows:

a. **Level I Plan.** The Level I plan is the VA Strategic Plan. Collaboratively developed and written every 4 years by the Office of Enterprise Integration (OEI), the VA Strategic Plan is the only Level I plan in the Department and occurs on a 7-year timeframe. It is Enterprise-level, focusing on long-range outcomes for the Department and drives the cascading and integration of supporting plans. Refreshed biennially or as directed by the VA Secretary, it outlines high-level goals, objectives, strategies, performance goals and leadership priorities for the Department.

b. **Level II Plans.** Level II plans are long-range administration and staff office plans. Level II plans are developed by Administrations and those Staff Offices that have responsibilities for Enterprise-level functions and policy. Level II plans include Administration/Staff Offices' objectives, strategies, measures and risks that support the implementation of the VA Strategic Plan (Level I) and are refreshed within 6 months after the Level I plan is refreshed. Level II plans are 4-year long-range plans developed by VHA, Veterans Benefits Administration, National Cemetery Association, Office of Human Resources and Administration, Office of Information and Technology, Board of Veterans Appeals and Veterans Experience Office.

c. **Level III Plans.** Level III plans are regional Office, VISN and Line of Business (e.g., medical center, clinic) Operating Plans. Level III plans cover a timeframe of 2-4 years and support the strategies in the Level II plans; they are refreshed annually. Level III plans provide guidance that drive operations in lower-level VA medical facilities, hospitals and offices.

## 7. VHA STRATEGIC-OPERATIONAL PLANNING FRAMEWORK

a. The following figure (Figure 1) depicts VHA's Strategic-Operational Planning Framework. In support of the mission and vision, guided by VA Core Values and VHA priorities, it outlines the goals, objectives, measures and strategies required to deliver results on established goals. The goals and objectives in the VA Strategic Plan are reflected in the VHA Long-Range Plan.

b. The VA vision is to become truly Veteran-centric through building trust with Veterans and the American people by modernizing VA. Veterans health care is, and will be, delivered by engaged, collaborative teams in an integrated environment that supports learning, discovery and continuous improvement. It will emphasize prevention and population health and contribute to the Nation's well-being through education, research and service in national emergencies. VA and VHA identified priorities that are the philosophical pillars embedded in the vision; they are: Customer Service, Access to Care (MISSION Act), Business Transformation, Electronic Health Record, Learning Organization, Modernization and Restore Trust. The philosophical pillars are also embodied in VA and VHA goals, objectives and every strategy undertaken.

c. Using VA strategic goals and objectives for direction, and VHA's priorities as the basis for defining how VHA works, VA goals guide VHA's approach into the future. VA's goals, as reflected in the 2018-2024 Veterans Affairs Strategic Plan are:

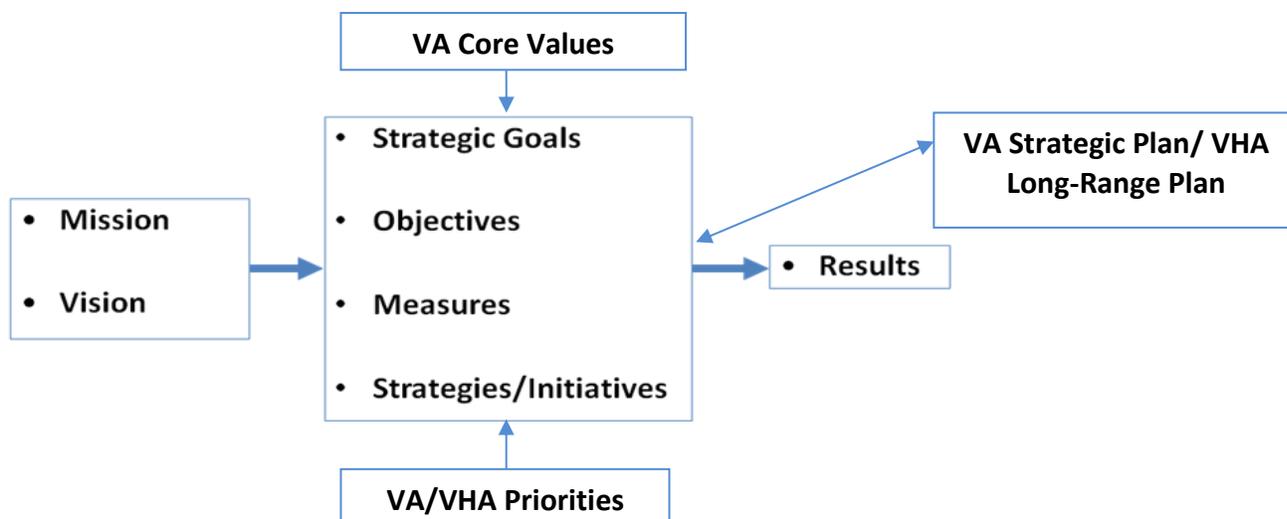
(1) Veterans choose VA for easy access, greater choices and clear information to make informed decisions.

