

# TURNING INFORMATION INTO INSIGHT

## Public-Private Sector Partnership Forecasting Model



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**Federal Forecasters Conference**  
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*Enhancing Strategic Management  
Processes in VHA*

**VHA** a major contributor to the  
**Nation's healthcare system**

Serves as the largest single provider of health professions training in the world.

Becoming the principal Federal asset for medical assistance in large-scale disasters.

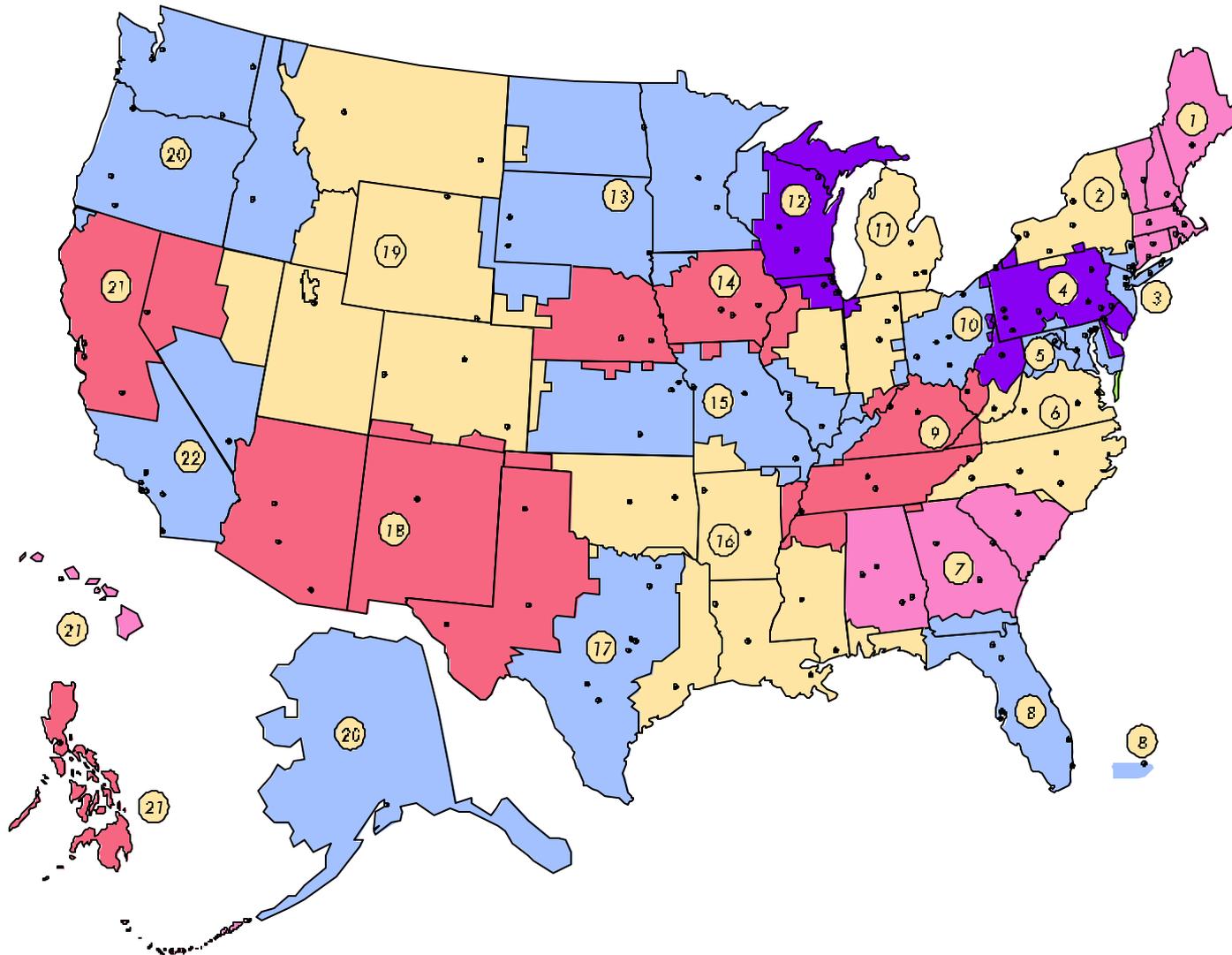
Provides medical care to 4+ million veterans.

One of the largest and most productive research organizations in the country.

Largest direct care provider for homeless persons in the country.

