



Highlights of GAO-03-10, a report to the Chairman, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, Committee on Government Reform, U.S. House of Representatives

Why GAO Did This Study

Encouraging a clearer and closer link between budgeting and planning is essential to improving federal management and instilling a greater focus on results. Through work at various levels within the organization, this report on the Veterans Health Administration (VHA)—and its two companion studies on the Administration on Children and Families (GAO-03-09) and the Nuclear Regulatory Commission (GAO-03-258)—documents (1) what managers considered successful efforts at creating linkages between planning and performance information to influence resource choices and (2) the challenges managers face in creating these linkages.

MANAGING FOR RESULTS

Efforts to Strengthen the Link Between Resources and Results at the Veterans Health Administration

What GAO Found

VHA's budget formulation and planning processes are centrally managed, but are not closely linked. Resource distribution to VHA's health care networks is mostly formulaic, determined primarily by the distribution of the veterans being served. VHA offices involved in budget formulation and strategic planning provide guidance to health care networks in developing their financial and strategic plans.

Integrating performance information into resource allocation decisions is apparent at the health care network level during budget execution. Health care network managers told us that they use an internal data system as a tool to decide how to allocate resources to their facilities and programs. They also use various communication methods to share information on performance measures, and are held responsible for meeting those measures.

Network managers provided specific examples where performance information influenced their resource allocation decisions. For example, one performance target specifies that all diabetic veterans are expected to receive retinal eye exams. An ophthalmologist must interpret the results of such an exam; however, most outpatient clinics do not have the resources to maintain an ophthalmologist on staff. One network invested in machines that record test results and transmit them to an ophthalmologist at another location, thereby increasing the network's capacity for meeting this performance target.

While budget and performance integration has improved, VHA managers still face additional challenges. VHA's budgeting and planning processes are not directly linked, but VHA officials noted that steps are being taken to better integrate them. Also, VHA does not use the most complete information available when making resource allocation decisions to its health care networks, so the link between resources and results could be improved.

www.gao.gov/cgi-bin/getrpt?GAO-03-10.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Paul Posner at (202) 512-9573 or PosnerP@gao.gov.