VHA's "The 1999 Kenneth W. Kizer Quality Achievement Award Application"

VA Healthcare Network Upstate New York

November 1999

VISN 2
ORGANIZATION OVERVIEW

Basic Description of the Organization
In the US Department of Veterans Affairs, Veterans Healthcare Administration (VHA) document entitled Vision for Change, there was a call for more efficiency, integration and innovation, while objectively sustaining quality, in the delivery of VHA care and service. Since methods were not prescribed, the Veterans Integrated Healthcare System Upstate New York (VISN 2), chose an uncharted and visionary journey towards making fundamental changes to the system of how the health care needs its veterans are managed. In the latter half of 1996, with fiscal challenges and a large number of aging veterans with complex medical problems, VISN 2 undertook a comprehensive re-engineering of its structure and moved to become a fully integrated system of processes and organizational functions (Appendix 1, Figures A & B). The goal was to create an organization capable of adapting rapidly to the continuously changing environment of health care while ensuring health care value (best quality at the best cost).

This intensive re-engineering effort resulted in what VISN 2 initially calls its "Care/Management System (C/MS) Line" model. While traditionally aligned with VAHQ, VISN 2 operations are managed in a matrix of managers, committees and councils that share responsibilities and authority. The seminal design for re-engineering was built of clear principles (VHA Core Values), expectations and planning. VISN 2 built its transformation using sound quality improvement methods, namely, a VISN-wide design team charged by the VISN Director to put an implementation plan together for C/MS Lines. Empowered stakeholders, making evidence-based decisions put together the model, with a work plan, time lines, and systematic measures to gauge transformational progress. This journey continues to evolve today.

Vision Statement
"To be the health care provider of choice in Upstate New York, providing care of exceptional quality and value. We will be known for our ease of access, customer satisfaction, excellent clinical quality and the improved health status of our enrolled population. We will foster partnerships with our patients and other stakeholders in the decision-making process."

Mission Statement
"We are committed to providing excellent health care services to the veterans of Upstate New York. These services will be provided with dignity and compassion in an environment that promotes trust and respect."

Values
- Trust • Respect • Commitment
- Compassion • Excellence

Figure 0.1 Primary Care Model

VISN 2 Products and Services

The system of care is built to support the delivery of primary care. Primary care calls for a single provider, across a continuum of care, while emphasizing preventative care, disease management, and case management (Figure 0.1). A full range of health care, services, and benefits are accessible to eligible veterans, including specialists, special needs programs, and 24 hour-a-day telephone assistance.

VISN 2 Size and Locations

The VISN 2 Veteran Service Area (VSA) encompasses forty-seven New York and two Pennsylvania Counties. There are five bed-care sites (Medical Centers) to which 22 Community Based Outpatient Clinics (CBOCs) and are tethered. The Upstate New York Medical Center are located at Albany, Bath, Buffalo/Batavia, Canandaigua, and Syracuse. The CBOCs are strategically placed across the state (Figure 0.2).

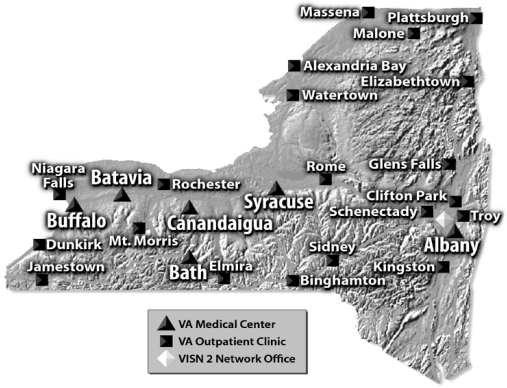


Figure 0.2 Care Sites

VISN 2 Employee Profile

VISN 2 currently employs 5,021 staff in direct care and support positions (Figures 0.3 and 7.4d-f). The staff is supplemented with over 4,000 volunteers who have contributed over 545,700 man-hours of service in the past

Category	% Current
MDs	5%
RNs	17%
LPNs/LVNs	7%
NAs	5%
Clinical	21%
Clinical Support	48%
Administrative	31%
TOTAL	**5021**

Figure 0.3 Employee Profile

VISN 2 Major Markets and Principal Customers

VISN 2's major market share has risen each year of its existence (Figure 7.3i). The principal market segment is composed of eligible aging male veterans with limited income. Over 43% of enrollees are aged 65 and older; the average user income is $16,481 with 75% earning less than $20,000 per year; 61% of users have no private health insurance, and less than 9% of the enrollees are female.

Major Equipment, Facilities and Technologies

The three acute/emergent care facilities (Buffalo, Syracuse, and Albany) are capable of delivering the full range of acute medical and surgical care with modern-day technology. The average age of the inpatient care sites is 45.2 years. This creates the need for ongoing costly maintenance and needed renovations to accommodate the delivery of preferred outpatient services. However, there are 22 contemporary CBOCs. VISN 2 has invested in a telecommunications infrastructure that is capable of supporting technologically advanced applications including full data base integration, a computerized patient medical record system, the Laboratory Expert System (LES), Telemedicine and extensive video teleconferencing.

CUSTOMER REQUIREMENTS

The linkages between key business drivers, key stakeholders, requirements and related measures are depicted in Figure 0.4. The stakeholder requirements are identified through VHA focused group results, local consumer councils, "listening posts" (described in Category 3), as well as through relevant committees and satisfaction surveys.

SUPPLIER AND PARTNERING RELATIONSHIPS

VISN 2 Suppliers/Partners

The VISN gets its supplies from government and commercial sources guided by statutes and regulations. VISN 2 works closely with a range of public and private sector healthcare organizations, agencies, educational institutions, companies, and individuals (Figure 0.5). Contractual relationships are built on clearly defined expectations regarding deliverables and quality attributes.

VISN 2 PARTNERSHIPS

- CBOCs
- External Peer Review Contractor
- Political Delegations
- Veteran Service Organizations
- Third Party Payers
- Prime Vendors
- Preferred Providers
- Labor Unions

Figure 0.5 VISN 2 Key Partners

Special Circumstances That May Exist With VISN Suppliers

VISN 2 must comply with specific federal requirements for contracting of services, including often being subject to the standards of VISN 2 accrediting bodies such as Joint Commission on Accreditation of Healthcare Organizations (JCAHO), CARF…The Rehabilitation Accreditation Commission (CARF), National Committee for Quality Assurance (NCQA), etc.

OTHER STRATEGIC FACTORS IMPORTANT TO THE APPLICANT

Competitive Factors for VISN 2

In the VISN 2 market, many retired/aging veterans travel to warmer climates in the winter months. VISN 2 would like to be their primary care provider not just their medication provider. VISN 2 is therefore in competition with the other VISNs, their hospitals, and clinics.

The VISN 2 allotted budget for FY 2000 is $444 million, a $37 million increase from FY 98 (Figure 7.3e). However, because of a delicate balance between diagnostic costs, drug costs, competitive salary adjustments, and workload, VISN 2 is very sensitive to the VA's Veteran Equitable Resource Allocation (VERA) model allocations. The availability of these funds has a direct effect on our ability to deliver needed care to veteran users. In order to meet our patient's needs and align with corporate strategy the VISN must provide the right care, at the right cost, at the right place, at the right time.

Principal Factors That Determine Competitive and Performance Success

VISN 2, first and foremost, has a sacred special mission of providing for America's veterans' healthcare. There is also an underlying theme in VISN 2 that traditional healthcare care and service delivery systems are in urgent need of transformation to more cost effective, yet quality-based systems. Perhaps, at times, this is akin to being on a "burning platform" where there is an imperative to

move quickly. Throughout, quality care and transformation are at the heart of competition and performance.

Major New Network 2 Thrusts or Future Challenges

Evidence-based market assumptions for VISN 2 are:

- Complete VISN-wide clinical and administrative database integration
- Market the development/use of excess space
- Expand establishment of CBOCs to more communities
- Expand home-based primary care
- Transportation, in its many forms

Introduction of New Technologies in VISN 2

Telecommunications is the focal point of numerous VISN strategic investments and technological initiatives. VISN 2 expects to:

- Implement comprehensive VISN-wide database integration
- Expand videoconferencing capability
- Expand of the user base of desktop access to automated Decision Support Objects (DSOs)
- Automate Clinical Profiling (team/provider specific case mix-adjusted performance data)
- Refine the LES (automated Laboratory screens and protocols)
- Refine the automated system for human and financial resource management (HRLink$)

New VISN 2 Alliances and Partners

New and emerging alliances in VISN 2 are:

- National Chronic Care Consortium-National leadership and contributions to National Best Practice Laboratories.
- Alzheimer's Association – Partnership/mutually funded demonstration project related to care techniques and training of primary caregivers.
- Fair Care Organization – Implementing a model for End-of-Life planning.
- Neighboring VISNs - Sharing workload connected with veterans whose residence border VISN 2 boundaries.

Laws and Regulations Significantly Affecting VISN Operations

The VISN meets and strives to exceed the standards set by:

- Department of Veterans Affairs
- Occupational Safety & Health Administration (OSHA)
- Nuclear Regulatory Commission (NRC)
- JCAHO
- CAP (College of American Pathologists)
- CARF
- NCQA
- InterQual criteria for Utilization Review

VISN 2 Key Business Drivers (KBD) **AC - expand access to care** **HV - increase healthcare value** **CS - improve customer service** **HS - improve health status of vets** **ED - enhance employ development**	**Customer/Market**	**Staff**	**Partnerships**	**Oversight**	**Community**		
Key Stakeholder Requirements						**KBD**	**KEY MEASURES (Results)**
Consistent, Effective, Quality Care	X		X	X	X	HV, HS	Chronic Disease Index (7.2a) Prevention Index (7.2b) Palliative Care Index (7.2c) Pneumococcal Vaccine (7.2f) Diabetic Measures (7.2g-i) Major Depression Screen (7.2j) Global Assessment Function (7.2k) Schiz Abnormal Involuntary Movement Assessment (7.2l) COPD Measures (7.2m-o)
Access & Timely Treatment	X		X		X	AC, HV, CS, HS	Ambulatory Procedures (7.2d), Mental Illness Follow-Up (7.2e), CBOC Sites (7.3j), Compensation & Pension Exams (7.5d-e)
Patient/Customer Satisfaction	X	X	X	X	X	AC, CS	Customer Satisfaction Scores (7.1a-f), Total Uniques (7.3a-b), Market Share (7.3i), Quick Card Results (7.5c), Compensation & Pension Exam Results (7.5d-g)
Cost Effective System of Care	X	X	X	X	X	HV, CS, AC	Cost/Patient (7.3c-d), VERA (7.3e-f), MCCF Collections (7.3g), Market Share (7.3i), Lab/Pharmacy/ Radiology Costs (7.3k), Outpatient Visits per Enrollee (7.3l), Tort Claim Rates (7.3m)
Positive Environment		X	X	X	X	ED, HV, CS	Ergonomic $ (7.4a), Lost Time Injury Rates (7.4b), Employee Training Hours (7.4c), Physician/Enrollee (7.4d), RN/Enrollee (7.4e),

Figure 0.4 Key Business Drivers, Stakeholder Requirements, and Key Measures Matrix

VISN 2: Category1
LEADERSHIP

1.1 Leadership System
The leadership system in VISN 2, distinctly different from other VISNs in VHA, aligns and communicates VISN administrative, budgetary, and clinical direction through a VISN-wide matrix of C/MS Lines (Appendix 1, Figures A & B). Key VISN-wide committees and councils are empowered to design, evaluate, and improve key care and service systems and processes.

1.1a(1) Description of the Organization's Leadership System & How It Operates
VISN 2's Executive Leadership consists of a Director, a Chief Financial/Operations Officer, and a Chief Medical Officer. The Director has traditional designated final approval authority by reports and is accountable directly to VA Headquarters. Beyond that, VISN 2 is a nontraditional functional **matrix** organization with shared interdisciplinary and cross functional supervision and accountability.

Each VISN 2 C/MS Lines is managed by a VISN Manager, a Chief Operating Officer, and small support staff. The VISN C/MS manager is responsible for the overall alignment of their line's plans and operations with HQ/VISN vision, mission, values, expectations, and the VISN 2 Business Plan. They are also responsible for delivering a single standard of care across VISN 2. Local C/MS Line Managers are responsible for the alignment/integration of local plans, care and service with VISN 2 Business Plan, VISN C/MS Line plans and expectations as well as the supervision of local interdisciplinary work units. The local C/MS Line management may be a team of managers (2 or 3) or a single manager.

The local and VISN C/MS Lines, along with key VISN Councils and Teams are charged with providing evaluative input into the development, deployment, assessment, and improvement of VISN plans and actions. They provide consultative subject matter expertise and advice to leadership at various levels. All committees and councils communicate their activities through formal minutes that are disseminated VISN-wide.

Pre-eminent among councils is the Executive Leadership Council. Its governing board responsibilities include establishing and communicating the organization's vision, mission and values, direction, key business drivers and goals, as well as evaluating overall performance. The ELC also reviews and acts on recommendations regarding the VISN 2 budget, program expectations, and the VISN 2 Business Plan (strategic plan). Voting membership is composed of the VISN 2 Executives, Medical Center Directors, C/MS Line Managers, C/MS Line Chief Operating Officers (COOs), Labor, Veteran Employees, Quality Management Officer, and Community Representatives. The ELC meets monthly, face-to-face, at various sites across the veteran service area, and weekly through video teleconferencing.

The Transforming Systems, Performance, and Quality (TPSQ) Committee, chaired by the Chief Medical Officer (CMO), meets weekly on video. It guides the day-to-day

tactical direction with regard to operationalizing the VISNs systems, quality, and performance and manages continuity and integration of VISN-wide actions and priorities. Members include the C/MS Line Leaders and Medical

Expectations/Strategies	Responsibility
Business Plans	ELC, C/MS Line Managers
Internal Review of Care	ELC, C/MS Line Managers
Credentialing & Privileging	CMO, CQMO, Physician Executives
Accreditation & Certification	ELC, Care/MS Line Managers, Perf. Mgt Council
External Review of Care	ELC, Care Lines, Perf. Mgt Council
Patient Reported Outcomes	Care/MS Line Managers, Customer Service Council
Patient Safety/Risk Management	Performance Management Council
Clinical Care Strategies	Care Line Managers, Perf. Mgt Council
Organizational Development & Education	HR Council, Education Council, Perf. Mgt. Council

FIG 1.1 Quality Accountability Framework

Center Directors (MCD). Distinct from C/MS Line managers,
MCDs have several pivotal duties. They each chair their Local Coordinating Committees (LCC), supervise the local Management Systems Line, act as a point-of-contact for the community and serve as the approving official for local policies, financial integrity, medical staff privileging, and human resources matters. MCDs are also VISN Vice Presidents for assigned key processes i.e., Customer Service, Marketing, Human Resource Management, etc.

The local counterpart to the ELC is the LCC. It is a forum for integrating the various VISN and C/MS Line requirements (Figure 1.2).

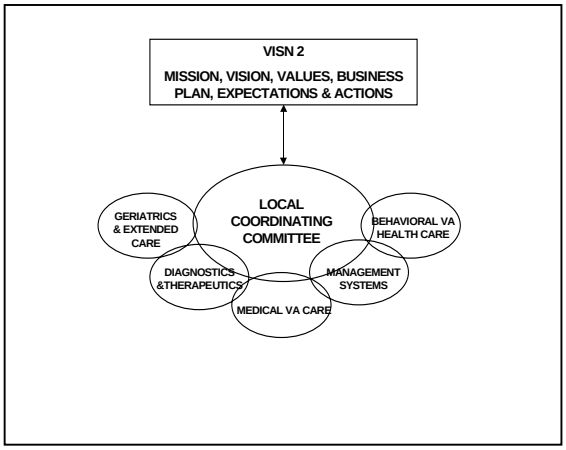


Figure 1.2 Local Coordination

In the VISN 2's matrix system, there are exceptions to the model's "line" concept. VISN-wide Decision Support Systems (DSS), Pharmacy Systems, Acquisition and Materiel Management Systems, and Information Systems are accountable directly to a VISN-level manager. The VISN and the Medical Centers each have a designated Physician Executive and Nurse Executive, whom are responsible for maintaining the professional integrity of their respective clinical disciplines.

1.1a(2a) How Leaders Set & Communicate Direction and Seek Future Opportunities

Executive leadership aligns the VISN 2 vision and mission with the directional expectations established by Congress, VA Headquarters and the expectations of its veteran patients. In doing so, VISN 2 uses the Veterans Health Administrations' (VHA) formula for Excellence in Health Care Value. Namely, to achieve a 30% decrease in average cost per patient, a 20% increase in the users of VA health care and a 10% increase in the non-appropriated portion of VHA's operating budget by the year 2002 (Figure 1.3).

Leadership ensures that the elements proscribed in VHA's Quality Accountability Framework are in place, functioning properly, and are systematically reviewed (Figure 1.1). VISN 2 has also aligned with the VHA Domains of Value as described in the Business Overview. In order to accomplish all of this, leadership has established, with VISN-wide input, measurable key drivers and overarching goals in its Business Plan.