# *Veterans Health Administration*

## *22 Veterans Integrated Service Networks*



# ***Veterans Health Administration Assets***

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- **22 Veterans Integrated Service Networks (VISNs)**
- **163 Hospitals**
- **601 Community Based Outpatient Clinics**
- **135 Nursing Homes**
- **206 Readjustment Counseling Centers**
- **43 Domiciliaries**

# Eligibility Reform

## *Before Eligibility Reform*



- Different and complicated eligibility rules for inpatient and outpatient care
- Eligibility rules favored inpatient setting
- Access decisions made locally depending upon resources

# Eligibility Reform

## *After Eligibility Reform*



- Health care provided in most cost-effective clinically appropriate manner
- Preventive and primary care services
- Enrollment required, with access determined by priority group through annual resource-based enrollment decision
- Costly, inappropriate care minimized



# STRATEGIC MANAGEMENT FRAMEWORK

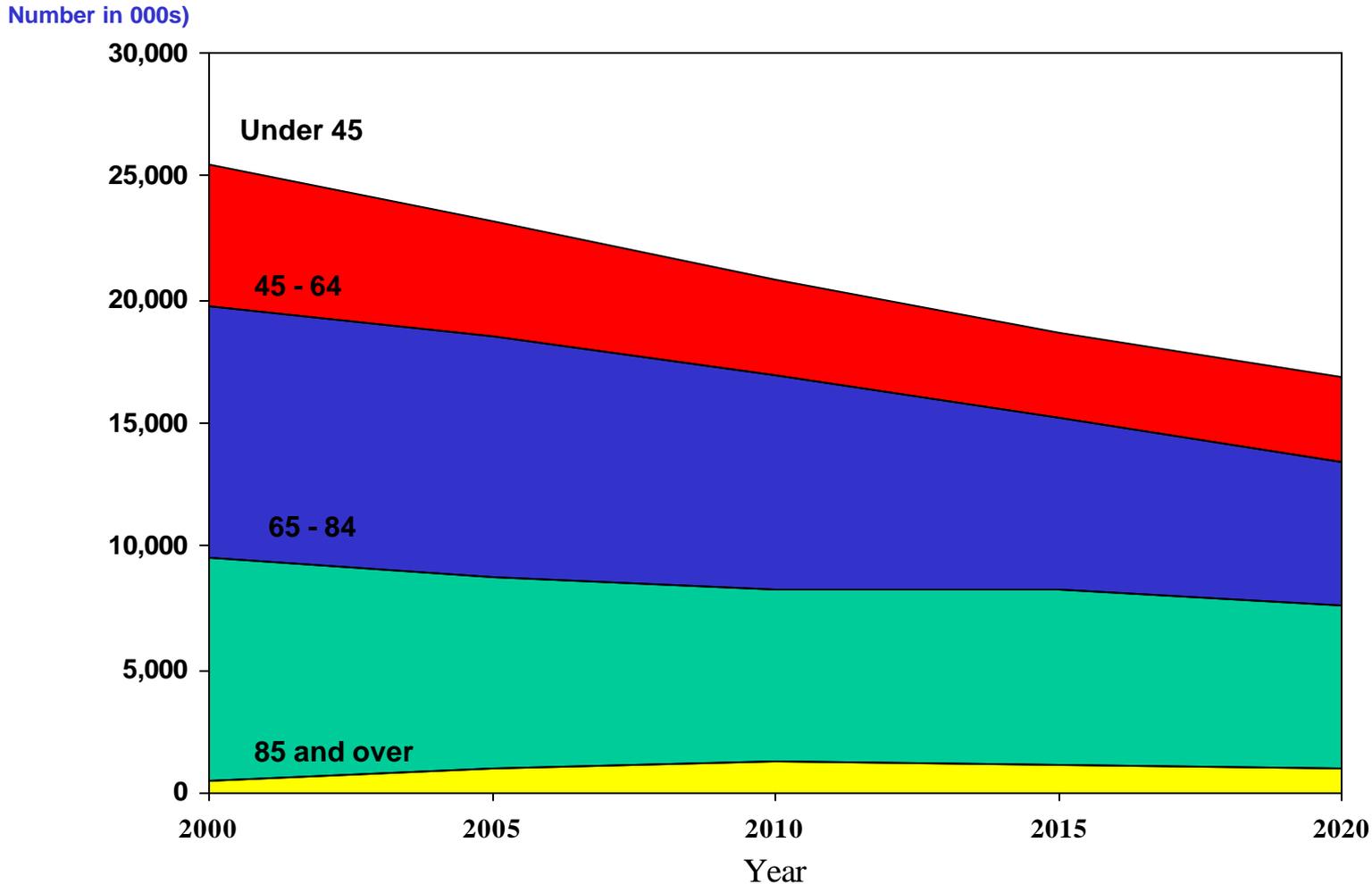
## 6 for 2006

### *Derived from Domains of Value:*

1. Put Quality First Until First in Quality
2. Provide Easy Access to Medical Knowledge, Expertise, and Care
3. Enhance, Preserve, and Restore Patient Function
4. Exceed Patients' Expectations
5. Maximize Resource Use to Benefit Veterans
6. Build Healthy Communities

## Veteran Population: Age Trends, 2000 - 2020

- o The total veteran population will decrease between 2000 and 2020;
- o however, the number of veterans age 65 or over will peak again in 2013;
- o and veterans age 85 or over will more than double between 2000 and 2010.

