

Leadership Initiatives

VA Executive Board and Strategic Management Council

Senior VA leadership communicates regularly to improve performance and increase accountability. In May 2001, the Secretary established two leadership forums to provide a more integrated and collaborative governance, performance review, and decision-making process. The VA Executive Board (VAEB) membership, chaired by the Secretary, includes the Deputy Secretary, Chief of Staff, General Counsel, and Under Secretaries for Health, Benefits, and Memorial Affairs. The Strategic Management Council (SMC) membership, chaired by the Deputy Secretary, includes the six Assistant Secretaries; the Deputy Under Secretaries for Health, Benefits, and Memorial Affairs; the Deputy General Counsel; Chair for the Board of Veterans' Appeals; Chief of Staff; Counselor to the Secretary; and the Senior Advisor to the Deputy Secretary. In most cases, the SMC makes recommendations to the VAEB, which makes key decisions affecting VA.

Early in 2003, the Secretary held a planning conference for the VAEB and SMC members to identify and discuss practical solutions and strategies for accomplishing VA's goals during the next 12 to 18 months. Each administration and staff office also presented their vision for the next 5 to 10 years to be used in updating VA's strategic plan.

Examples of initiatives the VAEB and SMC reviewed and assessed during 2003 include: VA's strategic plan for FY 2003 – 2008; the Department's 2005 budget submission and associated legislative proposal package; capital asset planning and investment recommendations; the cardiac care and prosthetics program evaluations and associated VHA action plans; status updates on the Capital Asset Realignment for Enhanced Services (CARES) plan; completion of major milestones for key information technology initiatives; human resource issues including the Strategic Human Capital Management Plan and policy revisions to the employee performance management and awards programs; implementation of the Enterprise Privacy Program and the Health Information Portability and Accountability Act; cyber security; competitive sourcing; and budget and performance integration.

Business Oversight Board

In 2002, the Secretary established the Business Oversight Board (BOB). The membership of this group, chaired by the Secretary, includes the Deputy Secretary; Deputy Under Secretaries for Benefits, Health, and Memorial Affairs; Assistant Secretary for Management; Assistant Secretary for Information and Technology; Principal Deputy Assistant Secretary for Management; and private sector consultants to the Board. The Deputy Under Secretary for Health for Operations and Management serves as an ex officio member. The

BOB meets quarterly to review all major business policy and operations issues involving procurement, collections (primarily medical collections), capital asset management, and business revolving funds (Canteen, General Post Fund, Franchise Fund, Supply Fund). The Board analyzes the cost/benefit of strategic plans approved by the Secretary and identifies, monitors, and manages key business issues facing VA.

One of the board's primary focuses has been on procurement reform. To date, the Department has completed 31 of the 65 reforms recommended by the Secretary's Procurement Reform Task Force to VA's nearly \$6 billion-a-year contracting operations. The Department is on track to complete all 65 recommendations by the end of 2004. This will improve efficiency and extend VA's buying power for its health care system.

The board has monitored VA's progress in improving the way the Department manages and tracks collections and ensures accurate insurance information. Through August 2003, compared to prior year performance, VA has realized the following revenue process improvements:

- Collections increased 46.8 percent from \$934 million to \$1.372 billion through August 2003.
- Billed Amount increased 17.4 percent from \$2.856 billion to \$3.353 billion through August 2003.
- Accounts Receivable greater than 90 days decreased from 84 percent for 2002 to 40.2 percent through August 2003.

VA is continuing to identify areas of improvement based on comparisons to metrics used in the private sector health care industry.

The board was instrumental in refining the business case for replacing two obsolete VA Consolidated Mail Outpatient Pharmacies (CMOPs). We expect the two new facilities will be online within the next 18 months. The replacement of these facilities will increase VA's ability to fill mail order prescriptions by approximately 20 million per year. With the board's support, VHA adopted a blended rate policy that averages the salary and operations cost across all seven CMOPs. This policy permits a seamless shifting of work to other CMOPs when necessary and allows all CMOP customers to benefit from cost avoidances achieved through the use of labor-saving technologies implemented at any single CMOP facility. When VA experienced severe manufacturing backorders causing numerous shortages and/or unavailability of some critical generic pharmaceuticals, the board was instrumental in pursuing an innovative acquisition

solution for a continued supply source of critical pharmaceutical drug items.

VA is developing and implementing market-based plans for restructuring the Department's capital assets with the goal of reducing the funds needed to operate and maintain the capital asset infrastructure. The savings can then be used to provide enhanced care for veterans in the most advantageous settings and locations. As part of its oversight function, the board continued to coordinate the work of existing oversight groups and activities in an effort to improve overall business process efficiency and effectiveness.

Monthly Performance Reviews

The Deputy Secretary held 11 monthly performance reviews during 2003. All Under Secretaries and Assistant Secretaries reported on the status of their organization's financial, work-

load, performance, and major projects describing causes for any variances from planned activities, problems with ongoing work, and potential issues with future plans. During these meetings, senior VA leadership discussed solutions and made decisions regarding the Department's path forward. This effective form of communication helped to address the Secretary's top priority issues such as disability claims processing times and patient waiting times for appointments. These meetings provide senior managers with an increased, in-depth understanding of issues and accomplishments affecting the entire Department.