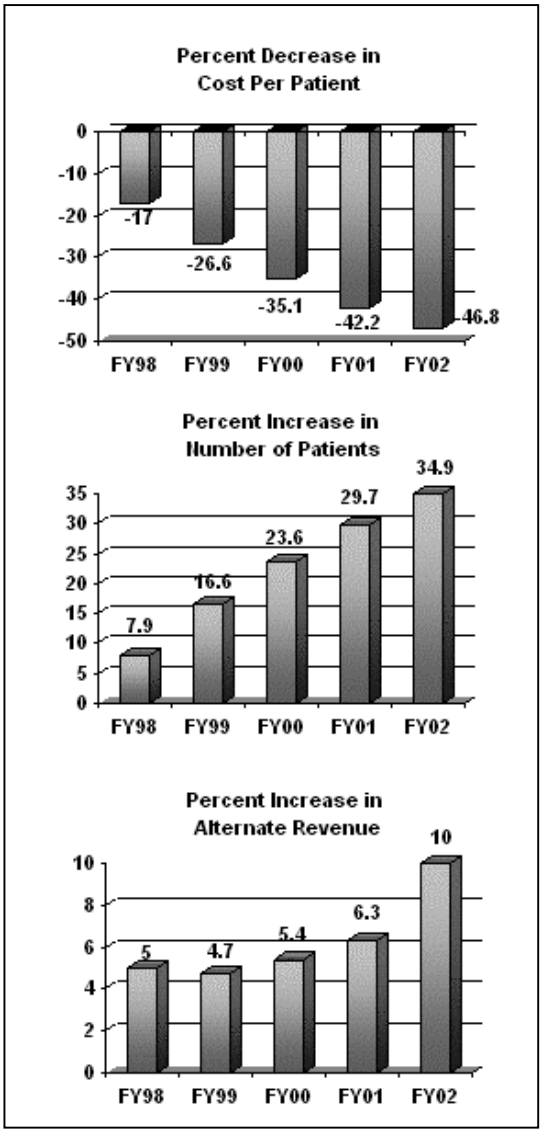


Figure 1.3 Network 2 Actual/Projected Achievement of 30/20/10

Leadership then manages organizational performance through evaluating and acting on the measured results of its planned performance. VISN C/MS Line plans and expectations are developed similarly in order to enhance/achieve the VISN plans. In turn, local C/MS Line planning aligns with VISN C/MS Line plans. VISN Leadership, key council/groups, and staff also continuously and systematically scan the health care and VA environments for organizational opportunities and potential threats. This is done through gathering and evaluating demographic data, evaluating usage patterns, as well as gaining customer and other stakeholder input. This bottom up input is used to develop top down plans and is depicted in Attachment A, Performance Management Approach.

1.1a(2b) Leaders Communicate & Reinforce Values & Expectations

VISN 2 Core Values mirror the VHA Core Values. They are emphasized frequently and reflected in daily business activities.

VISN 2 considers reward and recognition a component of performance reinforcement. Those individuals and teams whose work reflects core values, customer/stakeholder expectations, organizational learning, innovation, and Business Plan objectives are systematically acknowledged, recognized and/or rewarded by leadership. In FY99, $1,881,116 was distributed to C/MS Line employees for achievements across VISN 2.

1.1a(2c) How Leaders Participate and Use Results of Performance Reviews

VISN 2 Leaders subscribe to the tenets of CQI, Performance Management, and the Learning Organization. They participate personally in regular and systematic VISN 2 performance reviews. Please refer to Figure 1.1 for a table of strategies and expectations and who is responsible for reviewing and improving them. Results of reviews are used to set strategic and tactical plans, judge managerial and organizational progress with VISN plans, and project the future.

1.1a(2d) How Leaders Evaluate and Improve the Leadership System

Innovation, identification of best practices, and the culling of lessons learned from self-evaluation are strongly encouraged for/by leadership. The ELC, in an endeavor to renew itself and continuously improve, has taken a recurring introspective look at itself through the assistance of an external consultant twice over the last 18 months. Each has resulted in team building, more trust, and unity of purpose.

VISN 2 budgets for the financial resources and time for leadership positions to obtain training in topics intended to improve their management and leadership skills. FY99 Leadership improvement training is depicted in Figure 1.4.

Target Group	Training Priority
Supervisors & Managers	Time Management
Executive Leadership and Data Analysts	Reducing Cost While Improving Quality
Care/Service Line Managers	Labor Relations
ELC	Ethics in Government
Managers at all Levels	Budget/Project Management

Figure 1.4 Leadership Improvement Training FY99

In 1998 VISN 2 piloted the first VHA use of 360° Evaluations for its VISN 2 leaders and physicians. Confidential, fact-based ratings are sought from a sampling of care and service users, subordinates, and peers. Participants use the results as the basis for self-awareness and personal development planning.

1.2 Public Responsibility and Citizenship

1.2a Societal Responsibilities

1.2a(1) Current and Potential Impact on Society

VISN 2 meets all federal statutory and regulatory requirements including The Ethics in Government Act, the confidentiality laws, Equal Employment Opportunity Act, Financial Integrity Act, etc. VISN 2 enjoys accreditation with multiple agencies (Figure 7.5b). Given VISN 2's strategic shift to out patient managed care, it is important to note that VISN 2 was the first to seek and attain VISN-wide accreditation by the NCQA. This consumer oriented accrediting body evaluates managed care organizations.

VISN 2 has also developed an innovative VISN-wide Risk Management Program. OSHA identified this new, integrated approach as a "best practice" during its recent inspection. The design is characterized by the systematic review of incidents, database management, and lessons learned/best practices identification. Related data analysis led to the VISN-wide "Zero Tolerance for Violence" Program. VISN 2 sentinel events are at an all time low and patient safety redesigns are at a VA high. "Zero Tolerance" is a VISN-wide training program for staff, in techniques for responding to and managing volatile and potentially injurious situations between patients (primarily behavioral health and dementia) and care givers. The program has resulted in a 21% reduction in repeat incidents, and our lost-time accident rate was reduced dramatically in FY99 (Figure 7.4b).

1.2a(2) Public concerns

VISN 2 Management Advisory Councils (MAC), Congressional Briefings, and local Consumer Councils provide forums

for identifying concerns and obtaining pre-decisional and planning input or feedback from stakeholders and the communities. VISN 2 clearly responded to the ongoing expressed need of veterans for improved access by systematically expanding the network of CBOCs to within 30 miles or 30 minutes of a veteran's home. Most CBOCs have been placed under contract with local primary care providers already familiar to the veterans.

1.2b Support of Key Communities and Community Health

In meeting its community responsibilities, VISN 2 has encouraged and supported active staff participation through:

- Employee participation in civic, educational, business, professional, health, and service organizations. For example, Infection Control nurses attend professional meetings on company time, as do leaders with involvement in the American College of Healthcare Executives (ACHE) activities.

- The provision of experts and executives that are "shared" with various publics. Executives have been "loaned" on a time-limited basis to community and charitable projects including the Combined Federal Campaign and the VA National, Golden Age Games, etc.

- The coordination of local community "Stand Downs", designed to reach out to the homeless and other under served veterans, providing them with on-the-spot access to needed VA and community services.

- The collaboration with community agencies to enhance wellness through sponsorship of clinics, health fairs, health screening, etc.

- The provision of meeting space and/or professional support to groups including Alzheimer's families, Children of Alcoholics, Narcotics and Alcoholics Anonymous, Arthritis Foundation, local AIDS Task Forces, etc.

- The underwriting of the annual participation of their senior veteran patients (a major customer segment) in VHA National Golden Age Games. Because of the importance VISN 2 has always placed on participation, VISN 2 came to host the **VHA 13th National Golden Age Games**. More than 500 veterans participated from all over the United States. This was a collaborative effort, hosted by the Canandaigua VA Medical Center, involving a 60 person coordinating committee, 200 Finger Lakes area service groups and an army of volunteers who contributed in excess of 15,000 man-hours of time. It was financed from donated monies from VHA, VFW, numerous corporate sponsors, and local fundraisers.

VISN 2: Category 2
STRATEGIC PLANNING

The "faster-better-cheaper" type of approach is reflected in VISN 2's overall strategic thinking. As a result, there has been a strategic turnaround in VISN 2, from a capped financial loser to a capped gainer in the VERA reimbursement model.

2.1 Strategy Development Process

The foundation stones of all VA strategic planning are the five VA Mission Goals contained in the "Prescription for Change":

- Excellence in Healthcare Value
- Excellence in Service as Defined by Our Customers
- Excellence in Education and Research
- Be an Organization that is Characterized by Exceptional Accountability
- Be an Employer of Choice

To attain these goals in VISN 2 requires an integrated VISN-wide planning process. The design and revision of VISN 2's Strategic Plan is the responsibility of the TSPQ and ELC with the assistance of management staff, and a strategic planning group. Referred to as the VISN 2 Business Plan, it is an in-depth plan that sets specific short term (tactical) and long range (strategic) expectations for C/MS Lines and individual Medical Centers.

The VISN 2 Business Plan is divided into two major types of information. The first is the reference base used for planning that includes:

- Mission, Vision & Values
- VHA High Priority Issues, Special Disability & Emphasis Programs
- Veteran Preference, Demographic and Market Data
- Performance (financial, non-financial & clinical) Data
- Congressional Requirements

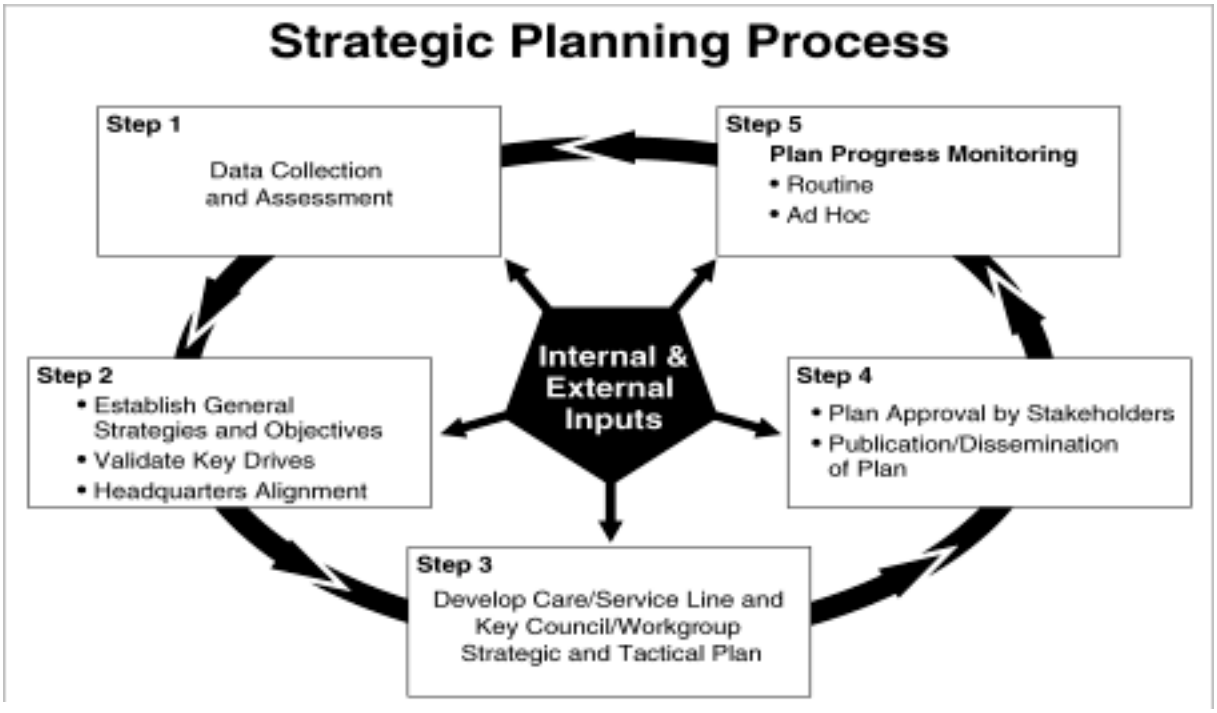


Figure 2.1 VISN 2 Strategic Planning Process

The second type of information is directional based (action), that include:

- Drivers (key goals)
- VISN & C/MS Lines Performance Expectations/Targets
- Capital Asset Plan

In **Step 1** of the strategic planning process cycle, a plethora of information is gathered and reviewed, including bottom-up input from VISN and local C/MS Lines. A comprehensive VISN Strengths, Weaknesses, Opportunities and Threats (SWOT) -internal/external analysis is performed (Figure 2.2) along with a set of planning assumptions. The key business drivers are determined.

FY99: Strengths	FY99: Weaknesses/Threats
Data systems provide better monitoring of key performance, improving decisions	Aging infrastructure & buildings needing constant upgrading & maintenance
Recipient of VA's 1st Quality Achievement Recognition Grant, underscoring the approach	Demand for extended care services will surpass resource availability
C/MS Structure redirects focus to patients, away from institutions	Episodic costing remains elusive, yielding averages rather than specifics
Transformation of care from hospital to community based	Lack of standardized out patient facilities & space across the VISN
Reaching more veterans with fewer dollars	Budget allocations do not keep pace with *medical* inflation
Increased positive VA visibility through more CBOCs	Full data base integration is not yet complete
Application of internal/external best practices improves care & service delivery	

Figure 2.2 VISN 2 Overall Strengths and Weaknesses

In **Step 2,** the drivers, along with internal and external inputs are validated and translated, through VISN-wide dialogue, into agreed upon general VISN strategies that are aligned with VHA requirements into a draft VISN Business Plan.

In **Step 3** the VISN C/MS Lines and key council/workgroups, with the involvement of the local site counterparts, translate the VISN drivers and strategies into subordinate plans of their own, based on alignment with the draft Business Plan. These are aggregated and adjusted, through consensus and alignment, into a single set of integrated tactical and strategic expectations and measures/targets.

In **Step 4** the complete VISN 2 Business Plan is submitted through the TSPQ to the ELC for review and approval. It is then submitted to VHA Headquarters for final review and approval. It is then disseminated for local C/MS Line alignment through engaging the work unit staff in the development of practical objectives and tactical plans germane to the Plan. In this manner, strategic objectives are operationalized at the local level. The plan is then published, widely disseminated and communicated to stakeholders across the VISN.

In **Step 5** the VISN Business Plan's progress is <u>continuously</u> monitored and makes incremental adjustments based on changes to the market, mission, performance results, etc., stemming from continuous environmental scanning. For example, Behavioral Health expanded its work with the NYS Dept of Corrections, secondary to changing circumstances not foreseen in the original planning for FY99. Each component plan's progress

is formally evaluated quarterly through status reports and presentations to the ELC. Routine and ad hoc measurement and reporting devices (i.e., Pulse Points, Decision Support Objects, etc.) are used to monitor progress with key measures. In addition, monitoring progress has become integrated into the standard conduct of major business meetings.

This process has evolved with each iteration over the past three years with clearer analysis and the availability of more and better data, changing structure, improved understanding of the process, and increasing demands on planning and the performance management approach.

2.1a(1) Target Customers; Market Requirements, Including Price; Customer, Market and Public Expectations; and New Opportunities

VISN 2 sees its principal target market as the veteran in need, residing in Upstate New York. The VISN's most recent data shows that the average age of our patients is 59.1. Sixty one percent of the veterans in the VISN have no known insurance, which is in contrast to 17% in the community at large. The aging veterans are an at-risk population for chronic disease with related acute episodes of care, many having multi-body system involvement. VISN 2 has committed its resources and programs in anticipation of this growing population of potentially heavy consumption users.

In order to reach out to greater numbers of these veterans, VISN 2 seeks greater efficiency without sacrificing quality. One key has been to proactively emphasize wellness and prevention (Figures 7.2a – 7.2 o) rather than reacting with an admission to inpatient care and enhancing access to "non-bed" care. To that end, VISN 2 has opened 22 Community Based Outpatient Clinics (CBOC) in the past couple of years (Figure 7.3j). VISN 2 intends to continue to establish points of access within 30 minutes' or 30 miles travel time from a veteran's home.

The public, as national and local stakeholder, has strongly expressed the need to have value for the government's health care dollar. Consistent with the best quality for best cost philosophy, VISN 2 saw reduction in funding (Figure 7.3e) while simultaneously treating more new veterans (Figure 7.3a) through the VISN 2 Health Plan. The other factor in the equation, namely quality, has been objectively validated by attaining JCAHO (Figure 7.5) and NCQA accreditation.

2.1a(2) The Competitive and Mission-Related Environment

The VISN 2 veteran service area resides in Upstate New York. Addressing the varying needs of veterans from both urban and rural settings remains a challenge. Though VISN 2 extends a caring hand to all veterans, eligibility rules effecting non-service connected care negatively impacts the reimbursement formula and allocation of dollars.

VISN 2 understands its place in the market place and routinely evaluates its capabilities in business planning. For example, there are specific ad hoc comparisons made whenever a design/redesign of a program is under consideration. The evaluation gauges whether or not VISN 2 can deliver the best care at the best price, or if it is best done through community partnership. As an example, analyses have been done

to determine Community Based Outpatient Clinic "make vs. buy" decisions for each new site. Many factors are considered including capacity and quality of community providers, potential for partnerships/collaboration with area providers and affiliates, volume of potential patients served, and other financial/feasibility and patient focused considerations. Another example is the decision for a VA extended care facility to partner with a nearby community hospital for the provision of acute medical care under a fee-for-service contract.