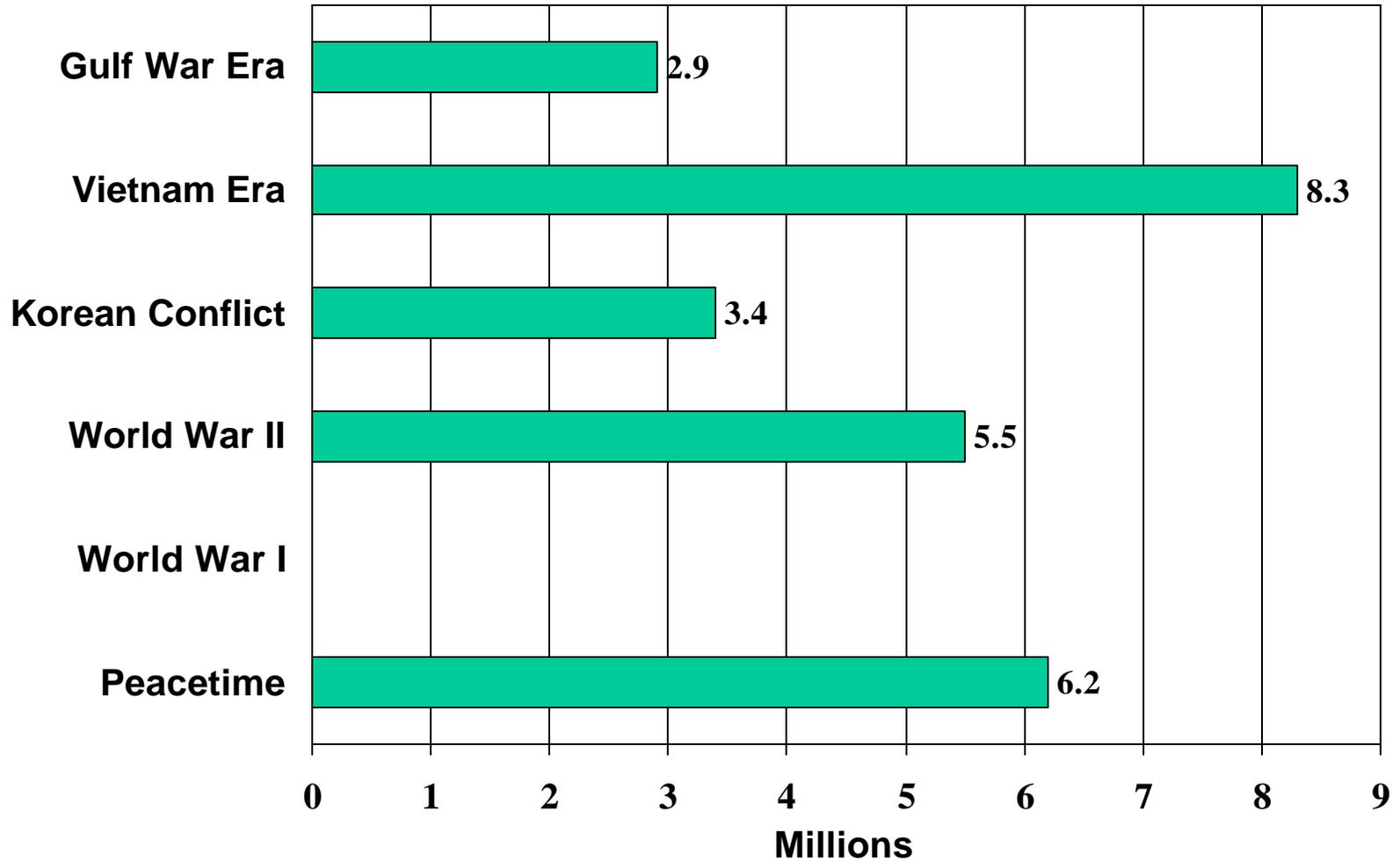


Source: Vet Pop 2000

# Veteran Population by Period of Service

(September 30, 2000)

