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United States Government Accountability Office
Washington, DC 20548

April 30, 2008

The Honorable Daniel K. Akaka
Chairman
Committee on Veterans' Affairs
United States Senate

Subject: *VA and DOD Health Care: Progress Made on Implementation of 2003 President's Task Force Recommendations on Collaboration and Coordination, but More Remains to Be Done*

Dear Mr. Chairman:

Improving collaboration and health resource sharing between the Department of Veterans Affairs (VA) and the Department of Defense (DOD) has been the focus of numerous efforts by Congress and the executive branch for more than two decades. In 1982, Congress passed the Veterans' Administration and Department of Defense Health Resources Sharing and Emergency Operations Act (Sharing Act), which authorized VA and DOD health care facilities to partner and enter into sharing agreements to buy, sell, and barter medical and support services.¹ Since then, Congress has passed additional legislation to continue to promote VA and DOD health resource sharing.² However, in previous work we have pointed out continuing barriers to such efforts, including incompatible computer systems that affect the exchange of patient health information, inconsistent reimbursement and budgeting policies, and burdensome processes for approving agreements between the departments.³

On May 28, 2001, the President established the 15-member President's Task Force to Improve Health Care Delivery for Our Nation's Veterans. The task force's mission was to identify ways to improve coordination and sharing between VA and DOD in order to improve health care for servicemembers and veterans.⁴ The task force reviewed barriers and challenges in several areas related to coordination, including leadership, transition to veteran status, and improving quality of health care. In May 2003, it made recommendations to VA and DOD to increase collaboration and coordination between the two departments to improve health care

¹Pub. L. No. 97-174, 96 Stat. 70 (1982); Senate Report 97-137. Before the Sharing Act was passed in 1982, VA and DOD health care facilities—many of which were in close or joint locations—operated virtually independently of each other.

²See the Bob Stump National Defense Authorization Act for Fiscal Year 2003 under which VA and DOD were required to develop a joint strategic plan and incorporate the joint goals and strategies into each department's strategic and performance plans. Pub. L. No. 107-314, § 721, 116 Stat. 2458, 2589-2595 (2002) (codified as amended at 38 U.S.C. § 8111).

³See Related GAO Products at the end of this report.

⁴Exec. Order No. 13,214, 66 Fed. Reg. 29,447 (May 31, 2001).

delivery.⁵ The task force also recommended that the administration take action through the Department of Health and Human Services (HHS) to help improve VA and DOD collaboration, and that Congress take additional action to improve such collaboration. Other more recent task force and commission reports have voiced similar concerns and identified more areas for improvement. These reports include the 2007 Task Force on Returning Global War on Terror Heroes report,⁶ the 2007 President’s Commission on Care for America’s Returning Wounded Warriors “Dole-Shalala report,”⁷ and the 2007 Veterans’ Disability Benefits Commission report.⁸

You asked us to examine the status of VA and DOD’s efforts in implementing the 2003 task force recommendations. Specifically, this report describes the extent to which VA and DOD have implemented the recommendations of the 2003 President’s Task Force to Improve Health Care for Our Nation’s Veterans related to collaboration and coordination.

The scope of this report is the 20 recommendations in the first four chapters of the task force’s report, which focus on increased collaboration and coordination.⁹ To describe the extent to which VA and DOD have implemented the task force recommendations, we collected information on the departments’ related activities by reviewing documents provided by VA and DOD—including the departments’ written responses to our questions, annual reports, and other documents; interviewing department officials; reviewing related task force and commission reports; and reviewing our prior work on related subjects. We examined information provided by VA and DOD officials and compared information provided by the departments with relevant findings from our prior reports. Although some of the task force recommendations had multiple parts, we considered each recommendation as a whole, rather than addressing a recommendation’s parts individually. A few recommendations contained deadlines that have lapsed, and we have described the departments’ actions to date without consideration of these deadlines. We conducted our work from July 2007 through April 2008 in accordance with generally accepted government auditing standards.