2.1a(3) Risks: Programmatic, Financial, Market, Technological, and Societal

Due to the dynamic nature of the health care market, close monitoring for potential vulnerabilities/losses is essential. A real case scenario: the VERA funding model resulted in a $14 million decrease in appropriations in FY99 from FY98, coupled with a medical cost inflation rate of +3%, significant staffing reductions were necessary. While planned re-engineering efficiencies, right-sizing and Medical Care Cost Funds (MCCF) offset some of the losses, the Cost of Living Adjustments (COLAs) and increased pharmaceutical costs had to be addressed. A contingency plan is being deployed to face this strategic threat. These are the kind of market and other projected threats that are identified through a dynamic VISN 2 strategic planning process.

2.1a(4) Human Resource Capabilities and Needs

As evidenced in many tactical plans and strategic objectives developed to meet the VISN 2 strategic goals, human resource capabilities and needs are a critical factor in strategy development. Organizational restructuring may misalign or remove needed talent.

A variety of means are utilized to determine organizational capability, starting with human resource requirements. These are translated into numbers and types of staff with identified competency requirements. An annual employee evaluation is performed to ensure a competent workforce. When found lacking, recruitment of needed talent is done with follow up orientation. An employee learning needs assessment is conducted annually, aggregated by the VISN 2 and local Education Councils, which is utilized to identify skills training and related education required.

2.1a(5) Organization Capabilities

The VISN 2 Equipment Committee performs an equipment/technology assessment annually and prioritizes the needs based current capability and the Business Plan direction. VISN 2 has also chartered a Strategic Information Council (SIC) that has the responsibility of assessing the information system capability. The VISN Research Advisory Council is comprised of key research leaders from each VA site and is responsible for advising the ELC with regard to evaluating, planning, and determining research priorities congruent with the Business Plan.

VISN 2 has developed a strong belief in identifying best practices and lessons learned as a means to rapid organizational learning and rapid change. All councils and teams are encouraged to identify and share their experience and methods openly.

Improve Access	Increase Heath Care Value	Improve Customer Service	Improve Health Status of Vets	Enhance Employee Development
Increase enrollees treated by 7,000	Analysis of actuarial data	Optimize clinic hours to patient flow	Implement disease management for diabetes, substance abuse & PTSD	Implement the HPDM model fully
Open 11 new CBOCs	Increase interventions with high risk populations	Expand use of Quick Card feedback	Improve Clinical Practice Guidelines compliance to exceptional	Implement leadership development initiative
Expand home-based & adult day care services	Increase alternate revenue through sharing agreements	Establish Veteran Service Centers at all clinics	Improve CDI & PI compliance to exceptional	Provide special training on Dementia, Alzheimer's Disease, PTSD
Expand telemedicine to clinics & home sites	Re-engineer Human Resource, Fiscal & Health Info Services	Enhance Web site to better inform veterans	Improve quality of life for extended care patients	Provide 40 hrs continuing education to all employees
Fully operationalize Network Authorization Office	Target Community Grants to fund Outreach Efforts	Develop Knowledge Management Office to optimize data usage	Achieve computerized imaging	

Figure 2.3 Key Objectives by Drivers (Source: FY2000 Business Plan)

2.1a(6) Supplier and/or Partner Capabilities

♦ VISN 2 understands that to extend a broad array of care and service over the entire VISN is through strategic partnering and supplier agreements. Business planning assesses and projects such potential to include the next 5 years. Expected capability with partners is negotiated and set forth in written agreements. The Prime Vendor program was developed with selected exclusive suppliers (see Process Management).

2.2 Organization Strategy

2.2a Strategy and Action Plans

The VISN 2 Business Plan strategies are reflected in other operational objectives developed by key driver for FY2000 (Figure 2.3). The strategic planning process for FY99 resulted not only in consensus on these objectives and their myriad subordinate VISN and local "actionables" (tactics), but agreement on the C/MS Line (Figure 2.4). This budget sets the overall fiscal limitations within which each of the VISN Lines must operate efficiently, effectively and with user satisfaction. VISN 2 shifted from a traditional Medical Center based budget to C/MS Line managed budget in FY99 after a year of piloting (shadow budgets). Use of human resources is more closely planned across sites, from the staff needed, to their skills, costs, training, and ongoing performance. A VISN Human Resources (HR) Council

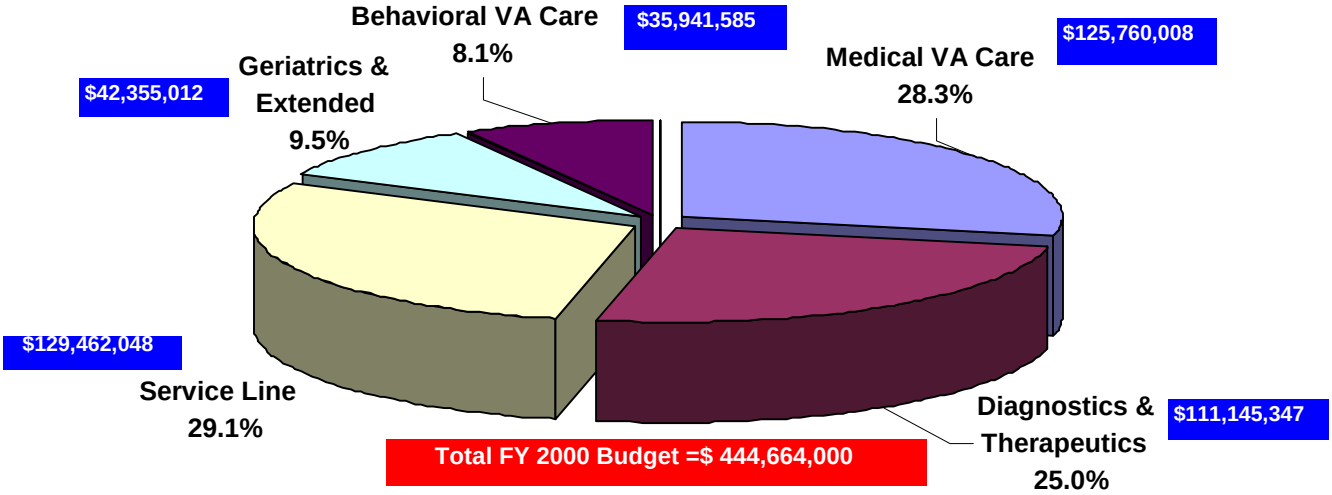


Figure 2.4 FY2000 VISN Budget by C/MS Line

plans, directs, and promotes consistent practices across the VISN in alignment with the Business Plan. To better meld strategic goals and human resource needs, a number of actions have taken place:

- The VISN evaluates the degree to which performance expectations are met.
- Changes in staff mix The physician to patient and RN to patient ratios are now among the most efficient among the VISN's. (Figures 7.4d, 7.4e).
- The staff mix of staff per supervisor has been broadened.

Necessary FTEE reductions were accomplished by a combination of reduction in force and "buy-outs". The VHA's High Performance Development Model is in close alignment with this VISN's strategic direction and is strongly endorsed. The goal of the model is to develop a work force that is highly skilled and customer-focused, and to develop a continuous supply of skilled leaders committed to our mission. The components are: core competencies (technical skills, personal mastery, interpersonal skills, customer service, flexibility/adaptability, creative thinking, systems thinking, and organizational stewardship), continuous assessment, performance management, coaching and mentoring, performance-based interviewing and continuous learning opportunities. A rollout plan has been underway since the fourth quarter of FY99.

2.2b Performance Projection

VISN 2 projects to raise performance in the Director's Performance Measures to the exceptional level across the board, with particular progress in the Chronic Disease Index (CDI), Preventive Index (PI), and Clinical Practice Guidelines (CPG). (Figures 7.2a –7.2o) Access points will expand and services will be brought closer to our aging, less mobile veteran. Therefore, market share and number of unique patients treated will continue to rise another 8,000+ and cost per patient will continue to decrease. Satisfaction will continue to rise and fiscal solvency will be assured.

VISN 2: Category 3
FOCUS ON PATIENTS, OTHER CUSTOMERS, AND MARKETS

3.1 Patient/Customer and Health Care Market Knowledge

3.1a(1) How Customer Groups, and/or Market Segments are Determined or Selected

VISN 2 targets segments (patient users and other customers) through analysis of the demographics, usage patterns and key relationships. Eligibility, geographic location, gender, age, annual income, insurance status, and period of service stratify veteran patient segmentation. This data is updated frequently and is used in business planning, particularly improving enrollment and determining care and service needs in VISN 2 (Figure 7.3a). The lower areas of low market penetration and greater need become areas of focus for greater outreach and easier access.

3.1a(2) How the Organization Determines and/or Projects Key Product and Service Features, Their Relative Importance/Value to Customers, and New Product, Service or Market Opportunities

After reviewing the business plan/goals, organizational capability, market influences/demographics and customer segment/requirements, VISN 2 identifies key drivers and translates them into care and service deliverables. The customer perspective is gained by employing a variety of listening and learning methods that are used throughout the VISN. See the Listening/Learning Methods and their uses in Figure 3.1 examples of how VISN 2 has translated learning from customer into action:

- A greater percentage of elderly veterans require easier access to specialized care, such as:
  - Home-based primary care
  - Chronic disease management

  The VISN 2 Business Plan now reflects major initiatives for both these programs.
- VISN 2 sees female veterans as an under served market. As an initial response, VISN 2 has focused on improving veteran access to breast cancer screening.
- Geographic usage patterns indicate higher frequency clustered near urban Medical Centers where VA services have historically been, thus discouraging access by rural veterans. As a result, VISN 2 is expanding the number of targeted CBOC sites (Figure 7.3j).
- Focused group input has indicated that younger and more self-sufficient veterans do not pursue their health care benefits due to poor understanding of eligibility rules by themselves and VA employees alike. As a result VISN 2:
  - Provided “Eligibility Reform” training to all staff across the VISN.
  - Introduced a toll-free health care information service available twenty-four hours a day, seven days a week. This provides veteran patients assistance with health care choices.

Target Segment	Listening Approach	Learning Info	How Used
At-large Veterans & the Community	Direct input through participation on VISN and local groups (ELC, MAC, and Consumer Councils). Focused Groups/ surveys. Internet VISN 2 Help Desk.	Identify needs, gaps in knowledge about care and benefits, and problems.	Direct and immediate response to participant input. To provide assistance.
Veteran Service Organizations	Focus groups across the VISN.	User preferences. Knowledge gaps. Input on future plans.	Strategic Planning and process design and redesign.
Surrogates for Users	Hidden Shoppers and Peer Consultants.	Site-specific, standardized customer-sensitive "report card". Feedback reports.	Rapid response to service recovery and continuous improvement.
Clinic Users, Families and Visitors	"Greeter Program" interactions and assistance with direct linkage to leadership.	Eyes and ears of organization for identifying internal system/process problems.	Rapid response to customer recovery and continuous improvement.
Veteran, Families and Visitors	Internet VISN 2 Help Desk.	Identification of system/process successes and shortfalls.	Trended findings used continuous improvement. To provide assistance.
Employees	Forums. "Tell the Director". Rumor hot line. Internet Help Desk.	Input to change. Knowledge gaps. What's working. What's not working.	Findings used to continuously improve. To provide assistance.
Partners	Direct interaction Agreement review Surveys	Input to agreements. Supplier limitations. What's working. What's not working.	Findings used to evaluate relationship To provide assistance.

Figure 3.1 Listening and Learning Methods

3.1a(3) How the Organization's Approach to Listening To and Learning From Customers, Potential Customers, and Health Care Markets is Evaluated, Improved, and Kept Current With Changing Health Care Service Needs and Strategies

The Customer Service Council (CSC) aggregates and analyzes the VISN listening/learning findings, from a variety of sources. The CSC sponsors focus groups, evaluates satisfaction/complaint data, and the effectiveness of "listening" to determine the barriers/solutions to effective customer service responsiveness. The CSC then formulates recommendations for the VISN 2 business planning process and its aligned VISN 2 Customer Service Plan. Achievements from the last CSC Plan include:

- Piloting and VISN-wide deployment of "Quick Card" Surveys (on the spot) thus shortening response time to customer feedback.
- Piloting and VISN-wide deployment of the "Internal Shoppers". Internal Shopper is a program wherein a designated "hidden" customer observes and evaluates specific aspects of the customer experience at a site and then gives feedback in the form of a report card. Report cards are provided to VISN C/MS Line Managers and local C/MS Managers for improvement planning. Report cards are also posted in public areas to provide feedback to veterans, staff and guests alike. Base line and initial results for Quick Card are viewable in Figure 7.5c.

3.2 Customer Satisfaction and Relationship Enhancement

3.2a Accessibility and Complaint Management

3.2a(1) How the Organization Provides Access and Information to Enable Patients and Other Customers to Seek Assistance, to Obtain Services, and to Voice Complaints

In order to improve customer relations, VISN 2 seeks to better assist its customers to obtain needed information and resolve complaints. VISN 2 exploited the connectivity of highly prevalent technology and the user demand to be interactive by establishing a VISN 2 Internet-based Virtual Help Desk at www.va.gov.visns/visn02/. This site connects veterans to a wide range of veteran services and information. There are currently over 1,000 pages of information. Anyone may submit requests for information, ask questions, gain assistance, and even enroll in the VISN 2 (VA) Health Plan. The Virtual Help Desk inquiries are tracked for their timely resolution. Additional information and "lessons learned" are available in the VA Virtual Learning Center.

A "Report to the Community" (a wellness oriented newsletter) is sent to all enrollees and friends of VISN 2 several times a year. It includes performance highlights; calendar of events, wellness tips, methods, and sources of accessing needed information.

Expanding the points of contact at to CBOCs and providing Veteran Service Organizations with computer access to the VISN 2 network furthers VISNs reach to veterans as well.

Each Medical Center has a hoptel. This hotel in a hospital provides comfortable short stay quarters for family/significant others or for patients from out of town at the Medical Center for testing.

3.2a(2) Description of the Organization's Complaint Management Process

VISN 2 uses three methods to collect patient complaint information. The first is an expectation that employees act as patient/customer advocates, and that complaints should be resolved at the point closest to the patient/customer.
Behind the employee is the Patient Advocate Program (PAP). In place for many years, PAP provides skilled Patient Advocates (PA) based at each Medical Center. The purpose of this program is to enhance the relationship between the patients and staff, as well as to improve the responsiveness. PAs are accessible to veterans, families, and guests for compliments, complaints, and inquiries. The PA's photograph, office location, and phone number are posted in conspicuous and high traffic areas.

The PAs document information about their contacts and interventions on the VHA Patient Representative Computerized Tracking Program database. The extraction and trending of this information leads to a better understanding of the patient and assists the VISN PA group in identifying opportunities to improve.

VISN PAs from across the VISN formed a group to assess the overall effectiveness of the VISN PA Program. They develop strategies/actions to standardize roles, capture/analyze data, and improve effectiveness.

The third method used to evaluate dissatisfaction is the review of the incidence of tort claims. This baseline data indicates that VISN 2 has a more favorable position nationally than 18 of the 22 VISNs (Figure 7.3m).

3.2b Customer Satisfaction Determination

3.2b(1)Brief Description of Processes Measures and Data Used to Determine Customer Satisfaction and Dissatisfaction

VISN 2 uses a variety of customer satisfaction and dissatisfaction indicators. These include:

- The National Customer Feedback Center (NCFC) Patient Satisfaction Surveys: These surveys are the primary source for determining how well a specific clinic or line has performed, as compared to VHA National averages and non-VHA comparisons (Picker Institute). The CSC reviews satisfaction to gauge the effectiveness of VISN 2 customer service.
- The VA National Customer Service and Timeliness Standards: VA-wide comparative information samples from users on their perception of wait times and other key expectations.
- The PAP, Quick Card, and Internal Shopper programs data was discussed earlier.
- Enrollee changes: The VISN concurrently reviews the enrollee base for stability and growth.

Although VISN 2 has undergone fundamental organizational change, its Customer Service scores were second highest among the VISNs and two standard deviations above the national norm for FY 99 (Figure 7.1a-f) while increasing its enrollee base (Figure 7.3a-b), and access through expanding CBOCs (Figure 7.3j). Such increased enrollment is attributed not just to outreach efforts but to keeping the patient first.

3.2b(2)How the Organization Follows Up With Patients and Other Customers on Recently Delivered Health Care Services and Recent Transactions to Receive Prompt and Actionable Feedback

As mentioned earlier, the "Quick Card" and the Internal Shopper approaches provide near immediate and actionable feedback. In an immediate sense, Patient Advocates and staff alike are expected and empowered to attempt to "recover" from the customer's adverse experience on the spot.

3.2b(3)How the Organization Obtains Objective and Reliable Information on Patient/Customer Satisfaction Relative to Competitors and/or Other Organizations Delivering similar Health Care Services

The VISN compares its customer satisfaction results with both other VA VISNs and the Picker Institute. Both sources provide national comparative data (Figure 7.1a-f).