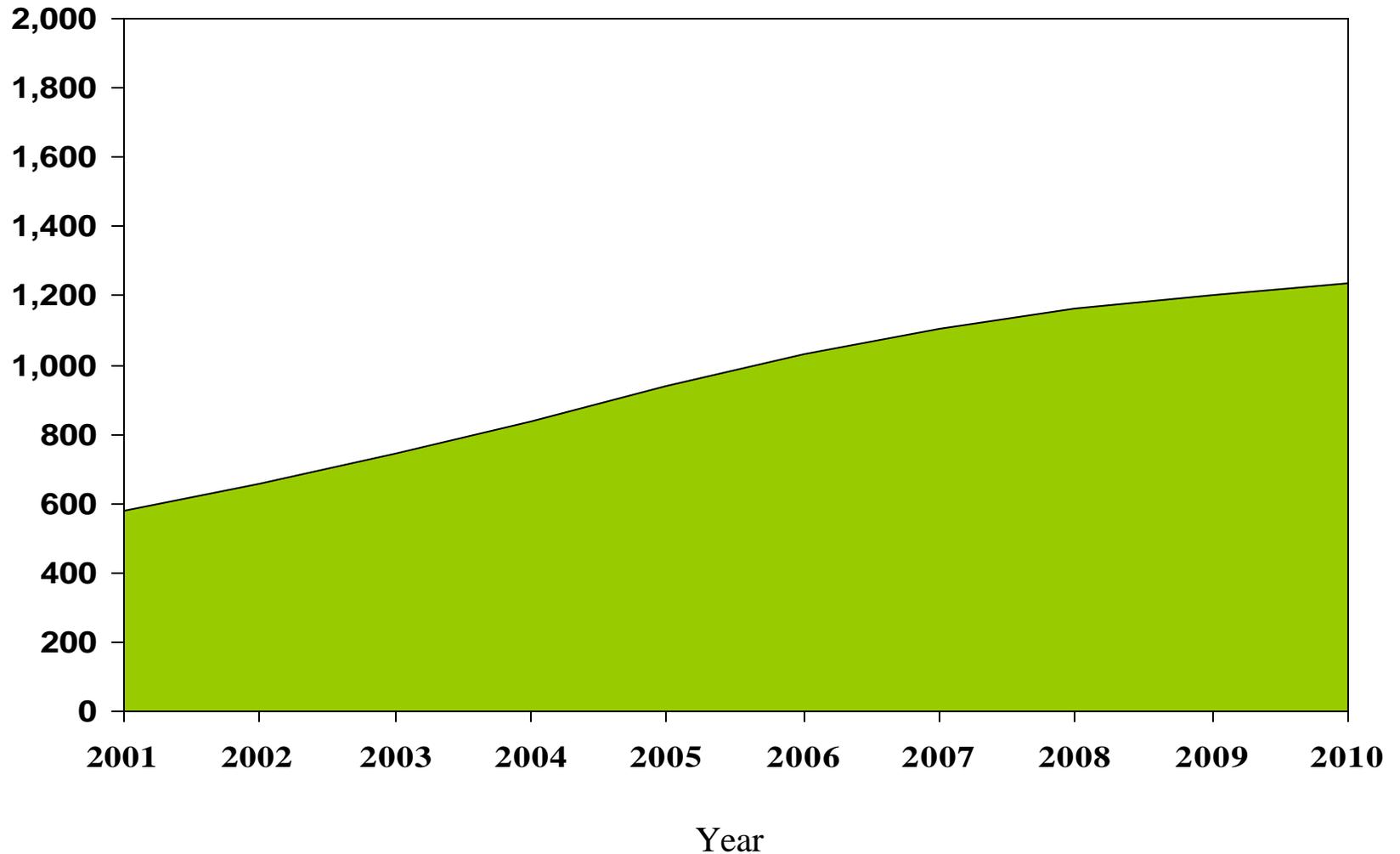
Period of Service



Source: Vet Pop 2000

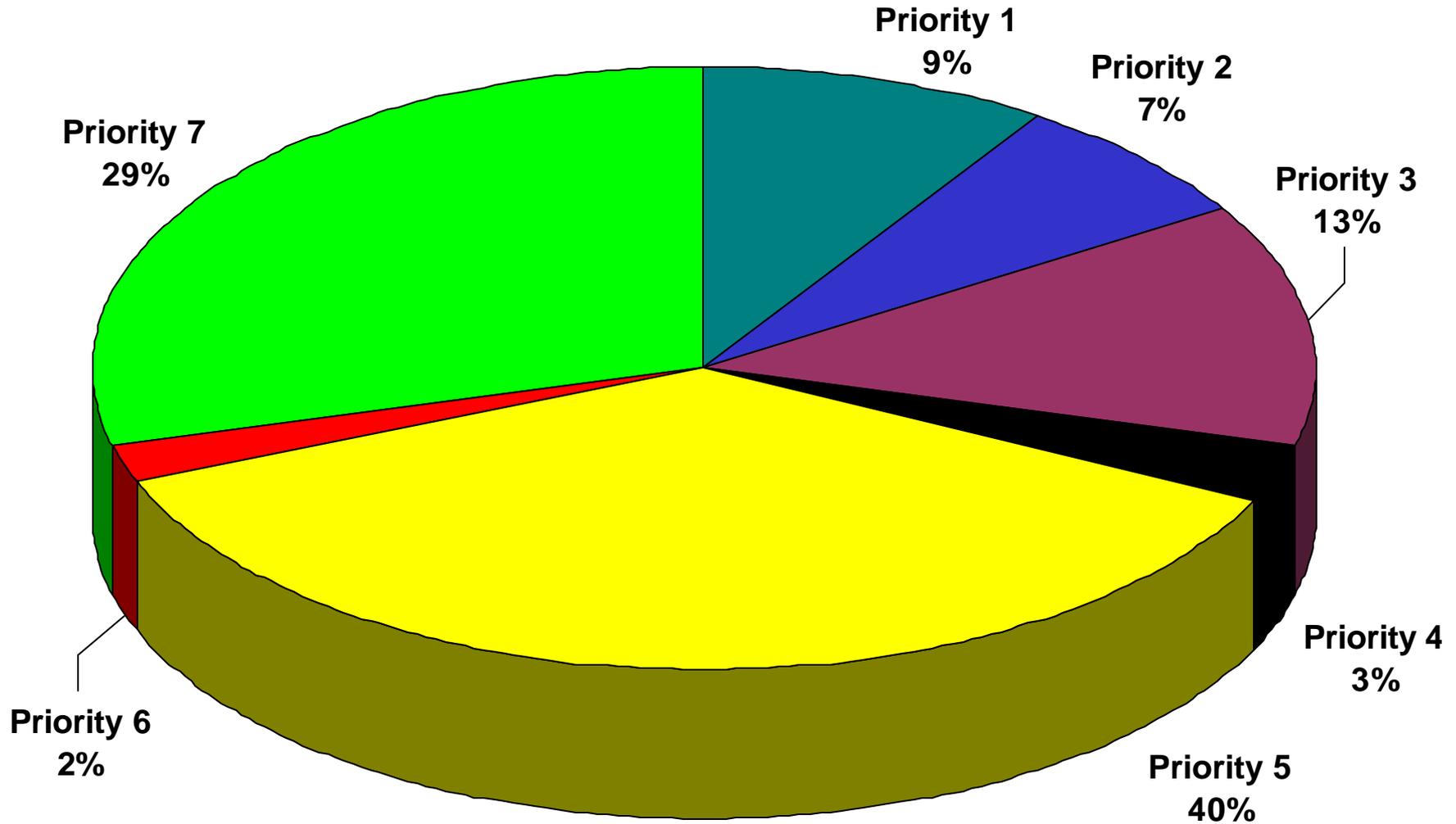