In summary, we found that VA and DOD have made progress in implementing the task force recommendations, but more remains to be done to fully implement all task force recommendations. Seven of the recommendations have been fully implemented and 11 have been partially implemented. We could not determine the status of 1 because of insufficient information, and 1 does not require VA or DOD action.

⁵*President’s Task Force to Improve Health Care Delivery for Our Nation’s Veterans* (May 26, 2003).

⁶*Task Force on Returning Global War on Terror Heroes* (Washington, D.C.: Apr. 19, 2007).

⁷*Serve, Support, Simplify: Report of the President’s Commission on Care for America’s Returning Wounded Warriors* (July 30, 2007).

⁸*Honoring the Call to Duty: Veterans’ Disability Benefits in the 21st Century, Veterans’ Disability Benefits Commission* (Washington, D.C.: Oct. 3, 2007).

⁹The remaining chapter, “Timely Access to Health Services and the Mismatch between Demand and Funding,” includes three recommendations that are not included in our scope. The recommendations in this chapter focus on congressional appropriations and related actions rather than department activities.

- **Fully implemented.** Four out of the seven recommendations we found to be fully implemented have been carried out through the Joint Executive Council (JEC), an interagency leadership committee of VA and DOD officials.¹⁰ The JEC issues annual reports on its activities, has developed joint health care outcome metrics, and has identified functional areas to reengineer business processes and information technology to enhance care, as recommended. It also regularly uses civilian consultants in its collaborative efforts, as recommended. In addition, the departments have fully implemented three other task force recommendations that address expanding collaboration to collect and maintain data on servicemembers' occupational exposure and hazards; sharing routinely information on servicemembers' assignment history, occupational exposures, and injuries; and conducting continuous health surveillance and research on the long-term health consequences of military service.
- **Partially implemented.** These 11 recommendations address a variety of issues, such as developing interoperable electronic medical records, implementing a mandatory single physical examination when a servicemember is separating from military service, and integrating pharmacy initiatives. The departments have made progress in implementing these recommendations, but have more to do to fully implement them.
- **Unable to determine.** As of April 2008, VA and DOD had not provided sufficient information for us to determine the status of one recommendation. The recommendation requires that the departments address staffing shortfalls, develop consistent clinical scopes of practice for nonphysician providers, and ensure interfacing credentialing systems. We were not able to determine the status of this recommendation because VA and DOD did not provide sufficient information on their efforts to address staffing shortfalls and to develop consistent clinical scopes of practice for nonphysician providers.
- **No action required.** One recommendation requires that the administration direct HHS to declare VA and DOD a single health care system for purposes of facilitating the exchange of health information in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule.¹¹ According to VA, the departments have sufficient authority for data sharing as permitted by HIPAA without becoming one single entity.¹² In addition, VA and DOD have implemented a data-sharing memorandum of understanding (MOU) that outlines agreed-upon authorities for sharing protected health information as permitted by HIPAA.

¹⁰The JEC is co-chaired by the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness, and the membership—which is selected by the co-chairs—consists of senior executives from both VA and DOD.

¹¹The Privacy Rule applies to covered entities and specifies how individually identifiable health data may be used and disclosed by covered entities. See 45 C.F.R. §§ 164.500(a), et seq. (2007). Covered entities are defined in the Privacy Rule as health plans, clearinghouses, and certain health care providers. Both the DOD and VA health care systems are covered entities. See 45 C.F.R. § 160.103 (2007). All covered entities had to comply with the Privacy Rule by April 14, 2003, with the exception of small health plans.

¹²The HIPAA Privacy Rule permits the exchange of health care information between VA- and DOD-covered entities for a number of purposes, including to provide medical treatment, to make payments for health care, and to make VA benefit determinations upon servicemembers' discharge or separation from the armed forces. See 45 C.F.R. §§ 164.506, 164.512(k) (2007).