3.2c Relationship Building

3.2c(1) How the Organization Builds Provider Loyalty, Positive Referrals, and Relationships With Its Patients/Customers

The VISN Marketing Team, the C/MS Lines and CSC have put forth an aggressive agenda for sustaining veterans customer loyalty across Upstate New York, including:

- Enrollment Fairs
- Regional Health Fairs
- New York State Fair & County Fairs
- VA health care presentations, speakers and remembrance events
- Telephone contacts with veteran patients not seen during the past 3 years and offering follow-up appointments in Primary Care Clinics
- Sending follow-up letters and information on VA health care services to all Compensation & Pension veterans seen within the last 2 years who are not using VISN 2 health care services
- Building referral and benefits linkages with county governments, especially the Department of Social Services NYS Department of Labor
- Information and wellness mailings
- Sending the VISN 2 Comprehensive Health Care Brochure to all enrolled veterans
- Placement of a Customer Service critical work element in every VISN 2 employee's performance plan
- VISN-wide deployment of Clinic Patient Pagers in waiting rooms (hi-tech solution for lessening the impact of patient waiting)
- Initiation of 24 hour-a-day telephone access to veteran health care system (nurse triage capability)

3.2c(2) How the Organization's Processes For Providing Access, Determining Patient/Customer Satisfaction, and Building Relationships are Evaluated, Improved, and Kept Current With Changing Health Care Service Needs and Strategies

The ELC and CSC are the key groups that evaluate how well the VISN has learned from its patient and other customer experiences. The CSC leads by recommending meaningful plans and performing analysis on results linked to VISN and Council goals and plans. Monthly updates are then provided to the ELC along with proposed actions. Listening to our customers' feedback and understanding the nature and reason for both positive/negative experiences guide VISN strategic and tactical planning. Continuous improvement and real learning requires follow through if the VISN is to continue to bring new and more responsive ways to serve our veterans.

VISN 2: Category 4
INFORMATION AND ANALYSIS

Consistent with key business drivers and stakeholder requirements, VISN 2 has placed strong emphasis on establishing a superior data system to improve universal information access, enhance decision making, and facilitate work processes. To that end, the VISN Strategic Information Plan aligns with and supports the VISN Business Plan. VISN 2 has also consolidated information systems, processes, and resources under one VISN-wide Information Systems umbrella. This infrastructure facilitates the rapid exchange of pertinent financial, non-financial, and clinical information between all care sites and C/MS Line managers, vis-à-vis the Internet.

4.1 Selection and Use of Information and Data

4.1a(1) Main Types of Information/Data Types (Clinical, Financial and Non-Financial) and How Each Relates to Processes and Key Action Plans

Figure 6.1 displays the key data required in the management key processes. Similarly, data associated with key drivers and customer requirements is displayed in Figure 0.4. These span the key financial, non-financial, and clinical data routinely used with the VISN.

4.1a(2) Information and Data Deployment to Users to Support Effective Management and Evaluation of Key Organizational Processes

- State of the art telecommunication linkages allow VISN 2 to provide the right information to the right people at the right time for the right purpose. FY99 examples include:
- Placing key VISN decisional and clinical/administrative management information on the desktop of leaders and managers, a click away.
- Placement of over 5,000 personal computers across the VISN.
- The upgrade of each site to a technical standard that will meet projected needs to the year 2020.
- Installation of an integrated wide area network, that permits voice, data, and video transmissions between and among all sites.
- Deployment of MS Exchange, a high performance, multi-format e-mail system, to all executives, managers, and key clinical staff.

4.1a(3) Meeting Key User Requirements, Including Rapid Access, Confidentiality, and Ongoing Reliability Requirements

The Strategic Information Council (SIC) ensures that data processes, hardware, and software in VISN 2 meet end-users' needs and are identified, prioritized, budgeted for, and put in place in a consistently reliable and timely manner.

Examples in FY99 include:

- Full implementation of the Computerized Patient Record System (CPRS) including the automation of the Resident Assessment Instrument/Minimum Data Set (RAI/MDS) for extended care clinical staff.
- Data base integration hardware and software was acquired and installed. The initial two phases of actual integration began in late FY99.
- The introduction of two VISN software products for Human Resources (HRLink$ and COHO).

In order to maintain controls for electronic system access and confidentiality there is an automated data systems security officer at the VISN level and at all sites. Computer network access, system integrity, and response time checks are conducted by technical staff to ensure reliability and optimization of equipment. Other information security and compliance with external information requirements is the responsibility of the Information Officers located at each site.

- **4.1a(4) How Information and Data, their Deployment, and Effectiveness of Use are Evaluated, Improved and Kept Current With Changing Health Care Service Needs and Strategies**
- The SIC conducts an annual survey of end users that:
- Identifies hardware and software needs
- Identifies learning needs associated with information systems

The results are translated into a needs list, prioritized by the SIC, based on the Business Plan and drivers, and is then fed into the business planning and budgetary planning cycles.

4.2a(1) How Needs/Priorities for Comparative Information and Data are Determined

The data used to compare VISN performance must first of all, align closely to the key drivers, be relevant to our principal veteran customer, and reflect VA processes. Figures 0.4 and 6.1 display these key comparisons used. Figure 6.1, in particular, lists comparisons made with other VISNs as like organizations with like customers.

4.2a(2) The Organizations Methods and Criteria For Seeking Sources of Appropriate Comparative Information and Data

- VISN 2 seeks sources of meaningful comparative information from similar health care systems and/or selects more universal comparisons, relative to customer satisfaction. They include:
- VA Network Directors Performance Measures data
- The Picker Institute's Customer Service Results

4.2a(3) How Comparative Information and Data are Deployed to All Potential Users and Used to Set Stretch Targets and/or Stimulate Innovation

The VISN uses comparisons both inside and outside the VISN to understand performance in broader market context. Stretch targets are used to close large gaps or in rapid deployment. The VISN, in managing its budget and processes efficiently, successfully used an array of stretch targets to reduce the cost of a bed day of care, increase enrollees, and is currently on an aggressive campaign to improve External Peer Review Scores, etc. (Figures 7.2a – 7.2o).

4.2a(4) How Comparative Information and Data, their Deployment, and Effectiveness of Use are Evaluated and Improved

VISN 2 initially used a Balanced Scorecard approach for comparisons in partnership with another VISN. Over time that health care system began to use a weighted system that effected the consistency of comparative scores. As an alternative in FY98, VISN 2 began to use National VA VISN comparisons.

Last year, VISN 2 also began using the Picker Institute's national comparative customer satisfaction scores. Though the VISN will continue to use this data for comparisons, the time increment between samplings was too great (only yearly). The Quick Card and Internal Shopper approaches were developed to provide more immediate and actionable service recovery feedback. There has been no comparison found as yet for these two measures.

Results of measures are made available VISN-wide, at all sites and levels, in a variety of media. The array of measures go beyond the key measures displayed in this application and are modified and exchanged on an ongoing basis. In fact, because of the dynamic nature of VISN 2 measurement, the VISN has trained and deployed Data Analysts for each Medical Center and C/MS line. It has also created a new Knowledge Management Officer to coordinate the increasing number of measures, various users/uses and means of availability (principally electronic).

4.3 Analysis and Review of Organizational Performance

4.3a. Analysis of Data

VISN 2 collects and aggregates the pertinent results into two review/analysis formats, the first is the Pulse Points. This monthly reference has key summary and analytical comments at the top followed by a presentation or more detail within. The second format provides results through the personal computer to leadership in the form of point-and-click icons, called Decision Support Objects (DSOs) for key categories/results. Trended results relative to performance targets are made available, and in many instances, national comparisons. Results are reviewed and analyzed by leaders at ELC, by the LCCs and key councils on an iterative basis. Results warranting close attention are tracked on the Friday ELC video conference call.

4.3a(1) Patient and Other Customer-related Performance

For the last two years, VISN 2 has been involved in a fundamental re-engineering of its care and service delivery system including substantial staff adjustments. During this period of time, VISN 2 has been able to maintain exceptional results in the patient satisfaction scores (Figures 7.1a – 7.1f). The shift from inpatient to outpatient resulted in some temporary reductions in access satisfaction (inpatient), yet current scores are among the highest in the VA.

4.3a(2) Health Care Outcomes Performance

The clinical process measures selected in Figure 6.1 relate to key processes of health care. These results are aggregated by VISN, nationally, and are made available across the VISN. The results of those measures, detailed in Figures 7.2a – 7.2o, indicate consistently competitive performance with the rest of the high performing VISNs over time, despite fundamental changes in the VISN 2 budgetary and re-engineering challenges.

4.3a(3) Operational Performance, Including Staff and Health Care Service Performance

The financial stability and efficiency of the VISN is reflected in the financial measures and their results, found in Figures 7.3a – 7.3o. Due to these achievements, VISN 2 has moved from

among the worst budget allocation deficits to earning winning budgets in the span of just three years. Employee satisfaction and well-being results in Figures 7.4a – 7.4f indicate that the workforce continues to receive ongoing pertinent training and is positively motivated to achieve competitive performance outcomes.

4.3a(4) Performance Relative to Competitors and Other Organizations Providing Similar Health Care Services

VISN 2 performs very well against similar health care systems (other VISNs). In FY98, VISN 2 achieved the best outcomes in 7/35 established performance measures. In FY99 it remains competitive within the ranks of the highest VISN performers. In fact VISN 2 won the prestigious VA Quality Achievement Recognition Grant in 1998, the first year of its existence. VISN 2 is nearing the achievement of the Picker Institute with Customer Satisfaction risk adjusted results, a specific challenge for the new millenium.

4.3a(5) Financial and Health Care Market-related Performance

4.3b Review of Organizational Performance

In order for the VISN and local C/MS Managers to understand how the organization is performing in relationship with the key drivers, goals, and plans, the review of results is done at all levels of the organization, monthly. Based on the comparison of results to pre-established expectations (i.e., expectations/targets), the Performance Management Approach (modified PDSA) is used to stabilize processes and/or facilitate higher performance.

4.3b(1) How Organizational Capabilities Are Reviewed to Assess Progress Relative to Action Plans, Goals, and Changing Health Care Service Needs

VISN 2 conducts a comprehensive review and evaluation of results at the end of the fiscal year. Current/prospective reviews of assessments, demographic information, budget, etc. (environmental scanning) lead to awareness of capability and projections for identifying current and future usage or capability. This is the concurrent aspect of dynamic strategic planning that allows for meaningful mid-year corrections. The regular analysis of results is conducted by management staff and is also reviewed at the ELC, TSPQ, LCC, and in the VISN-level Councils on a monthly basis.

4.3b (2) How Review Findings are Translated into Priorities for Improvement, Decisions on Resource Allocation and Opportunities for Innovation

In VISN 2, measurement results provide the organization with a sense of its operational status. When those key measurement results indicate the necessity for improvement, the potential impact is assessed against key drivers and decision regarding actions or the commitment of resources. Included would be an opportunity for innovation or learning through evaluation of benchmark/best practice presents. The growing numbers of CBOCs, enrollees, an increasing paper burden, and fewer human resources led to the major commitment of VISN resources to total integration of the VISN data base.

VISN 2: Category 5
STAFF FOCUS

VISN 2 continues to use its model of C/MS Lines and aligns itself with VISN Goal #5 of Enhancing Employee Development. VISN 2 will assure the optimum development of its employees through education and training, coaching and mentoring programs, while assuring accountability for results and performance, with respect to veterans health care delivery. VISN 2 is committed to assisting its employees with a safe work environment along with the tools and training necessary to achieve high performance.

5.1 Work Systems
In the past, VA Medical Centers nationwide have been characterized by a rigid, structured system of departments and services with precisely designated job descriptions. The job classification is now more flexible and work processes necessitate cross-functional skills.

Within VISN 2, there has been a proliferation of cross-functional teams stemming from the transition from a traditional model to C/MS Lines. Job classification has become more flexible. These teams align their work plans and processes with VISN plans versus the narrower departmental objectives. Teams possess attributes like inclusiveness, empowerment, accountability and, Continuous Quality Improvement (CQI).

5.1a(1) How Organizational Work Processes are Designed, Managed, and Improved
VISN 2 has fully embraced the High Performance Development Model (HPDM) which is a conceptual model for creating a learning organization focused on all-employee development, i.e., education and career. There is a designated VISN group with contacts at each site. The HPDM consists of the following 5 components:

- **Core Competencies**: The 8 Core Competencies were derived from Dr. Kizer's Prescription for Change.
  - Personal Mastery
  - Technical Skills
  - Interpersonal Effectiveness
  - Customer Focus
  - Flexibility/Adaptability
  - Creative Thinking
  - Systems Thinking
  - Organizational Stewardship
- **Continuous Learning/Continuous Assessment**: A process that provides feedback to individual employees about their performance and development.
- **Performance Based Interviewing**: A selection process that incorporates interviewing techniques and interview design with criteria that is essential to high performance in a job and can be applied to any position at any level in the organization. It brings a consistency and fairness to hiring and promotion decision.
- **Coaching & Mentoring**: Allows employees at all levels to teach and learn from those around them. It can be formal or informal and is essential for newly hired employees.
- **Performance Management**: Sets clear expectations, assesses outcomes and rewards individual or team performance. Measurement is a key factor.

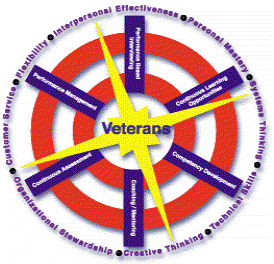


Figure 5.1 HPDM Model

The Credentialing and Privileging procedures have become standardized across the VISN, as have the Risk Management processes. Both programs work from VISN policies rather than a site-specific policy.

5.1a(2) How Communication, Cooperation, and Knowledge and Skill are Shared Across Work Functions, Units, and Locations

Effective communication is necessary within/across in order to make the care, service and administration seamless and achieve VISN goals #2, #3, #4. VISN 2 applies numerous communication media in order to achieve its organizational objectives. Internal communication with employees is operationalized by the use of a PC based communication system known as MS Exchange (MSX), the VISN 2 Web Page (www.visn2.va.gov), Facility and Care Line Hot Topics, Employee Newsletters, "Vital Signs"-Customer Service Newsletter. Other communications tools include all employee e-mail, daily bulletins, town hall meetings, employee hot lines, and regular staff meetings.

An invaluable means of communication would be the use of video teleconferencing in VISN 2. It is being used for regularly scheduled meetings that involve different sites in VISN 2, training sessions, etc. Cross country connections with other system compatible sites in the VHA systems may also occur.

August of 1999 marked the first phase in the launching of the Data Base Integration for the medical centers in VISN 2. The universal access to all enrollee electronic medical records will ensure continuity of care for our veterans, thereby enhancing customer service.

The VISN's C/MS Line structure brought about the cost-effective and efficient sharing of knowledge and staff resources. Individual sites have developed Centers of Excellence for the provision of specialized care. They include:

- Albany – Radiotherapy
- Bath – Domiciliary Care
- Buffalo – Cardiovascular Care
- Canandaigua – Dementia Care

This approach has made specialty care more accessible to a wider range of veterans. The Syracuse and Bath laundry operations were consolidated at the Canandaigua campus in order to enhance employee efficiency and cost effectiveness and physicians have extended their primary care practice between the Rochester and Canandaigua sites.

5.1a(3) How are Flexibility, Rapid Response and Learning Designed into Work and Job Design

VISN 2 is a prototype site for the HRLink$ project that replaces the current personnel and payroll systems with a new system that uses state-of-the-art technology and is based on modern human resource management and payroll business practices. This allows employees to use a designated personal computer and their PIN number to make and/or change payroll deductions, change a permanent address, make health/life insurance elections, etc.

Managers are now able create position descriptions using HR expert software called COHO by simply selecting job duties.

5.1b Compensation and Recognition

Compensation in the VA system is controlled by Federal Law and VA Departmental regulations. However, federal employees are remunerated in ways

such as having up to 75% of their chosen healthcare benefits paid for. Wage surveys are completed annually to ensure employees are being paid fairly and equitably in comparison to others in like positions in the geographic area. For example, the Trades & Crafts Survey is done in February for our Wage Grade employees, i.e., Nutrition & Food Service, Facilities Management, the Nurse Locality Pay survey is done in December, and the survey for Pharmacists is also performed annually. General Schedule employee i.e., Managers, Clerks, etc. salaries are based on their geographic location. The Thrift Savings Plan (TSP), which likens itself to the private sector 401k plan has agency contribution matching connected with it.

The May/June 1999 issue of Compensation & Benefits Review featured an article on VISN 2's inception of a goalsharing program. The program was identified by VISN 2, in part by learning from other organizations' experiences. A task force honed in on the efforts of Corning Incorporated and its Corporate Goalsharing Program as a "best practice site", and soon realized that goalsharing could be effectively extended to federal employees. The task force visited the Corning, NY based site and found that the key to a successful program, among other things, is simplicity.

The task force has evolved into the VISN Goalsharing Review Committee, which focuses on the development and implementation of the goalsharing plan. The committee has established teams at each medical center led by one of its own members.

Goals for FY99:

1. Reduce cost per patient to or below $2886.
2. Increase the number of veteran patients above the national average. To meet or exceed the increase in veteran patients above the national average.
3. Create cost savings and revenue generation opportunities. To achieve $600,000 in cost savings and revenue generating improvements.
4. Increase Medical Center Cost Fund (MCCF), which represents reimbursements from third party payers. To increase MCCF by $6M above base of $20.9M.
5. Improve customer service performance above the VA's national average. To meet or exceed the FY99 National VA average for Customer Service in all categories.

Figure 5.2 VISN Goalsharing Goals

5.2 Employee Education, Training, and Development

VISN 2 demonstrates continual improvement through systems redesign and commitment to developing the knowledge and skills essential to successful healthcare delivery by aligning educational initiatives strategically and tactically to the VISN 2 Business Plan, more specifically VISN Goal #5.