# Veteran Population Age 85 or Over

Number in 000s)



Source: Vet Pop 2000

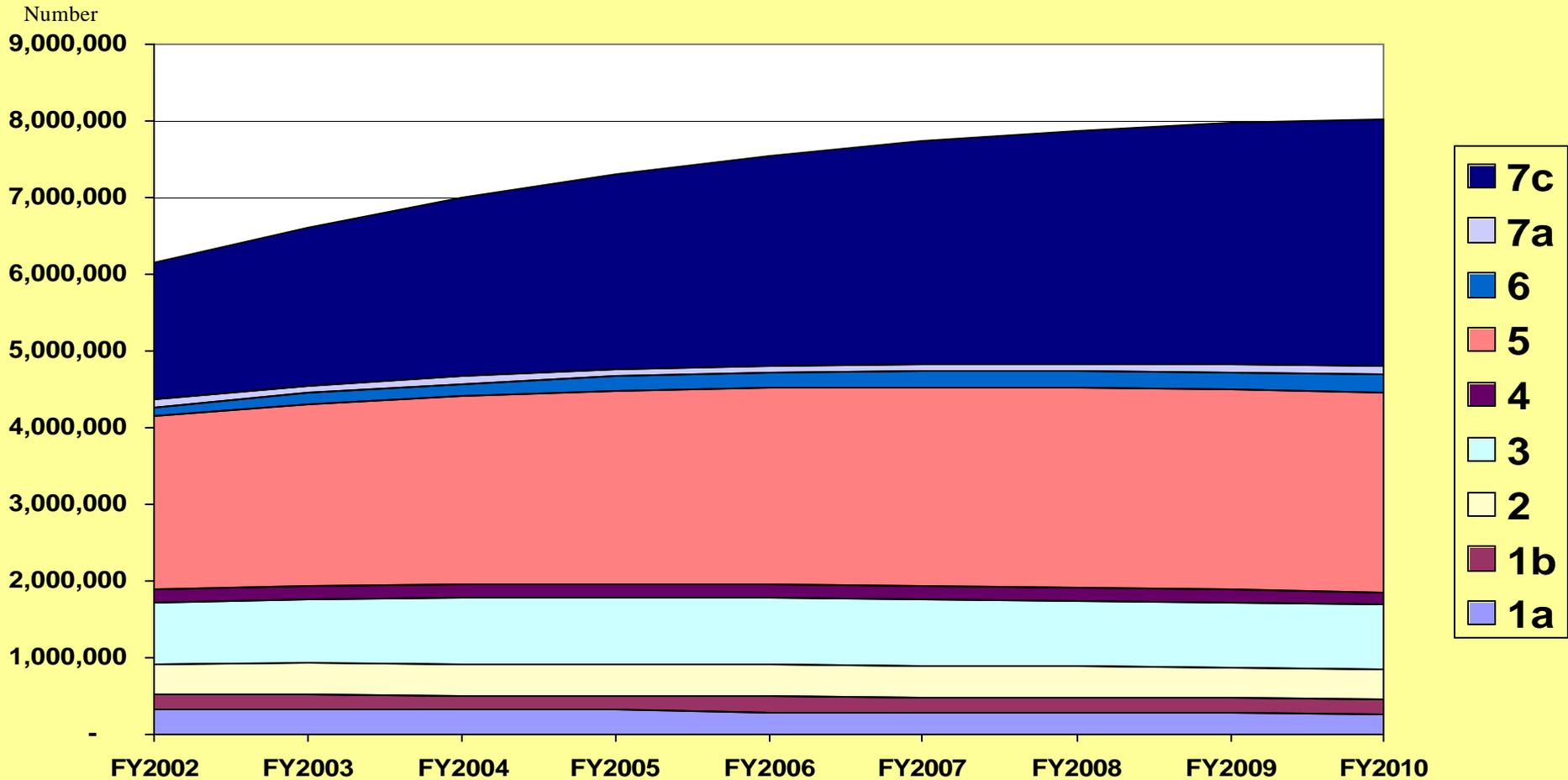
# Current Enrollees, as of September 30, 2001