See table 1 for the implementation status of the task force recommendations. See enclosure I for a detailed description of the recommendations, the implementation status, the actions taken by VA and DOD, and the actions remaining to fully implement the task force recommendations.

Table 1: Status of 2003 President’s Task Force Recommendations Related to VA and DOD Collaboration and Coordination

Recommendation, by type and number		Status
Reporting		
1.1	Require the interagency leadership committee to annually report to VA and DOD Secretaries on task force recommendations and activities	●
Leadership, collaboration, and oversight		
2.1	Broaden the interagency leadership committee charter beyond health care and have the committee consider using civilian consultants for collaboration	●
2.2	Use a joint strategic planning and budgeting process	◐
2.3	Develop joint health care outcome metrics	●
Seamless transition to veteran status		
3.1	Develop interoperable electronic medical records	◐
3.2	Require the administration to direct the Department of Health and Human Services (HHS) to declare that VA and DOD are a single health care system for Health Insurance Portability and Accountability Act (HIPAA) purposes	⊖
3.3	Implement a mandatory single physical examination for servicemembers separating from military service and electronic transmission of separation information	◐
3.4	Facilitate a seamless transition to veteran status	◐
3.5	Collaborate on collecting and maintaining information on servicemember exposure and hazards	●
3.6	Share routinely information on servicemember assignment history, exposure, and injuries	●
3.7	Conduct surveillance and research on long-term health consequences of military service	●
Removing barriers to collaboration		
4.1	Revise health care system organizational structures to improve coordination and enhance care	◐
4.2	Enhance local and regional authority, accountability, and incentives for collaborative health care efforts	◐
4.3	Integrate pharmacy initiatives	◐
4.4	Allow shared patients to obtain prescriptions at both VA and DOD pharmacies	◐
4.5	Standardize medical supplies and equipment identification for joint acquisition	◐
4.6	Identify functional areas where the departments have similar requirements for reengineering business processes and information technology to enhance care	●
4.7	Implement facility lifecycle management practices	◐
4.8	Develop joint policies and lessons learned on joint ventures	◐
4.9	Address staffing shortfalls, develop consistent clinical scopes of practice for nonphysician providers, and ensure interfacing credentialing systems	⊙

Source: GAO analysis of VA and DOD information and President’s task force report.

Legend:

- Fully implemented
- ◐ Partially implemented
- ⊖ No action needed
- ⊙ Unable to determine

We provided draft copies of this report to VA and DOD for review and comment. VA provided written comments and technical comments, and agreed with our findings. DOD provided written comments and agreed with our findings provided that we incorporate technical comments that it provided. We incorporated the agencies' technical comments as appropriate, including comments that changed the implementation status of the task force recommendations, updated information, or provided a clearer understanding of the actions VA and DOD have taken or actions that remain to be taken. VA and DOD comments are reprinted in enclosures II and III, respectively.

We are sending copies of this report to the Secretary of Veterans Affairs and the Secretary of Defense and appropriate congressional committees. We will also make copies available to others upon request. In addition, the report is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (206) 287-4860 or williamsonr@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in enclosure IV.

Sincerely yours,

A handwritten signature in black ink that reads "Randall B. Williamson". The signature is written in a cursive style with a large initial "R".

Randall B. Williamson
Director, Health Care

Enclosures – 4

VA and DOD Actions Taken and Actions Remaining to Fully Implement the 2003 President’s Task Force Recommendations Related to Collaboration and Coordination