5.2a Staff Education, Training, and Development

5.2a(1) How Education/Training Support Key Action Plans and Address Needs

VISN 2 Care Line Managers support continuing clinical education by way of providing staff with leave to attend and/or present conferences, seminars, lectures national/regional meetings, special education (Advanced Cardiac Life Support (ACLS), Basic Life Support (BLS), Cardiopulmonary Resuscitation (CPR), infection control, etc.), research activity, mandatory training initiatives, etc. The Credentialing and Privileging process

Network Goal	Education/Training Initiative	Target Group
Improve Customer Service	♦ Bayer Training ♦ Kaset Extraordinary Service	♦ All VISN 2 Providers ♦ Front Line Staff
Increase Health Care Value	♦ Certified Data Analyst Program ♦ KLF Training ♦ ACHE Training ♦ DSS Training ♦ InterQual Criteria/Autobook ♦ Data Entry Training/Data Capture	♦ Data Analyst ♦ C/SM Line Staff ♦ DSS Staff ♦ Utilization Management Staff ♦ Clinicians/Business Staff
Expand Access to Care	♦ Eligibility Training	♦ All Employees
Improve Health Status of the Veteran Population	♦ Quit Smart Smoking Cessation Certification Program ♦ Guide to Gulf War Veteran's Health-Training Module ♦ Spinal Cord Injury Training Module ♦ Learning Maps-Delivering Care	♦ 15 Selected Trainers ♦ All Primary Care Providers ♦ All Providers ♦ All Employees
Enhance Employee Development	♦ Eagle Time/Project Management ♦ HPDM	♦ Managers and Supervisors ♦ All Employees

Figure 5.3 FY99 Education/Training Linked to Goals

requires submission of Continuing Medical Education (CME) and Continuing Education Unit (CEU) credits as part of the re-privileging process every two years for practitioners.

5.2a(2) How Education/Training Are Designed to Support the Organization's Work Systems

The VISN Education Council (VEC) is responsible for oversight, guidance, coordination, overall development, implementation, and funding VISN educational needs. It does so through the administration of a VISN Education Plan. The plan is developed from input from the employees themselves and the C/MS Line Managers. The education plan/budget is reviewed and approved by the ELC.

Facility Education Councils (FEC) at each site are linked to the VEC, as are each C/MS Line. Each facility has an Education Officer and staff. VISN Education Plan funds are budgeted to the VEC for VISN-wide initiatives and the C/MS Lines are budgeted for their particular education needs such as in-house training and tuition/travel for off-site classes.

Individual needs are identified by employee self-assessments. Assessments are aggregated by C/MS managers and then considered along with the skills and knowledge levels required to successfully achieve VISN Business Plan objectives in order to provide the VEC with prioritized needs for consideration in the VISN Education Plan.

Annual employee work plans, competency assessments and required training address tactical needs. Strategic needs such as ongoing new employee orientation and computer literacy are supported through continuing education. The VISN has exceeded the goal of providing at least 70% of permanent employees, at least 30 hours of continuing education. (Figure 7.4c). Career management development is

available through mentoring and the provision of special educational programs.

5.2a(3) How Education/Training and New Employee Orientation are Delivered

Orientation is designed to familiarize a new employee with work systems/ processes. An organizational orientation is provided to every employee upon entry to service. A work unit orientation is provided on the care unit or job site. Annually required training/reviews are systematically provided covering universal topics such as infection control, fire safety, computer security, ethical conduct, sexual harassment in the workplace, Equal Employment Opportunity, and disaster preparedness. Each training episode is tracked via a VISN-wide automated system to ensure training requirements are being met.

Approaches used to present learning opportunities include:

- *Live lecture/slide presentations*
- *Video Conferencing*
- *Computer-based*
- *Self-learning*
- *Teleconferencing*
- *VISN 2 Website*
- *Satellite Programs*

5.2a(4) How Knowledge and Skills are Reinforced on the Job

Skill sets necessary to meet C/MS Line expectations are identified in design of positions. Critical elements are placed and evaluated in individual performance plans to emphasize those key skills. Knowledge and skills are then reinforced through required training, periodic work plan/competency reviews and annual performance evaluations. Attendance at external conferences and classes is based on the educational plan and organizational unit's needs. In addition, the VISN's approach to reward and recognition is used to emphasize high performance.

5.2a(5) How Education/Training are Evaluated and Improved

Leadership understands the impact that the pace of change has had on the employees work assignments and learning curve. Employees are adapting to new cross-functional tasks and collaborate in new ways. This requires frequent evaluation and improvement of care/service delivery to reach optimum performance. This also applies to education and training activities. The VISN VEC and FECs evaluate educational plans and individual experiences to identify opportunities to improve. Post-training evaluations are conducted to determine training participant satisfaction, applicability to the job and how future training might be improved. The effectiveness of training is ultimately seen in a team's future performance outcomes.

5.3 Staff Well-Being and Satisfaction

5.3a Work Environment

Amid fundamental VISN re-engineering including staff adjustments, VISN 2 has maintained a safe environment and competent staff. Special activities are aimed at the prevention, case analysis and the safety of staff, patients, and visitors alike. Aspects include:

- Annual mandatory training and safety fairs
- Classes in recognizing and preventing hazards
- Identification and provision of job-specific personal protective equipment

- Monitoring/screening of employees in high risk areas
- Provision of ergonomically correct work areas, furniture and equipment (Figure 7.4a)
- Environment of Care (Safety) Committees systematically monitor the patient care and work environments
- Internal and external groups systematically inspect facilities for safety
- Safety considerations are built in to every construction/renovation project
- Each Medical Center maintains a mutual aid relationship with local police and fire departments

5.3b Work Climate

5.3b(1) Organizational Services, Benefits, Actions to Support Staff
Satisfied patients link to satisfied staff. Therefore, VISN 2 fosters a holistic approach with regard to the well being of its employees. VISN 2 supports on-site access to an Employee Assistance Program. VISN staff have access to an array of attractive benefits and services, including:

- Annual leave (vacation)
- Sick and Family leave
- Thrift Savings Plans
- Accommodations to meet the needs of the disabled
- Scheduling options i.e., flexi-time/place and compressed work weeks
- On site Credit Unions
- On-site Canteen Service offers food, clothing, and household items
- Employee Assistance, Equal Employment Opportunity and Career Transition Services
- Continuing Education opportunities
- VA Employee Associations (VAEA)

5.3b(2) How Senior Leaders, Managers and Supervisors Encourage and Motivate Staff to Develop/Use Their Full Potential
VISN 2 has transformed through emphasis on "business not as usual" and innovation. It has resulted in re-designed work processes and jobs with new skill sets required. Leadership has supported staff by providing it with cross training, continuing and specialized education. This not only facilitates addressing key drivers, it further develops the employability of staff, by facilitating the acquisition of skills that will be required in the workplaces of the future (i.e., computer training).

With greater emphasis on empowered teams, leaders at all levels mentor and coach individuals and teams. Individuals with potential for leadership are given the opportunity and assistance to gain practical experience with projects and teams.

Supervisors conduct an annual performance/needs evaluation and develop a work plan for staff that links the business plan goals with essential work elements. This not only conveys a clear set of expectations but also results in a greater sense of contribution. Self-development and individual achievement is also recognized and reinforced through this process.

5.3c Staff Satisfaction

5.3c. (1) Formal and Informal Methods Used to Determine Key Factors that Effect Employee Well-Being, Satisfaction and Motivation
VISN 2 relies on the direct participation of Labor Organizations in VISN Business, vis-à-vis ELC, the Labor

Management Council and LCCs in order to understand the concerns that effect staff well being. The VISN also maintains formal structures such as the local Safety Committees, Employee Assistance Programs and Partnership Councils to facilitate a positive work environment. The predecisional involvement of labor in VISN 2, coupled with the implementation of Partnering at the VISN level and each site have contributed to the decreased number of Unfair Labor Practices filed (Figure 7.4g).

Staff are able to interact directly with both local and VISN leaders through the electronic mail systems, "town meetings" and video conferences, all or portions of which are devoted to understanding the effects of leadership decisions on staff and identifying the impact that may effect employees understanding, morale, and well-being. Listening meetings, as described in Category 3, are held with community, volunteers and veterans as well.

5.3c(2) How the Organization Relates Staff Well-Being, Satisfaction and Motivation Results to Key Business & Performance Results

By paying attention to the staff's concerns and opinions, leadership is able to provide the right tools, training, and support to respond effectively to VISN key drivers and the Business Plan, and to exceed performance expectations. Though some of the actions that the VISN must take may have a negative impact on some staff, the rationale for decisions and the consequences of inaction are conveyed VISN-wide.

Trust is fostered through conducting open communication and identifying clear expectations linked to the drivers and business plans.

VISN 2: Category 6
PROCESS MANAGEMENT

6.1 Design and Delivery of Health Care

6.1a Health Care Service Design Processes

VISN 2 uses a Performance Management Approach (Category 2 & Attachment A) that includes this PDSA-like approach to managing processes, planning, compliance, etc.

6.1a(1) How Decisions are Made to Launch New or Significantly Modified Health Care Services

Motivation to seek change (an opportunity) emerges from a variety of sources, including evaluation of Business Plan progress, performance reviews, innovative suggestions, lessons learned, changing expectations, altered capability, technological advances, and market forces, to name a few. Leaders evaluate the impact of these opportunities against Mission, vision, values, key business drivers and any "burning platform" imperative. An evidence-based decision is made and resources are committed to design/redesign existing processes. Many come from formal proposals.

6.1a(2) How Changing Patient/Customer & Health Care Market Requirements, & Changing Technology are Incorporated into Health Care Services

VISN 2, at all levels, routinely considers demographic data, user preference and ongoing technological advances as a part of its continuous environmental scanning.

New or improved technology is considered for the strategic value it may add in terms of cost, customer service, Staff support, improved capability, etc in satisfying stakeholders and key drivers. Local C/MS lines are empowered to make these changes within budget if there is limited impact. If the impact is VISN-wide than approval works its way through the TSPQ to the ELC for approval.

6.1a(3)How Health Care Delivery Processes are Designed to Meet Patient, Quality and Operational Performance Requirements

Once the decision for health care delivery process improvement has been made, VISN 2 convenes a team of stakeholders, using a Plan-Do-Study-Act (PDSA) type approach. This applies to either macro or micro projects or planning. A stakeholder team is convened, relevant data is collected/analyzed and an appropriate action plan developed and activated. This is the "Plan-Do" portion.
An ongoing fluctuation between the Study and Act phases of the improvement process occurs reflecting continuous improvement of the process. VISN 2, consistent with its philosophies of learning and innovation, frequently seeks out participation in the design testing of new VA-wide pilot programs that are compatible with its business plan and key drivers. For example, VISN 2 was a VHA pilot CPRS, RAI/MDS, COHO, and HRLink$.

Care/Delivery process	FY99 Process Measures/Indicators	FY99 Targets/Requirements
Health Screening/Prevention	◆ CDI & PI Indices Results	◆ Fully successful or above (7.2)
Diagnostic Services	◆ NRC Inspection Results ◆ Satisfaction Results ◆ Accreditation Scores ◆ Costs Containment	◆ No substantial findings ◆ Satisfactory or higher (7.1) ◆ No Type I Recommend. (7.5) ◆ Below VA-wide average (7.3)
Care Delivery (Medicine/surgery, Behavioral Health, Dental & Geriatrics) Services	◆ CPG Results ◆ CDI & PI Indices Results ◆ Palliative Care Results ◆ Accreditation Scores	◆ Fully Successful or above (7.2) ◆ Fully Successful or above (7.2) ◆ Fully Successful or above (7.2)
Rehab/Recovery Services	◆ CPG Results ◆ Satisfaction Results ◆ Accreditation Scores	◆ Fully Successful or above (7.2) ◆ Satisfactory or Higher (7.1) ◆ No Type I Recommend. (7.5)
Customer Services	◆ Customer Service Standards Results ◆ Complaints Results ◆ Quick Card Results ◆ Internal Shopper Results	◆ VISNs Average or Better (7.1) ◆ Great/Good above 90% (7.5) ◆ No Substantial Findings (7.1)
Key Support Processes		
Provider Admin services	◆ EPRP Results ◆ Provider Profiles ◆ Satisfaction results ◆ Accreditation Scores ◆ NPDB referrals & Findings	◆ Fully Successful or above (7.2) ◆ --under development-- ◆ Satisfactory or Higher (7.1) ◆ No Type I Recommend. (7.5) ◆ --under development--
Information Systems services	◆ Statute & Regulatory Compliance ◆ Accreditation Scores ◆ Satisfaction Results	◆ No Substantial Review Finding ◆ No Type I Recommend. (7.5) ◆ Satisfactory or Higher (7.1)
Human Resources Services	◆ Employee Training Hours ◆ Lost-time injury claims	◆ Fully Successful or above (7.4) ◆ Below National Average (7.4)
Performance Management services	◆ Accreditation Scores ◆ Directors Performance Results	◆ Scores above 90 (7.5) ◆ Fully Successful or above (7.0)
Acquisition & Material Management services	◆ Contract Compliance ◆ Accreditation Scores	◆ Fully met ◆ No Type I Recommend. (7.5)
Facilities Management	◆ Accreditation Scores ◆ Patient Safety Redesigns	◆ No Type I Recommend. (7.5) ◆ Exceptional (7.5)
Financial Services	◆ Clinical & Admin Cost/Unique ◆ Audit Results	◆ Below VHA Average (7.3) ◆ No Substantial Findings

Figure 6.1 Key VISN Processes, Requirements & Measures

6.1a(4) How Design Processes are Evaluated and Improved to Achieve Better Performance

In VISN 2, process performance expectations and related measures/targets are established in the design of new processes/programs. Results are reviewed to determine if performance expectations are met. Adjustments are made as necessary to ensure a trouble free process. This equates to the "check-Act" steps of PDSA. This applies to either intra-VISN or system-wide

projects. VISN 2, consistent with its philosophy of learning and innovation, frequently seeks out participation in the design testing of new VA-wide pilot programs that are compatible with its business plan and key drivers.

6.1a(5) How Health Care Service Design Processes are Managed and Improved to Achieve better Performance

Once again, process measurement results are used to evaluate how well processes are controlled and perform. If necessary, continued iterations of the reviewing and improving ensue to stabilize, improve or reach breakthrough levels in performance.

6.1b Health Care Delivery Processes

6.1b(1) Description of Key Health Care Processes, Principal Requirements and Relationship to Customer

In healthcare, care and services are held to specific requirements for care and support processes. Refer to figure 6.1 for VISN 2 FY99 listing. Compliance is essential to maintaining the quality care and public trust.

6.1b(2) How Processes are Managed to Maintain Process Performance and Ensure Health Care Services Meet Patient/Customer and Operational Requirements

Network 2 relies on key measurements to determine compliance with process performance requirements and targets (figure 6.1). The results are systematically reviewed and analyzed by leaders (see Leadership) as part of the performance management approach to continuous improvement**.**

6.1b(3) How Patients' Expectations are addressed and considered

As described earlier, patient expectations are sought out from a variety of sources. Once identified they are considered in planning, whether it is business planning or design planning. However, expectations may be in conflict and to assist patients to reconcile these expectations. Managing potential conflicts in expectations is an integral part of managing each patient's health care encounter. VISN 2 has provided, proactively, customer service training to its front line staff and offers an array of educational materials designed to clarify care, services, wellness, patient, providers, rights/informed consent, management, entitlement, eligibility, etc.

6.1b(4) How Design and Delivery Processes are coordinated and tested to Ensure Trouble-free and Timely Introduction

The VISN applies the same systematic approach described in 6.1a(4) to test processes before full deployment.

6.1b(5)Evaluating & Improving Care/Service and Service Delivery Processes

The context for measures used to evaluate healthcare processes are VISN 2's dominant Diagnostic Related Groups (DRGs- Fig. 7.5a). The results in Figues 7.2a through 7.2o link directly to these DRGs and the tables within figures 0.1 and 6.1. The Performance Management approach is used to evaluate of these performance results both aggregately and locally against performance targets. More and more comparative data becomes available that allows for rapid identification and deployment of best practices across the VISN and/or early detection of broader process problems.

6.2 Management of Support Processes

6.2a(1) How Key Requirements are Determined or Set, Incorporating Input from Internal/External Customers

Requirements for performance are set by alignment with accrediting bodies, VA Performance Standards, and accepted standards of professional care. VISN 2 expects that a minimum of fully successful be met in established measures for FY99 (Figure 6.1) and "exceptional' in FY99 (a stretch goal). Customer Satisfaction surveys and scores were developed from customer focused groups.

6.2a(2) How Key Support Processes are Designed to Meet Customer, Quality and Performance Requirements
Network 2 approaches the design and deployment of support processes in the same manner described in section 6.1a(3), taking into account the appropriate - internal/external requirements. The process stakeholders participate directly in design/redesign activities described earlier.

6.2a(3) Key Support Processes/Requirements
Key support processes and requirements are displayed in Figure 6.1

6.2a(4) How Key Support Processes are Managed to Maintain Process Performance and to Ensure Results Will Meet Patient/Customer and Operational Performance Requirements
As with other aspects of performance management, the process for maintaining high performance is accomplished through using the Performance Management approach described earlier. Leadership performs systematic review of performance results at all levels of the organization.

6.2a(5) How Processes are Evaluated and Improved to Achieve Better Performance
Regular performance review takes place at VISN and locally. When breakthrough or best practice performance is detected they are evaluated for purposes of organizational learning/exportation to the other segments of the VISN.