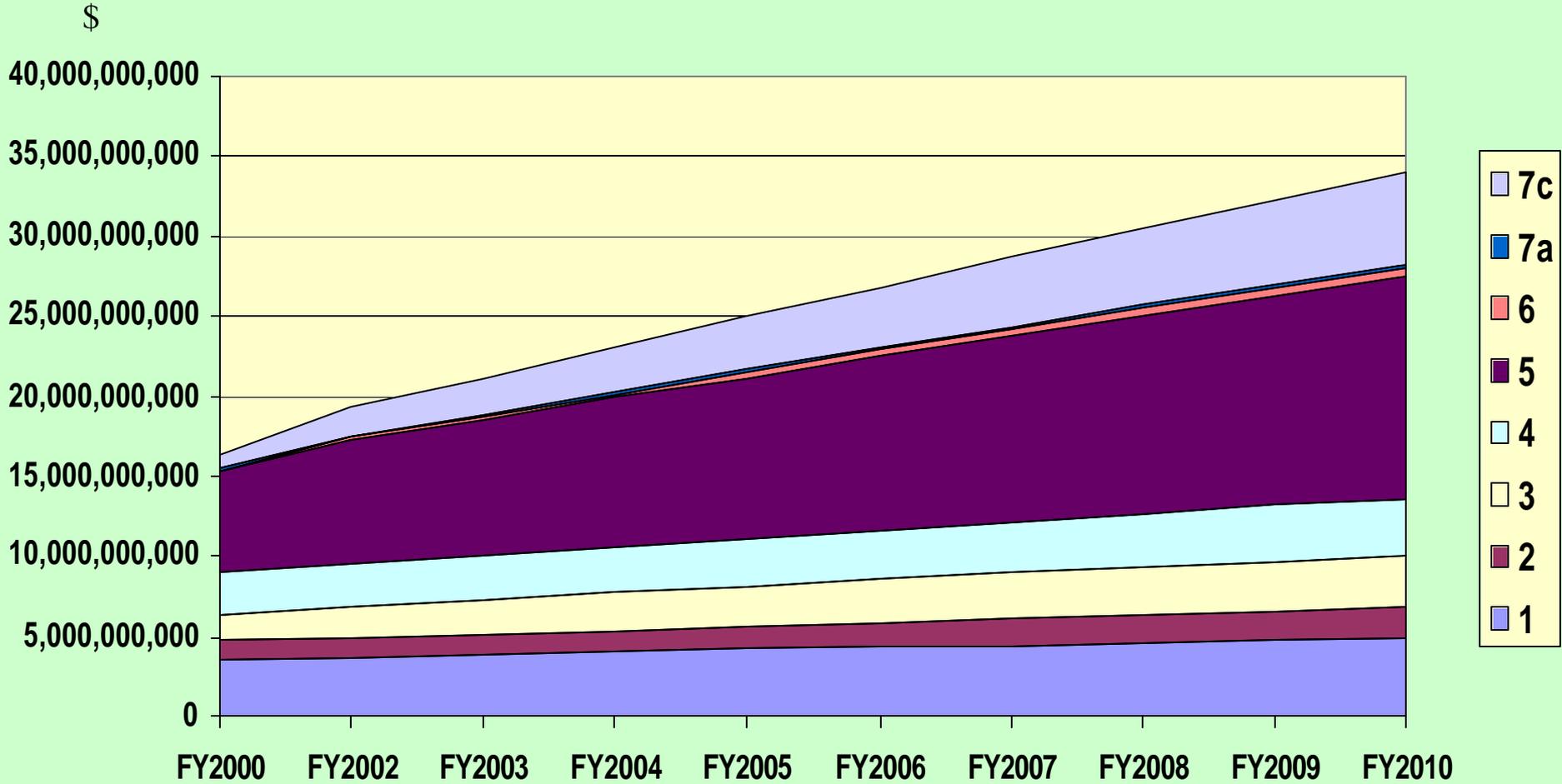
Source: Veterans Health Administration Data

Note: Total Current Enrollees = 5,848,067; excludes "ineligible", "declined", and "deceased".