Recommendation, by type and number	Status	Action taken	Action remaining
Reporting			
1.1 The interagency leadership committee should, on an annual basis, report to the Secretaries on the status of implementing its collaboration and sharing initiatives and the recommendations in this Final Report, together with any other matters that the committee deems appropriate. Within 60 days after receipt, the Secretaries shall transmit the report, together with any related comments, to the President.	●	The VA/DOD Joint Executive Council (JEC), first established as the interagency leadership committee in 2002, ^a issues an annual report describing progress on VA and DOD collaborative efforts. According to DOD, the JEC annual report is consistent with the President’s task force recommendations in that it addresses the same key issues.	None.
Leadership, collaboration, and oversight			
2.1 Congress should amend the fiscal year 2003 National Defense Authorization Act to create a broader charter beyond health care for the interagency leadership committee. Additionally, consideration should be given to using civilian experts as consultants to the committee to bring in new perspectives regarding collaboration and sharing.	●	Congress expanded the scope of the JEC to benefits and services, generally, through the National Defense Authorization Act (NDAA) for Fiscal Year 2004. ^b VA and DOD have used civilian experts as consultants in many areas—for example, a JEC working group consulted with a civilian company on information systems and technology. VA and DOD officials also told us that they will be using civilian subject matter experts to assist each of the JEC working groups in developing performance measures and targets for the Joint Strategic Plan (JSP).	None.
2.2 The departments should consistently utilize a joint strategic planning and budgeting process for collaboration and sharing to institutionalize the development of joint objectives, strategies, and best practices, along with accountability for outcomes.	●	The JEC has developed a new JSP each year since 2003. The JSP is reviewed, updated as necessary, and included in the annual JEC report. According to DOD, the JSP outlines actionable objectives, assigns accountability, and establishes performance targets. In addition, VA told us that the departments recently held a joint budget review under the auspices of the Senior Oversight Committee (SOC) in order to determine budgetary needs associated with recommendations and statutory requirements related to collaboration activities. Further, according to VA, the departments will periodically review joint collaboration requirements and associated budgets in order to ensure recommendations and statutory requirements are met.	VA and DOD are not utilizing a joint budgeting process, as recommended by the task force. According to the departments, they do not have legal authority to submit joint budgets. Instead, VA and DOD have begun other efforts to align their health care budgets that could facilitate fully implementing this recommendation.

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Recommendation, by type and number	Status	Action taken	Action remaining
<p>2.3 The departments should jointly develop metrics (with indicated accountability) that measure health care outcomes related to access, quality, and cost as well as progress toward objectives for collaboration, sharing and desired outcomes. In the annual report prescribed in recommendation 1.1, the interagency leadership committee should include these results and discuss the coming year's goals.</p>	●	<p>VA and DOD have jointly developed metrics to measure health care outcomes related to access, quality, and cost, as well as progress toward objectives for collaboration, sharing, and desired outcomes. Such metrics are included in the JSP, which consists of six strategic goals accompanied by performance expectations, measurements, and timelines.^c Progress is reported in the JEC annual report, and according to the departments, also at bimonthly Health Executive Council (HEC) and Benefits Executive Council meetings and quarterly JEC meetings.</p>	None.
Seamless transition to veteran status			
<p>3.1 VA and DOD should develop and deploy by fiscal year 2005 electronic medical records that are interoperable, bidirectional, and standards-based.</p>	●	<p>Outpatient pharmacy and drug allergy data, but not other health care data, are currently electronic, interoperable, bidirectional, and standards-based. This computable information is exchanged for shared patients at seven sites via the interface between the DOD Clinical Data Repository and the VA Health Data Repository known as CHDR. VA and DOD are also sharing health data through other initiatives in which the data are not computable. For example, the Bidirectional Health Information Exchange (BHIE), now operational at all VA and DOD sites, does not enable the exchange of data but allows clinicians in both departments to view selected medical data on screen in real time. With BHIE, the clinicians can view outpatient pharmacy data, allergy information, radiology reports, surgical pathology reports, microbiology results, cytology reports, laboratory orders, chemistry and hematology reports, and at some sites, inpatient discharge summaries and/or emergency room notes. The departments have teamed to develop the Joint DOD/VA Information Interoperability Plan, targeted for approval in August 2008, to guide the development and implementation of an interoperable, bidirectional, and standards based electronic health record capability for military and veteran beneficiaries.</p>	<p>The departments are not able to exchange all health care data as computable medical records that are interoperable, bidirectional, and standards-based, as recommended by the task force. Further, they have not developed a comprehensive project plan with a completion date, which would guide their efforts until the goal of the comprehensive, seamless exchange of electronic medical records is achieved.^{d,e}</p>
<p>3.2 The administration should direct HHS [the Department of Health and Human Services] to declare the two departments to be a single health care system for purposes of implementing HIPAA [the Health Insurance Portability and Accountability Act] regulations.</p>	○	<p>According to VA, the departments have sufficient authority for data sharing as permitted by HIPAA without becoming a single entity.^f In addition, VA and DOD have implemented a data-sharing memorandum of understanding (MOU) that outlines agreed-upon authorities for sharing protected health information as permitted by HIPAA. VA and DOD officials also told us that the departments are sharing data at an unprecedented level and are continuing to expand shared access to data.</p>	None.