An example of how a VISN-wide improvement grown out of the performance management approach is the NAO. Budget analysis indicated that the dollars associated with "fee for service" arrangement with the private sector, in which VA pays for veteran care, was not tightly controlled and managed as were other portions of VISN budget. A review was conducted and a benchmarking was done with another successful VISN. Best practices were identified and a VISN-wide Network Approval Office was established to managing all fee basis care. This program began in the last quarter of FY99 and only projections are in place at this time. The dollar savings will extend the availability

SUPPLIER	COMMODITY	QUALITY REQUIREMENTS
AmeriSource Corporation	Pharmaceutical Prime Vendor	95% fill rate on all VA formulary drugs/pharmaceuticals orders for next day delivery
Buffalo Hospital Supply	Medical/Surgical Commodities Prime Vendor	95% fill rate on all medical & surgical supplies for VA available under the federal Supply Schedule orders for delivery within 72 hours.
Alienate Foodservice Inc.	Subsistence Prime Vendor	95% fill rate on all non-perishable items ordered for weekly delivery.
Andrews Transcribing Inc.	Transcription Services	99% accuracy rate and provision within established turn around/ delivery standards
Xerox Corp.	Photocopier Equipment Services	95% operational rate (uptime) for all units placed under contract (photocopy equipment & ancillary support services)

Figure 6.2 Prime Vendor Quality Requirement

6.2b Management of Supplier and Partnering Processes 6.2b(1) How Supplier/Partnering Processes are Designed and Implemented to Meet Overall Performance Requirements

Network 2 sets expectations for suppliers in terms of technical specifications directly and prospectively in the form of agreements. Face-to-face pre-bid discussions with each prospective supplier are conducted (better-supplier understanding results in better bids). Cost savings and avoidance is tracked and reviewed (7.3o)

Today, quality expectations are clearly delineated in specifications (Figure 6.2). The VISN provides appropriate referential material. In our CBOC clinical contracts VISN 2 requires, for example, that the vendors meet the same quality of care and documentation requirements as the VISN Care Lines. The data displayed in Results is including these results for 7.1 and 7.2, in particular, represent an aggregation, including contract CBOC results. As such they are reviewed against targets and effect contract renewals.

VISN 2 developed an exclusive supplier arrangement termed PRIME VENDOR, whereby better pricing, timeliness and quality of deliverables is assured through blanket purchase agreements (BPA) for standardized items used throughout VISN 2.

6.3a(2) How the Organization Ensures that Performance Requirements Are Met

Network 2 is beginning to review the results associated with these new style partnering agreements and supplier contracts through Contract Compliance Officers.

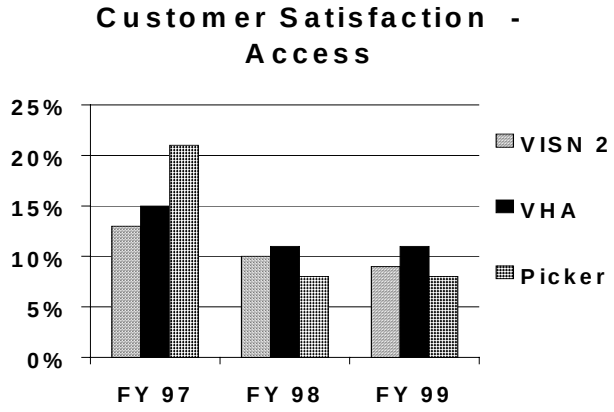
6.3a(3) How the Management of Supplier/Partner Processes are Evaluated and Improved

The VISN transformation brought about an integrated VISN-wide team approach for Acquisition and Materiel Management services VISN-wide. Technical experts are now working within a matrix organization to ensure the availability of that expertise to the entire VISN vice a single Medical Center. More recently, the Prime Vendor arrangements and the addition of quality measurement requirements in contracts are both a direct result of improving the supplier/partner processes. VISN 2, as indicated previously evaluates structure and processes to find better, more efficient and less costly methods of delivering quality services.

CATEGORY 7: RESULTS

7.1 Customer Satisfaction Results

Fig. 7.1a (lower is better)



Note:
VISN 2 improves steadily over time with the creation of more CBOCs. Better than the VA-wide average

Fig. 7.1b (lower is better)

Note:
VISN 2 has improved steadily over time. It does better than the VA-wide average.

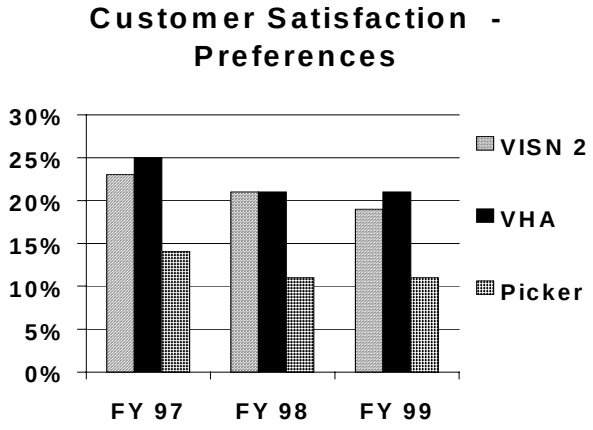
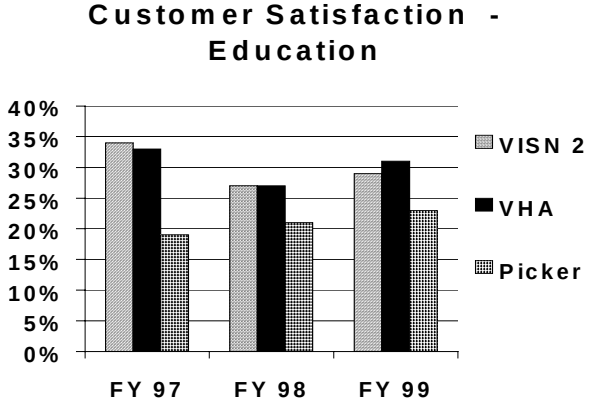
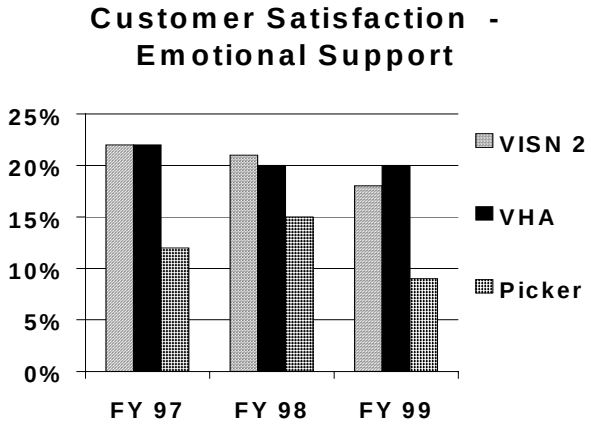


Fig. 7.1c (lower is better)



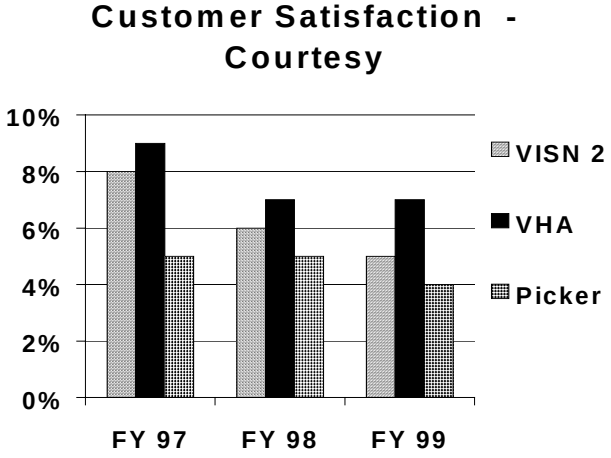
Note:
All points of comparisons worsened proportionately overtime. VISN 2 exceeded the VA-wide average.

Fig. 7.1d **(lower is better)**



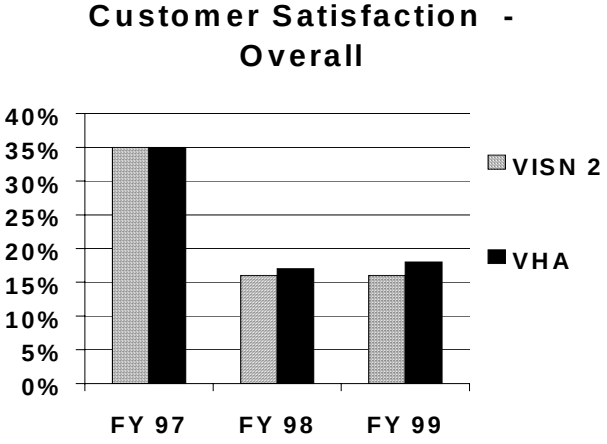
Note:
VISN 2 improves (lowers) steadily overtime at a greater rate than the VA-wide average. Picker (best practice) fluctuates.

Fig. 7.1e **(lower is better)**



Note:
VISN 2 improves steadily over time While Picker and the VA-wide average plateau.

Fig. 7.1f **(lower is better)**

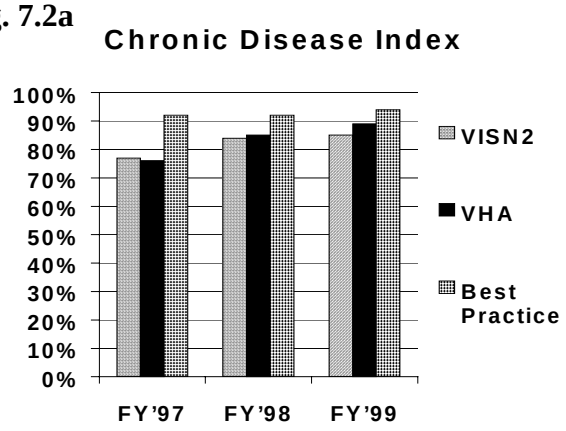


Note:
VISN 2 has made dramatic improvements overtime and has moved ahead of the VA-wide average (by 2 standard deviations). It is 2nd among all VISNs. Picker does not collect this data.

CATEGORY 7: RESULTS

7.2 Healthcare Results

Fig. 7.2a



Higher is better

Note:
VISN 2 has shown steady improvement.

Fig. 7.2b

Higher is better

Note:
VISNB 2 shows steady improvement. At the VA average.

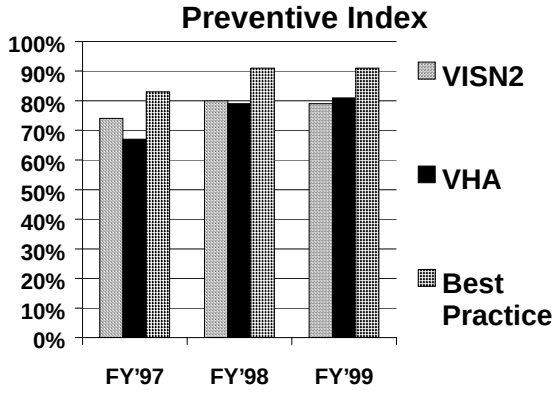
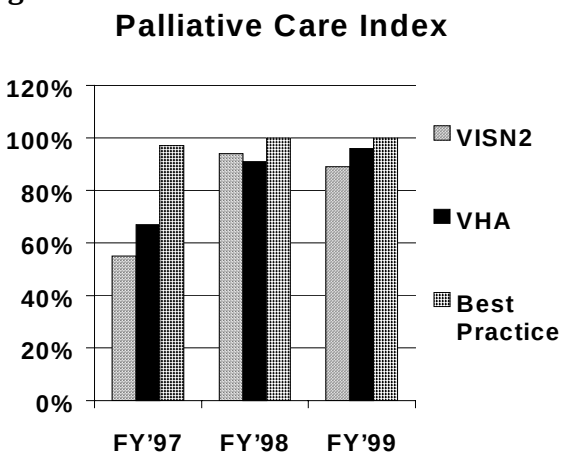


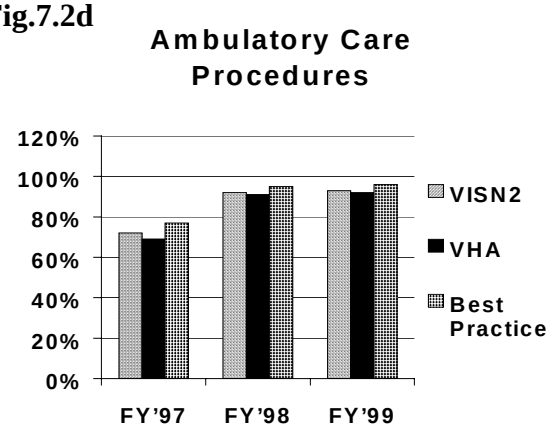
Fig. 7.2c



Higher is better

Note:
VISN 2 progress effected by influx of new enrollees.

Fig.7.2d



Higher is better

Note:
VISN 2 holds progress at VA average.

Fig. 7.2e

Higher is better

Note:
VISN 2 is best practice.

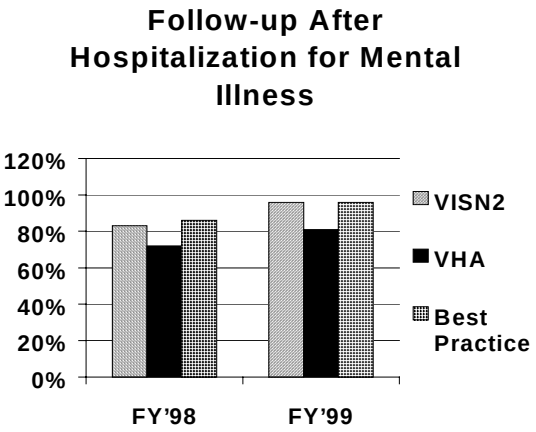
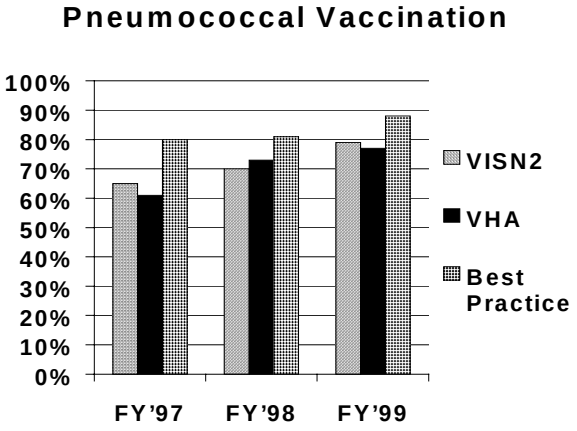


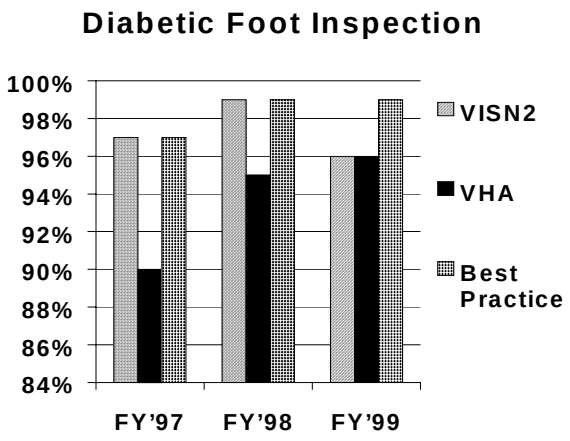
Fig. 7.2f



Higher is better

Note:
VISN 2 shows steady progress above VA average.

Fig. 7.2g



Higher is better

Note:
VISN 2 shows fluctuations but remains at VA average.

Fig. 7.2h

Higher is better

Note:
VISN 2 stays at just above VA average.

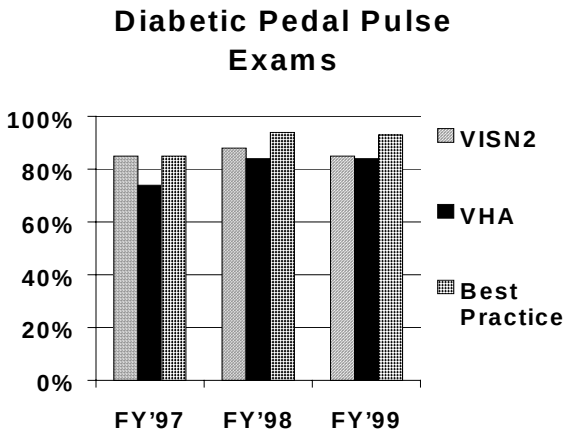
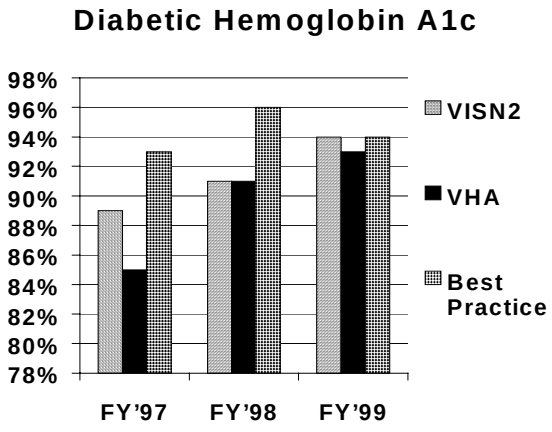


Fig. 7.2i

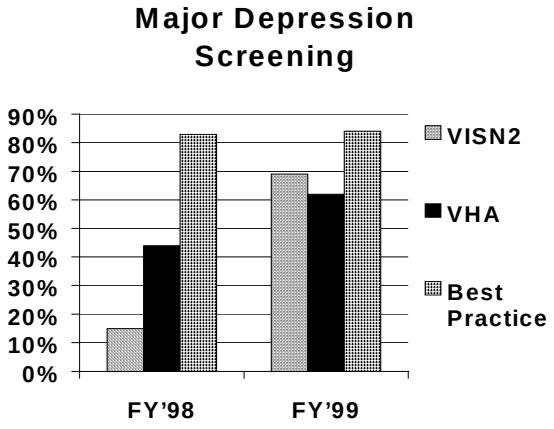


Higher is better

Note:
VISN 2 improves steadily and is the VA current best practice.