(2) Veterans receive highly reliable and integrated care, and support and excellent customer service that emphasizes their well-being and independence throughout their life journey.

(3) Veterans trust VA to be consistently accountable and transparent.

(4) VA will transform business operations by modernizing systems and focusing resources more efficiently to be competitive and to provide world class customer service to Veterans and its employees.

d. VHA priorities are aligned with the Department's strategic goals and objectives to ensure VA priorities are addressed. VA goals and objectives advance VHA's efforts to be the provider of choice for America's Veterans through the creation of a health system unparalleled in the industry, providing personalized, proactive, patient-driven health care, while making significant contributions to research, creating educational opportunities for health care professionals and maintaining a state of emergency preparedness for disaster response.



**Figure 1: VHA Strategic-Operational Planning Framework**

e. The development of a VHA Long-Range Plan, from the mission and vision to the strategies and performance measures, follows a continuum that is implemented throughout the system. The VA Strategic Plan process drives budget planning, performance planning, policy formulation, succession planning, capital planning and legislative initiatives. The VHA strategic-operational planning process contributes to and supports the integrated VA Strategic Plan.

f. VHA Senior leaders and staff play a key role in the development and deployment of long-range and operating plans, providing innovation and creativity to support the achievement of strategic goals and objectives.

g. The VHA planning cycle represents the sequence that links strategic thinking and planning to budget and tactical planning and management. A review of progress on plans and outcomes then informs the next planning cycle. Appendix A Overview of Planning Phases, depicts notional timeframes for phases in the planning cycle.

## 8. TRAINING

VHA conducts biennial national planning training for the planning community. The training is designed to orient planners to the operating environment, develop planning competency, promote strategic thinking, align and coordinate strategic-operational planning efforts and facilitate team building in the planning community. The mandatory trainings are located on the TMS training site and can be accessed using the document numbers shown below (VA 28112 and VA 28611) at:

<http://www.valu.va.gov/Home/TMSResources>. **NOTE:** This is an internal VA website that is not available to the public.

a. VA 28112, VHA Planners Curriculum - Strategic Planning: The Basics, Process, and Alignment.

b. VA 28611, VHA Planners Curriculum & Training – VHA Chief Strategy Office (formerly the VHA Office of Policy & Planning (10P1)) Orientation.

## 9. RECORDS MANAGEMENT

All records regardless of format (e.g., paper, electronic, electronic systems) created by this directive shall be managed per the National Archives and Records Administration (NARA) approved records schedules found in VA Records Control Schedule 10-1. Questions regarding any aspect of records management should be addressed to the appropriate Records Manager or Records Liaison.

## 10. REFERENCES

a. P. L. 111-352, Government Performance and Results Act (GPRA) Modernization Act of 2010.

b. P. L. 115-182, MISSION Act of 2018.

c. 5 U.S.C. § 306.

d. OMB Circular A-11, Part 6, Strategic Plans, Annual Performance Plans, Performance Reviews, and Annual Program Performance Reports.

e. VA Memorandum, VA Planning Framework, dated August 13, 2019, available at Strategic Planning Community SharePoint Site: <https://vaww.vaco.portal.va.gov/sites/opp/archive/policy/sps/spcs/default.aspx>. **NOTE:** *This is an internal VA website that is not available to the public. Access to this site may be required.*

f. Department of Veterans Affairs Strategic Plan, available at: <https://www.va.gov/performance/>.

g. VHA Support Service Center intranet site, available at: <http://vssc.med.va.gov/>. **NOTE:** *This is an internal VA website that is not available to the public.*

h. VHA Annual Operational Planning (Level III) Guidance, available at: [https://vaww.va.gov/VHAOPP/ospa/VHA\\_plan\\_framework\\_guide.asp](https://vaww.va.gov/VHAOPP/ospa/VHA_plan_framework_guide.asp). **NOTE:** *This is an internal VA website that is not available to the public.*

**OVERVIEW OF PLANNING PHASES**

This process links market analysis, strategic-operational planning and capital planning. The Overview of Planning Phases below provides notional timeframes for phases in the Department of Veterans Affairs (VA) planning cycle.

<b>Phase</b>	<b>Phase Title</b>	<b>Timeframes</b>
Phase 1	Strategic-Operational Planning Update	April – May
Phase 2	Workforce Succession Planning	April – December
Phase 3	Strategic-Operational Planning Guidance	June
Phase 4	Healthcare System Planning Application (HSPA) Refresh	June – September
Phase 5	Operational Planning	June – February
Phase 6	Budget and Performance Planning	June – February
Phase 7	Individual Performance Planning	October – December
Phase 8	Capital Asset Master Planning	October – December
Phase 9	IT Funding Requests	December
Phase 10	VA Strategic Capital Investment Planning (SCIP)	December – May
Phase 11	Periodic Review and Adjustment	June – ongoing and until next cycle begins