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Recommendation, by type and number	Status	Action taken	Action remaining
<p>3.3 The departments should implement by fiscal year 2005 a mandatory single separation physical as a prerequisite of promptly completing the military separation process. Upon separation, DOD should transmit an electronic DD214 [military discharge document] to VA.</p>	<p>●</p>	<p>VA and DOD have established procedures for single separation physical examinations and methods to monitor their conduct. However, as we noted in a November 2004 report, the agencies face challenges in expanding use of single separation physicals, such as lack of requirements for separation physical examinations in all services and lack of resources.⁹ In comments on our November 2004 report, DOD identified problems with DOD-VA electronic data interchange as a barrier to better monitoring of single separation physicals. Recently enacted legislation mandates joint DOD-VA processes, procedures, and standards for transition of recovering servicemembers from DOD to VA, including a process for single separation physical examinations.^h</p> <p>DOD and VA are piloting a joint disability evaluation process, including a single physical examination. For pilot participants, this examination is also intended to serve as the single separation examination.</p> <p>According to DOD officials, the Defense Integrated Military Human Resources System (DIMHRS) is being developed to provide the electronic, computable interface between VA and DOD systems for transmittal and use of an electronic DD214. As of February 2008, DIMHRS has not been deployed. Plans are for the Army to start using DIMHRS in late 2008. The Air Force is planning to begin using DIMHRS in early 2009. The Navy and Marine Corps will start using DIMHRS at a date to be determined.</p>	<p>VA and DOD have not fully implemented a mandatory single separation physical examination for all servicemembers completing their military service, which would be facilitated by developing the mandated transition process.</p> <p>The departments have also not fully implemented a process for transmitting computable electronic DD214s from DOD to VA, as DOD has not completed the development of DIMHRS to transmit the information electronically.</p>