Fig. 7.2j

Higher is better



Note:
VISN 2 improves greatly and betters the VA average.

Fig. 7.2k

Higher is better

Note:
VISN 2 remains as the VA best practice.

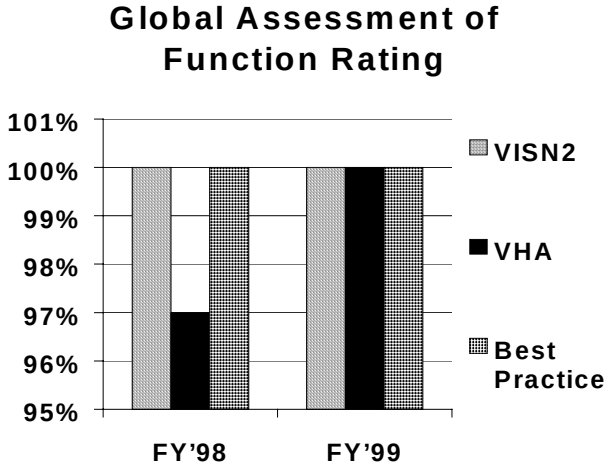
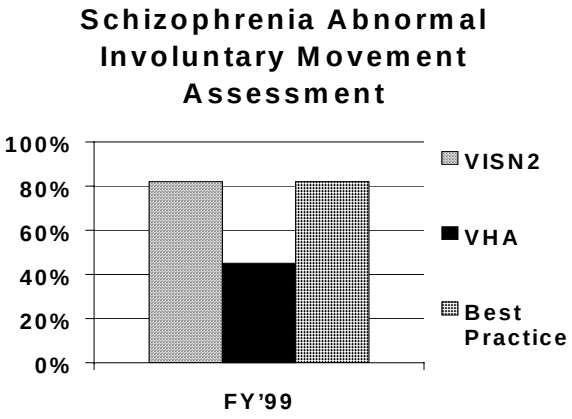


Fig. 7.2l

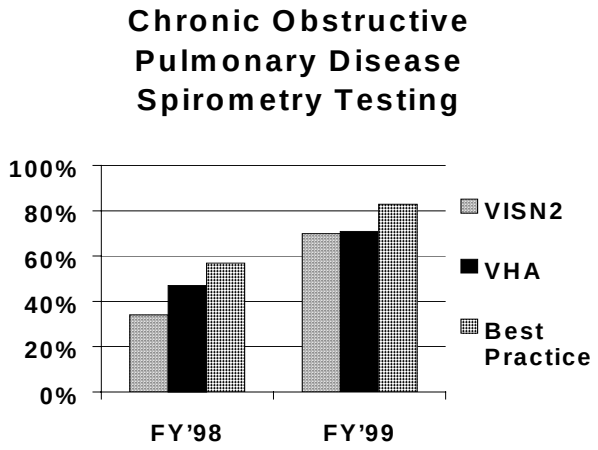
Higher is better



Note:
VISN 2 is a best practice but this measure just began this year, nationally.

Fig. 7.2m

Higher is better



Note:
VISN has improved and is at the VA average.

Fig. 7.2n

Higher is better

Note:
VISN 2 has improved and is above the VA average.

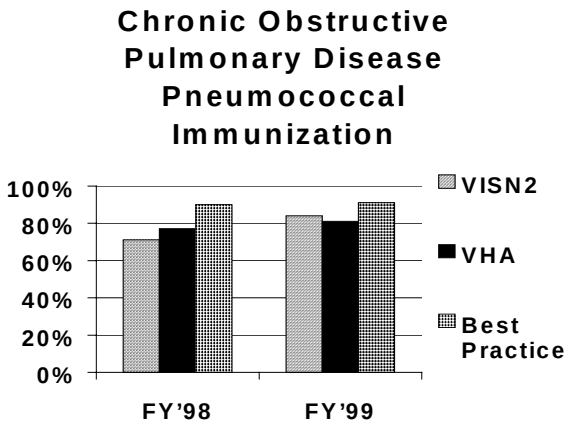
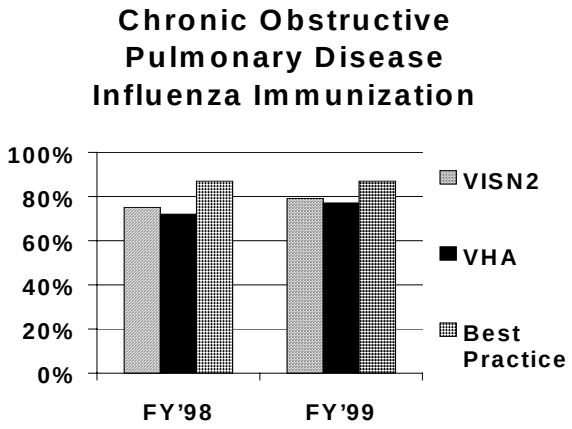


Fig. 7.2o

Higher is better

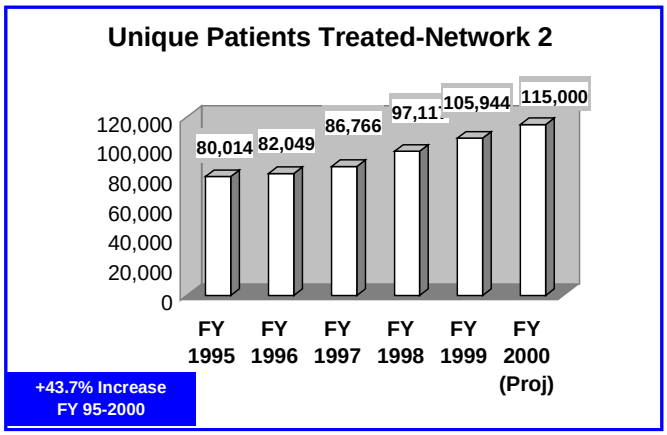


Note:
VISN 2 has improved and is above the VA average.

CATEGORY 7: RESULTS

7.3 Financial Results

Fig. 7.3a (Higher is better)



Note:
VISN 2 has steadily increased the number of enrollees treated in direct response to its efforts to improve access. This measure aligns with VHA 30-20-10 strategy in that if projections hold, VISN 2 will sustain the 20% increase in new enrollees.

Fig. 7.3b (Higher is better)

Note:
Looking closer at the increasing enrollees, VISN 2 ranked 2nd among VISNs in FY99 percent of new enrollees (new or not seen in 3 years), 2 percentage points above the national VISN average.

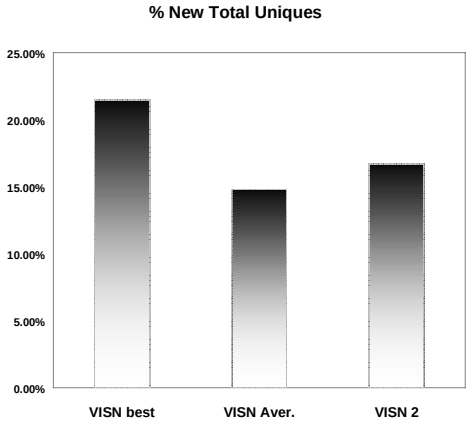
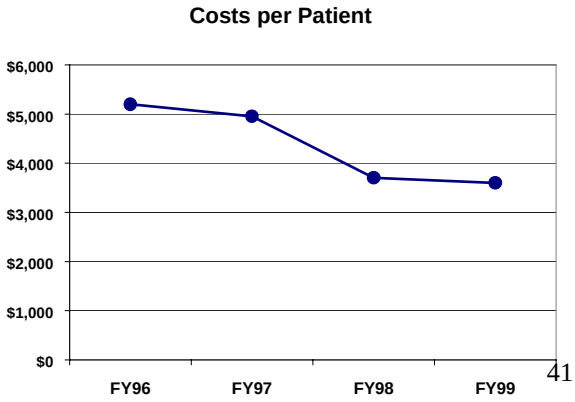


Fig. 7.3c (Lower is better)



Note:
In juxtaposition to the increase in enrollees, VISN 2 continues to decrease total costs per patient each year since inception as a VISN.

CATEGORY 7: RESULTS

7.3 Financial Results

Figure 7.3d **(Lower is better)**

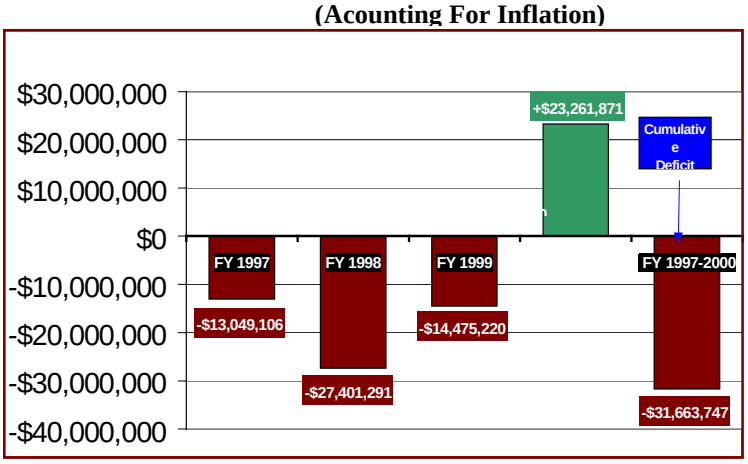
Note:
Though VISN 2 is now ranked 3rd best among VISNs in Cost Per patient, its costs are trending continuously downward, unlike the VISN ranked 1st and the VISN average. This measure relates to the 30-20-10 equation in that VISN will meet the 30% decrease in a cost per patient by 2002.

Cost Per Patient Among VISNs

	FY97	FY 1998	FY 1999	Current Trend
VISN best	$3,390.53	$2,711.28	$2,932.16	Going Up
VISN aver	$4,759.26	$3,884.65	$3,966.20	Going Up
VISN 2	$4,953.14	$3,702.98	$3,599.84	**Down**

Figure 7.3e **(Above line is better)**

Annual Budgetary Deficits - Network 2
(Acounting For Inflation)



Note:
VISN 2 has gone from one of the three most severe budget allocation losers to one of the few gainers among the VISNs, in just three years. There is a true net deficit over entire period.

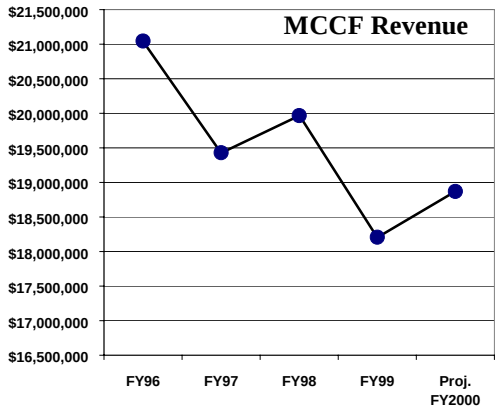
Figure 7.3f **(Lower is better)**

VISN 2 costs associated with the "basic" and "complex" "enrollees (defined by the VA's VERA reimbursement model) are significantly lower than the comparable cohort of VA enrollees, nationally.

VISN 2 Costs vs. VA-wide Averages

VERA Category	VISN 2 Costs	VA-wide Costs	Cost Differential
Basic	$250,549,437	$268,007,890	-$17,458,453
Complex	$157,124,662	$158,389,058	-$1,264,396
TOTAL	**$407,674,099**	**$426,396,948**	**-$18,722,849**

Figure 7.3g **(Higher is preferable)**



Note:
VISN2 has experienced decreased MCCF revenues due to its shift to outpatient care, therefore lessening the "billables". Since the 30-20-10 equation calls for 10% increased alternative revenues VISN 2 has developed other sources (Fig. 7.3n).

Fig. 7.3h **(Higher is better)**

Note:
VISN 2 has dramatically shifted its workload to outpatient care, in line in alignment with its key business drivers.

Increased Outpatient Visits

Station	FY 97	FY 98	FY 99	FY 2000 (Proj)	% Change '97-2000
ALBANY	238,312	251,005	279,652	304,821	27.9%
BATH	85,795	90,135	100,813	109,886	28.1%
BUFFALO	335,231	370,174	322,916	351,978	5.0%
CNDGA	93,225	99,417	158,362	172,614	85.2%
SYRACUSE	195,766	225,524	251,902	274,573	40.3%
TOTAL	**948,329**	**1,036,255**	**1,113,645**	**1,213,873**	**28.0%**

Fig. 7.3I **(higher is better)**

VISN 2 Veteran Market Share

	FY97	FY98	FY99
Unique Patients	88,766	95,963	105,944
VISN 2 Vet pop.	610,773	597,494	584,276
Market Share	14.2%	16.1%	18.1%

Note:
Since the transition to Care Lines, VISN 2 has increased its enrollees and by so doing increased its real market share.

Fig. 7.3j **(Greater is better)**

VISN 2 has expanded the number of CBOCs rapidly and steadily, since the inception of Care Lines, in order to meet the veteran's ongoing expressed need for easier access to care.

VISN 2 CBOC Growth

FY98	FY99	FY2000
13	22	33

Fig. 7.3k **(Lower is better)**

Note:
VISN 2 has worked hard to successfully reduce Diagnostic costs, i.e., Pharmacy, Laboratory and radiology, over the past three years.

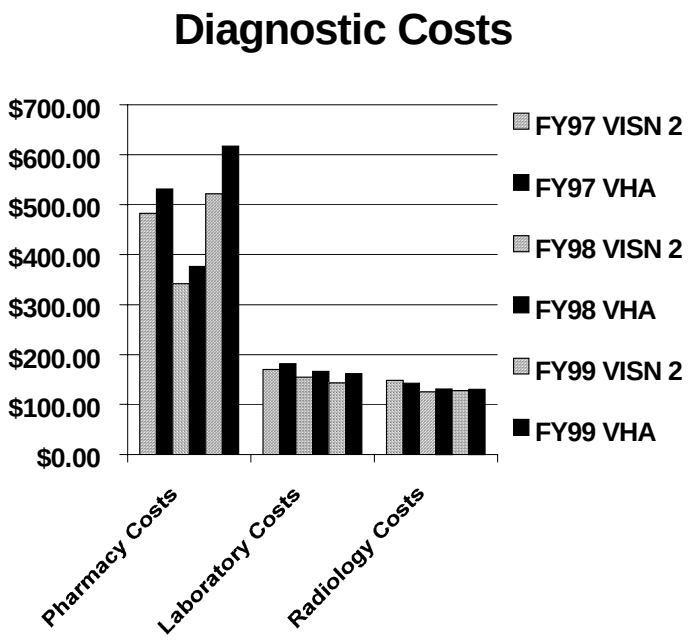
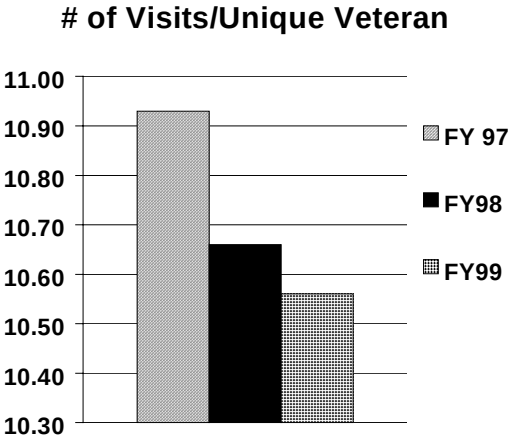


Fig. 7.3l **(Higher is better)**



Note:
The number of visits per unique veteran has steadily decreased from 10.93 in FY97 to 10.56 in FY99.

Fig. 7.3m **(Lower is better)**

Note:
VISN 2 has held clinical risk exposure in check and contained financial loss despite full organizational restructuring.

VISN 2 Tort Claim Risk Compared with VHA Average

Dimension	VISN 2	VHA-wide	Comparison Notes Among 22 Networks
Number of Claims per 1000 Patients Treated	0.2535	0.3625	N2 = 22 Claims 4th lowest rate in Nation 1+ SD below National Average
Dollars Paid per 1000 Patients Treated	$18,093.39	$19,966.71	N2 = $1,872.61/1000 Patients Treated Less than National Average **(9.4% lower)**

Fig. 7.3n **(Higher is better)**

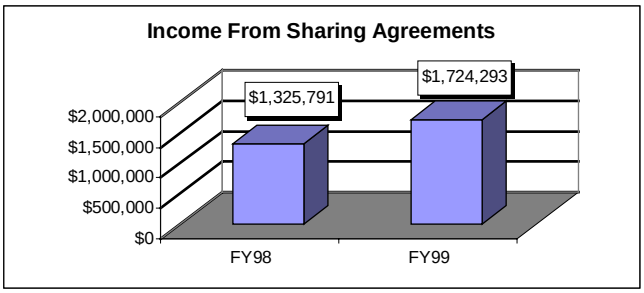
VISN 2 Cost Saving/Avoidance

Practice	FY97	FY98	FY99
Standardization	$10,289	$192,972	$336,896
Consolidated Procurement	$152,842	$1,139,594	$857,502
Equipment	$0	$18,825	$552,026
Reissue of Excess Equipment	$0	$0	$179,956
Total	$163,131	$1,352,391	$1,926,380

Note:
VISN 2 has integrated Acquisition and Materiel Management Services. Through the application of numerous VISN wide approaches, VISN 2 is dramatically reducing costs.