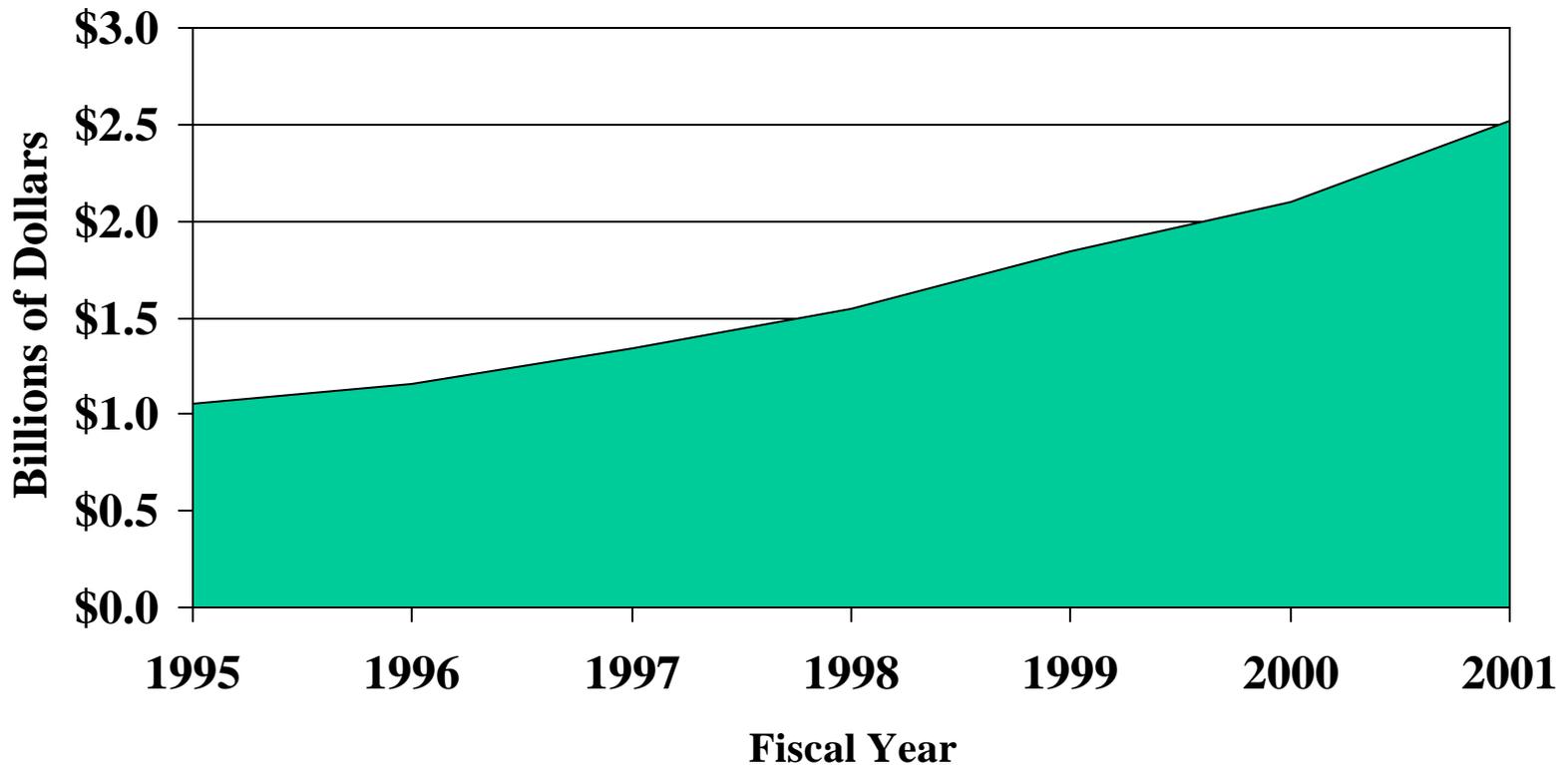
# National Projected Average Enrollment (Enrollees) by Priority Fiscal Years 2002 - 2010



# National Projected Expenditures by Priority FY 2000 - FY2010



# Pharmacy Obligations



\* Prior to 1998, other than the cost to collect, collections were returned to the Treasury

# General Model Overview

- Enrollment Projections
- Workload Projections
- Unit Cost Projections
- Expenditure Projections

# **FY 2002 Enrollment Decision: VHA Projection Model**

- Fourth Year for the Projection Model
- Integration with other Planning Models
- Increasing Integration with Budget and Performance Measures
- Policy and Budget Scenarios and Forecasts

# **FY 2002 Enrollment Decision: Projection Model**

## **VHA Actuarial Model**

- Enrollee Focus - uses private sector utilization benchmarks & adjusted VA unit costs for actual and projected VA enrolled population
- Focuses on actual & historical enrollment trends, with attention to total veteran population and pools of eligible veterans by priority & socio-demographics