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Recommendation, by type and number	Status	Action taken	Action remaining
<p>3.4 VA and DOD should expand the one-stop shopping process to facilitate a more effective seamless transition to veteran status. This process should provide, at a minimum: (1) a standard discharge examination suitable to document conditions that might indicate a compensable condition; (2) full outreach; (3) claimant counseling; (4) when appropriate, referral for a compensation and pension examination and follow-up claims adjudication and rating.</p>	●	<p>For a discussion of the single separation physical examination issue, see recommendation 3.3.</p> <p>Under the Transition Assistance Program and Disabled Transition Assistance Program, VA provides job-search, employment, education, and VA benefits information. In fiscal year 2007, VA conducted over 8,000 briefings to almost 300,000 servicemembers.</p> <p>According to VA, the department has stationed personnel at major military treatment facilities (MTF) to help wounded servicemembers as they transition from military to civilian life. These include personnel to help servicemembers apply for VA disability benefits. Under the DOD-VA disability evaluation pilot, DOD Physical Evaluation Board Liaison Officers and VA Military Service Coordinators are tasked to assist servicemembers during the disability evaluation process. In addition, VA has hired and trained eight Federal Recovery Coordinators, as recommended by the Dole-Shalala Commission, to help assist wounded, ill, and injured servicemembers at three DOD medical facilities.</p> <p>Under its Benefits Delivery at Discharge (BDD) program, VA takes disability claims from servicemembers prior to discharge and begins to process them. VA and DOD have agreements to take such claims at about 140 sites. According to VA, of all original disability compensation claims filed within 1 year of discharge, 53 percent were filed prior to discharge at BDD sites. Under the DOD-VA disability evaluation pilot, VA is taking claims from servicemembers early in the DOD evaluation process.</p>	<p>VA and DOD have not expanded the one-stop shopping process to create a seamless transition to veteran status for all veterans, as recommended by the task force.</p> <p>The streamlined process currently being piloted has the potential to expedite VA claims processing, with VA taking claims and making disability rating decisions for some servicemembers prior to discharge.¹ While DOD and VA plan to expand the pilot beyond its current sites, they have not developed expansion criteria. Also, their evaluation plans do not have some key elements, including an approach for measuring pilot performance against the current process.</p>
<p>3.5 VA and DOD should expand their collaboration in order to identify, collect, and maintain the specific data needed by both departments to recognize, treat, and prevent illness and injury resulting from occupational exposures and hazards experienced while serving in the Armed Forces; and to conduct epidemiological studies to understand the consequences of such events.</p>	●	<p>DOD collects pre- and post-deployment health assessments from each servicemember on overall physical and mental health, injuries, and possible environmental or occupational exposures. DOD routinely shares this information with VA for the diagnosis and care of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) servicemembers. DOD also collects and monitors air, soil, and water samples where troops are deployed. These and other shared information are used for cooperative medical care and research efforts. DOD has made progress in improving collection and reporting of health information as part of its health quality assurance program, including standardizing, documenting, and auditing its efforts.</p> <p><i>(See action taken on recommendation 3.7 for information on epidemiological studies.)</i></p>	None.

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Recommendation, by type and number	Status	Action taken	Action remaining
3.6 By fiscal year 2004, VA and DOD should initiate a process for routine sharing of each servicemember's assignment history, location, occupational exposure, and injuries information.	●	Since 2005, DOD has sent VA monthly electronic health assessment and assignment information on deactivated or separated servicemembers. The assessment data include assignment history, location, occupational exposure, and injuries. In addition, DOD routinely sends VA data on servicemembers deployed to OEF/OIF and on those who have entered DOD's physical evaluation process, which is used to determine disability status. The Information Management/Information Technology Working Group of the HEC continues efforts to improve medical data sharing.	None.
3.7 The department should: (1) add an ex officio member from VA to the Armed Forces Epidemiological Board and to the DOD Safety and Occupational Health Committee; (2) implement continuous health surveillance and research programs to identify the long-term health consequences of military service in high-risk occupations, settings, or events; and (3) jointly issue an annual report on force health protection, and make it available to the public.	●	<p>An ex officio member from VA was added to the Defense Health Board (formerly the Armed Forces Epidemiological Board) and the DOD Safety and Occupational Health Committee.</p> <p>VA and DOD conduct health surveillance and research using data collected on high-risk occupations, settings, and events through pre- and post-deployment health assessments. Data collected by DOD are also used to monitor air, soil, and water samples from each deployment location for health surveillance and research. VA and DOD, along with HHS, funded medical surveillance initiatives and long-term research projects related to OIF/OEF deployment and illnesses in veterans of the 1991 Gulf War. For example, VA and DOD collaborated on epidemiological projects related to exposure to depleted uranium and chemical warfare agents. VA and DOD also developed an inventory of 432 medical research projects on the health of deployed servicemembers and veterans that is updated annually.</p> <p>VA and DOD officials told us that the Deployment Health section of the JEC annual report, available online, serves as the force health protection report.</p>	None.
Removing barriers to collaboration			
4.1 The Secretaries of Veterans Affairs and Defense should revise their health care organizational structures in order to provide more effective and coordinated management of their individual health care systems, enhance overall health care outcomes, and improve the structural congruence between the two departments.	●	<p>VA and DOD officials told us that the JEC and the SOC provide more effective and coordinated management of the departments' individual health care systems and that they do not believe revising health care organizational structures would necessarily improve coordination. The SOC was established in 2007 to bring high-level attention to addressing problems with the care and services for servicemembers returning from OEF/OIF.^j According to VA and DOD officials, the SOC is expected to disband by the end of 2008 or early 2009, and responsibilities for VA and DOD collaboration will shift to the JEC.</p>	VA and DOD have not revised their health care organizational structures to improve structural congruence between the two departments. The departments are relying on the JEC and the SOC to coordinate efforts between their individual health care systems.