Fig. 7.3o **(Higher is better)**

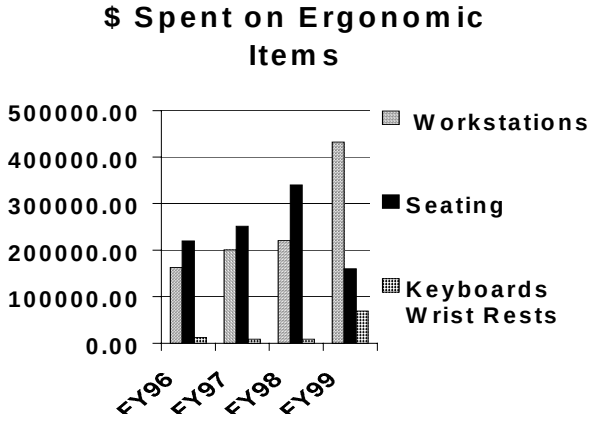
Note: VISN to has grown other sources of revenue with declining MCCF revenues.



CATEGORY 7: RESULTS

7.4 Staff and Work System Results

Fig. 7.4a **(Higher is better)**



Note:
VISN 2 has committed greater sums of budget on ergonomic support over time, though has changed the distribution based on need.

Fig. 7.4b **Lower is better)**

Note:
VISN 2 has made steady and significant reductions in lost time claims over time. This is a positive offset when contrasted with the increase in workload and decrease in staff

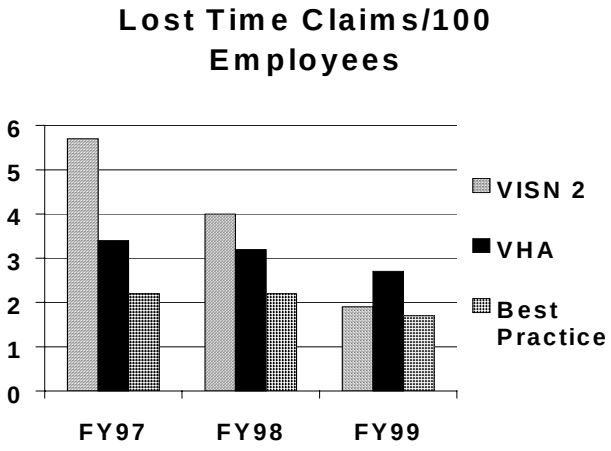
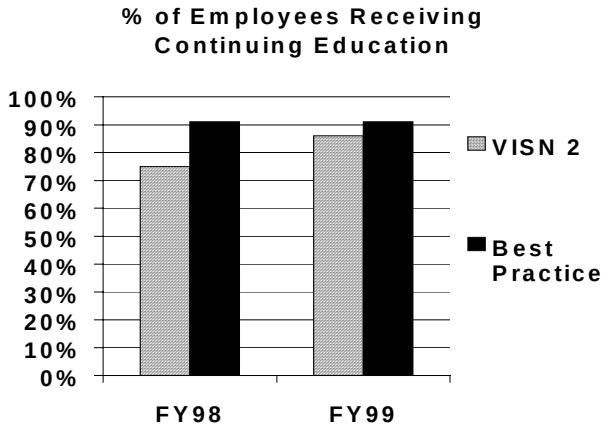


Fig. 7.4c **(Higher is better)**



Note:
Only 2 years of data available. VISN 2 shows improvement, approaching best practice, as it supports a competent workforce.

Fig. 7.4d **(Lower is better)**

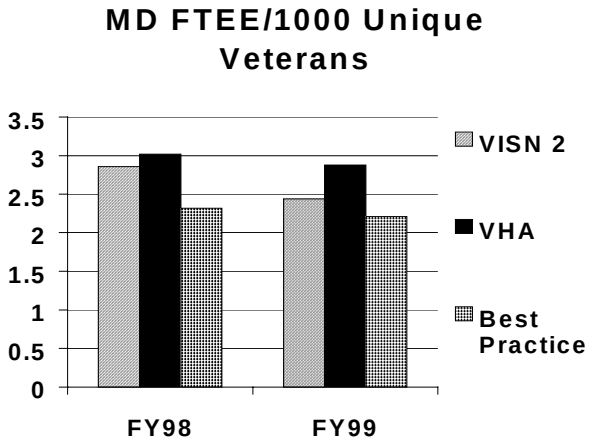


Fig. 7.4e **(lower is better)**

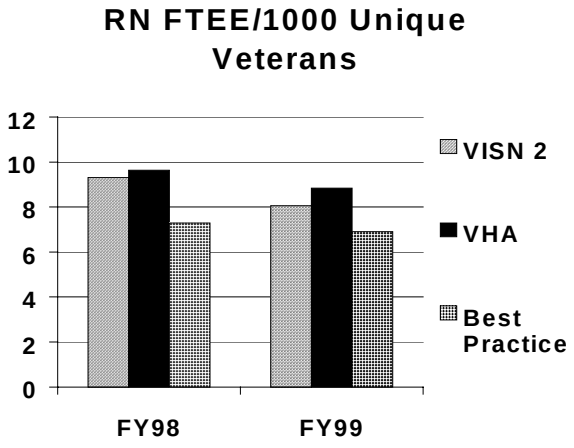
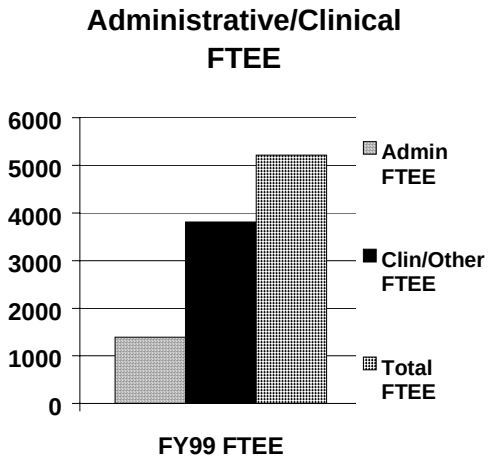
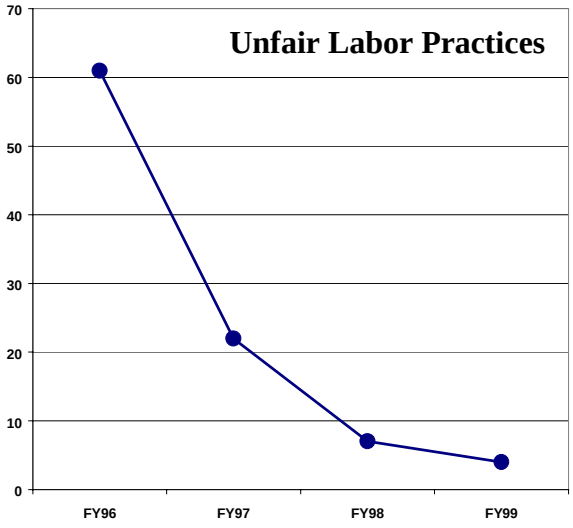


Fig 7.4f **(Staff mix)**



Note: (Ref. 7.4d-e-f)
Only 2 years of data available. VISN 2 has found efficiencies in the professional workload without sacrificing quality. VISN 2 is near the best practice level among VISNs. Clinical is more than two thirds of the workforce.

Fig. 7.4g **(Lower is better)**

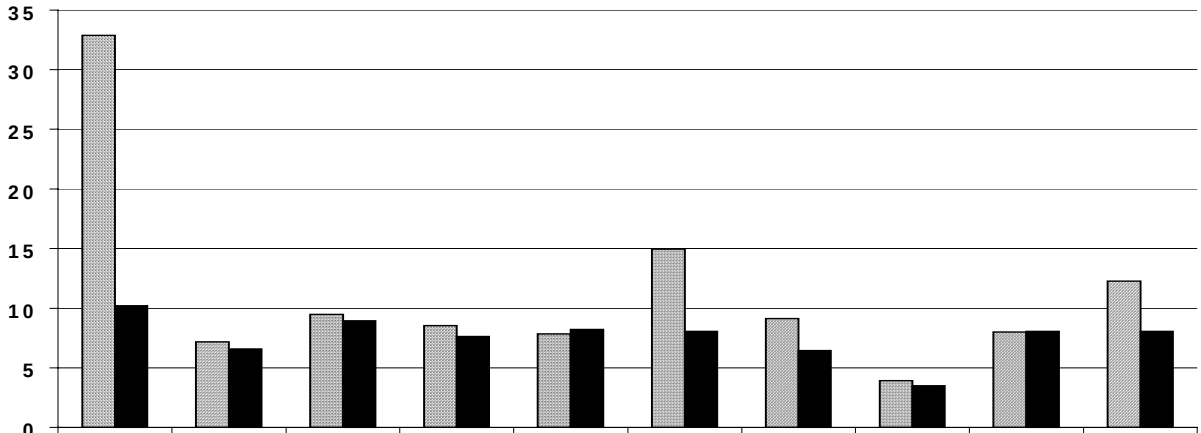


Note:
Despite restructuring, VISN has lowered its number of unfair labor practices significantly over the last four years, largely due to partnership activities and predecisional involvement of labor in VISN 2.

CATEGORY 7: RESULTS

7.5 Trends of Organization Specific Results

Fig. 7.5a **(lower is better)**



	Psychoses	Alc/Drug Abuse	Pneum	Heart Failure	COPD	Alc/Drug Abuse-CC	Neuroses	Angina Pectoris	GI Hem	Depress
FY98	32.88	7.17	9.47	8.55	7.84	14.94	9.12	3.92	7.98	12.26
FY99	10.2	6.56	8.96	7.61	8.24	8.04	6.44	3.48	8.05	8.04

Note: This graph shows that VISN 2 has shown improvement over time the lengths of stay for all but one of its Top 10 Diagnostic Related Groups (DRGs).

Fig. 7.5b (Higher is better)

Note:
There is only one chronological point of comparison for VISN 2 since becoming a VISN. In 1997 VISN 2 exceeded both the VA-wide and the private sector national JCAHO Accreditation scores.

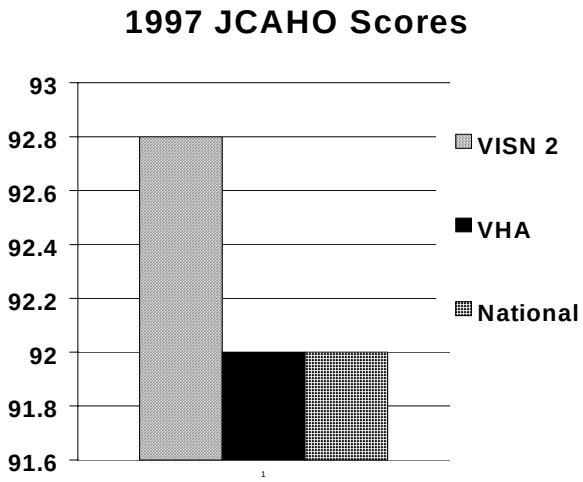


Fig. 7.5c (**Higher is better**)

Note:
Quickcard has nothing with which to compare. However, fir the first three quarters it was conducted across the VISN, the "great" and "Good" rating represent 90% of the ratings.

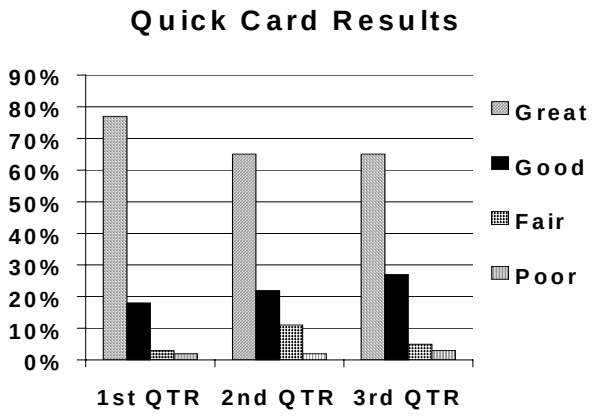
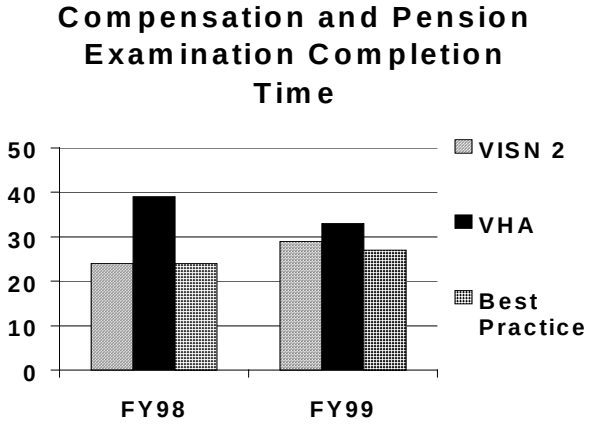


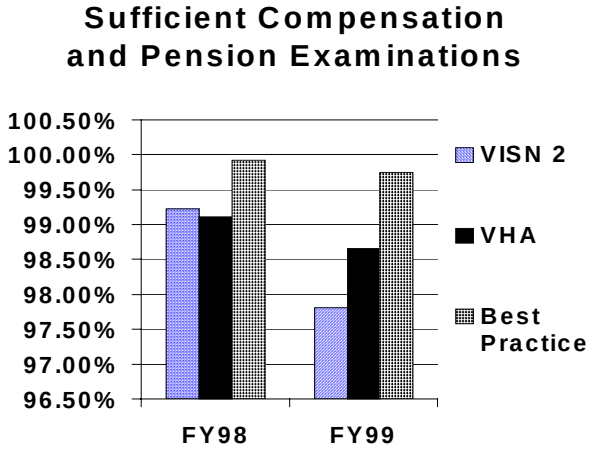
Fig. 7.5d (**lower is better**)



Note:
VISN 2 stays below the VA-wide average in number of days, near the best practice.

Fig. 7.5e (**higher is better**)

Note:
The sufficiency rates run very high across the board despite appearance of graph. Plots are in the high 90s. None the less VISN 2 may have suffered some from rapid growth



Attachment A: Performance Management Approach

APPENDIX 1

Fig. A

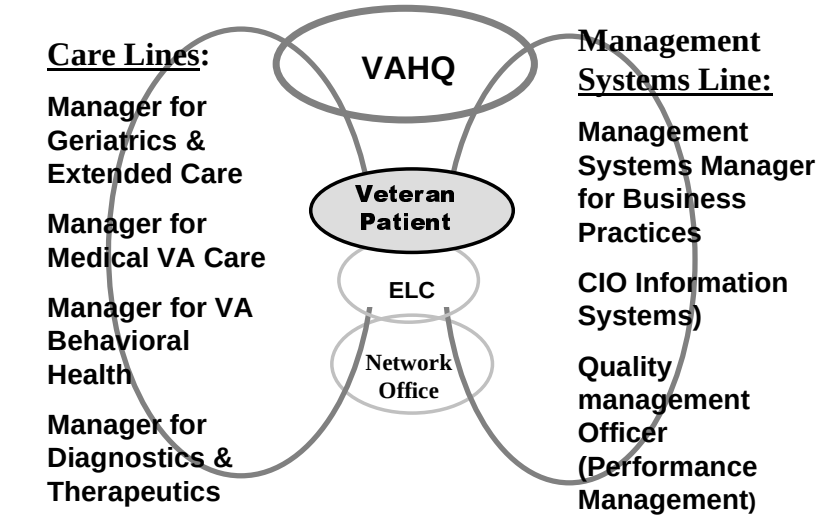


Figure A depicts the functional matrix of VISN 2's Care and Management Systems Lines and the VISN's internal and external relationships with its primary customer and VA hierarchy.

Fig. B

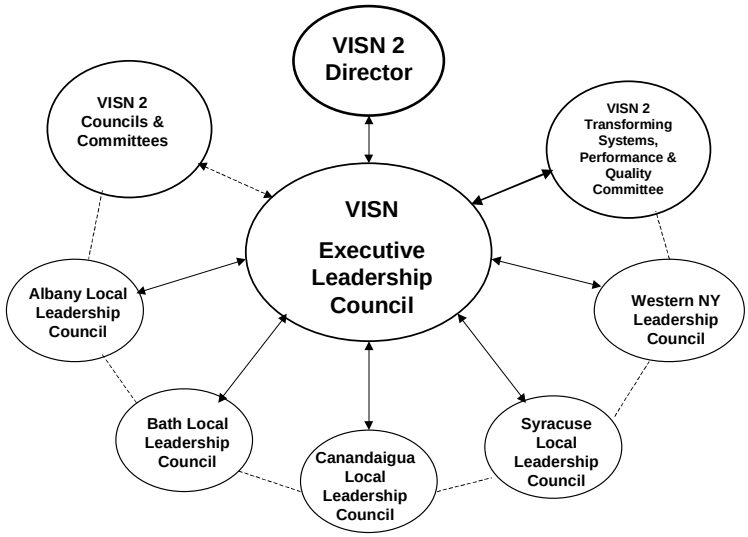


Figure B depicts the operational configuration of the VISN 2 system of Committees and Councils that are employed to manage, direct, deploy and improve care and service. Dotted lines represent free interaction whereas solid lines represent more formal approving linkages.