# **FY 2002 Enrollment Decision: Projection Model**

## **Actuary Model Benchmarks**

- Adjusted for age, gender, morbidity, mortality, VA reliance
- Adjusted for degree of management in VA vs. community standard
- Incorporates experience gained from actual to expected analyses
- Includes improved methods, new data resources & additional analyses each year

# *Enhancing Strategic Management Processes in VHA*

## **Awards and Recognition**

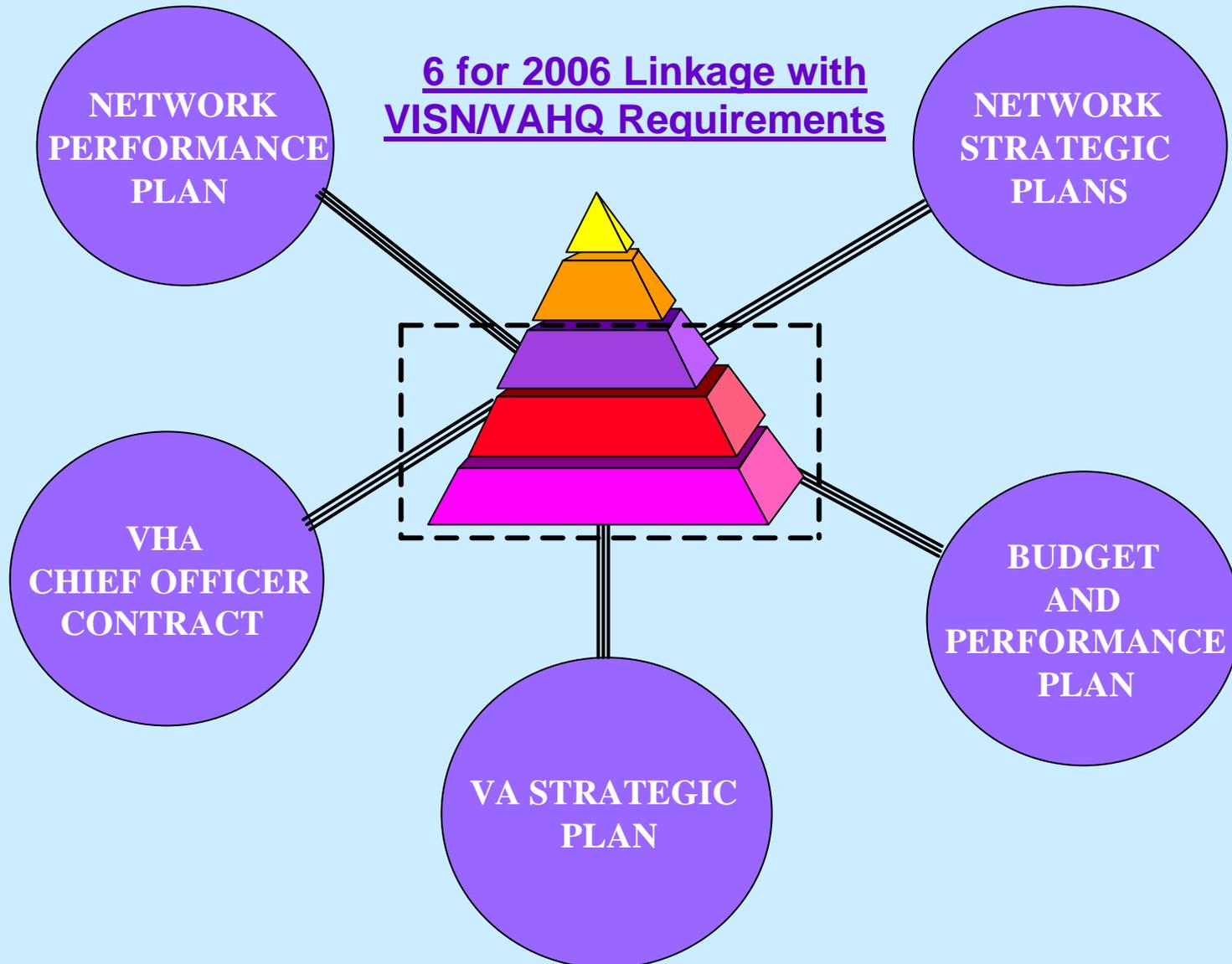


VA's FY 1999 Performance Plan received the second highest score of any agency in the Federal Government



The Mercatus Center at George Mason University rated VA an "A" on its FY 2000 Annual Performance Plan; one of only two Agencies to receive this grade

# *Enhancing Strategic Management Processes in VHA*



# The Future

- **Turning Information into Insight**
- **Data-driven policy and budget scenarios**
- **On-time, objective, executive-level, decision focus**
- **The President's Management Agenda is part of the FY 03 Federal Budget: it is a strategy for improving the management and performance of the Federal government**
- **Flexible, accurate, practical, clear modeling is cornerstone**