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Recommendation, by type and number	Status	Action taken	Action remaining
<p>4.2 The Secretaries of Veterans Affairs and Defense, based on the recommendations of the interagency leadership committee, should provide significantly enhanced authority, accountability, and incentives to health care managers at the local and regional levels in order to enhance standardized and collaborative activities that improve health care delivery and control costs.</p>	<p>●</p>	<p>The departments provided leadership and authority for local and regional health care managers to enhance collaboration, improve health care delivery, and control costs. VA states that it has provided accountability and incentives for local and regional managers through performance plans and appraisals and scoring factors for shared capital investment projects. DOD states that it has also eliminated some financial disincentives for collaboration for local MTF managers. In addition, the departments had 504 direct sharing agreements covering 2,090 unique services in fiscal year 2006.</p> <p>The departments have also implemented the ongoing DOD-VA Health Care Sharing Joint Incentive Fund (JIF), to identify, provide incentives to, implement, fund, and evaluate creative coordination and sharing initiatives at the facility, regional, and national levels.^k Federal law requires that VA and DOD each contribute a minimum of \$15 million (\$30 million total) into this fund annually. With these funds, VA and DOD had approved and funded 47 projects as of February 2007. In addition, 7 demonstration projects were implemented to evaluate the success of joint projects and share lessons learned with other sites.</p>	<p>VA and DOD have not demonstrated how they have provided either accountability or system-wide incentives for local and regional health care managers in support of collaboration, as recommended by the task force.</p>
<p>4.3 VA and DOD should integrate clinical pharmacy initiatives through the coordinated development of: (1) a national joint core formulary; and (2) a single, common clinical data screening tool by fiscal year 2005 that ensures reliable, electronic access to complete pharmaceutical profiles for VA/DOD dual users across both systems.</p>	<p>●</p>	<p>VA and DOD do not accept that a national joint core formulary is needed. As an alternative, they had awarded 77 joint national contracts for medications as of the first three quarters of fiscal year 2007 and continue to evaluate 24 additional drugs for joint contracts.</p> <p>VA and DOD's CHDR allows real-time bidirectional exchange of electronic pharmacy and drug allergy data for shared patients at seven sites. This enables them to share a common pharmaceutical clinical data screening tool, including computable data that allow both departments' systems to screen for potential drug interactions and allergies. VA and DOD officials plan to have CHDR available at all sites by summer 2008.</p> <p>The Pharmacy Re-engineering Project is under development and a joint team is working to improve the percentage of pharmacy data that can be exchanged for shared patients. Both departments have adopted a standard for exchanging medication-allergy data.</p>	<p>The DOD Uniform Formulary, created under regulations issued pursuant to the DOD pharmacy statute,^l prevents DOD from participating in a joint formulary with VA, as recommended by the task force. As an alternative, the departments will continue to collaborate on formulary decisions and expand joint pharmaceutical purchases.</p> <p>The departments have not yet fully implemented a clinical data screening tool and electronic pharmaceutical profiles for all shared patients, as recommended by the task force. To do so, VA and DOD are continuing their efforts to expand CHDR to all sites.^m</p>

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Recommendation, by type and number	Status	Action taken	Action remaining
4.4 VA and DOD should collaborate on policy and program changes, through local sharing arrangements, which would permit prescriptions written by either VA or MTF providers to be filled for dual users by the other department's pharmacies.	●	According to the departments, DOD is able to fill prescriptions from any physician, including VA providers, for all shared patients at MTFs, retail network pharmacies, or TRICARE mail-order pharmacy programs. VA will fill prescriptions for shared patients who are using VA providers, and may fill prescriptions written by non-VA providers in rare circumstances. In some locations, VA and DOD have local sharing agreements allowing prescriptions for shared patients to be filled at VA pharmacies.	VA does not always fill prescriptions for shared patients, as recommended by the task force, because its regulations do not permit VA to do so. ⁹
4.5 VA and DOD should work with industry to establish a uniform methodology for medical supplies and equipment identification and standardization and to facilitate additional joint contracting initiatives. VA and DOD should identify opportunities for joint acquisitions in all areas of products and services.	●	VA and DOD have worked with industry to standardize identification data for medical supplies and equipment through the HEC, and according to DOD, the departments will continue to work with industry and follow industry recommendations. For example, initial results released in September 2007 for a health care industry pilot demonstrated that the Global Data Synchronization Network (GDSN) has the potential to work for the health care industry, and industry leaders have recommended the GDSN as an industry-wide information sharing solution. In addition, according to VA, the departments have developed their own joint Medical/Surgical Product Data Bank as part of their JIF-funded joint data synchronization project. Also through the HEC, VA and DOD have rechartered the Acquisition and Medical Material Working Group to identify more ways to collaboratively acquire health care commodities and services.	VA and DOD have not fully established a uniform methodology for medical supplies and equipment identification and standardization, as recommended by the task force. Their continued work with industry could facilitate their efforts on this recommendation. In addition, VA and DOD have not demonstrated that they have identified opportunities for joint acquisitions in all areas of products and services, as recommended by the task force, though the rechartered working group may have the potential to do so.
4.6 The interagency leadership committee should identify those functional areas where the departments have similar information requirements so that they can work together to reengineer business processes and information technology in order to enhance interoperability and efficiency.	●	VA and DOD have identified functional areas and included them in the JSP. For example, the fiscal year 2004 JSP states as part of Goal 2 that VA and DOD will collaborate on internal and external reporting systems for patient safety. Goals 3, 4, and 5 of the fiscal year 2004 JSP present information about goals directed to the seamless coordination of benefits, integrated information sharing, and efficiency of operations, respectively. Functions identified within these goals include health information technology; health clinical data sharing, such as in-patient assessments; imaging; laboratory data sharing; and delivery of benefits.	None.

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Recommendation, by type and number	Status	Action taken	Action remaining
<p>4.7 VA and DOD should implement facility lifecycle management practices on an enterprise-wide basis. This should be accomplished by aligning business rules, eliminating statutory barriers, and adopting best practices.</p>	<p>●</p>	<p>In 2003, the JEC established the VA-DOD Construction Planning Committee (CPC) that provides a formalized structure to facilitate collaboration and coordination in achieving an integrated approach to capital coordination that considers both short-term and long-term strategic capital issues. The CPC was charged with providing oversight to ensure that collaborative opportunities for joint capital asset planning are maximized, and provides the final review and approval of all joint capital asset initiatives recommended by any element of the JEC structure. Under the CPC framework, collaborative efforts have been initiated for aligning business rules, eliminating statutory barriers, and identifying best practices for VA and DOD.</p> <p>For example, according to VA and DOD, the two departments have begun to share planning documents for major construction projects to determine those with collaborative potential and explore methods to ensure high potential projects are fully considered and included in both departments' capital investment processes. In addition, DOD adopted VA's capital investment methodology and adapted its analytical process for evaluating, prioritizing, and ranking major construction projects. VA, in turn, adopted DOD's facilities sustainment model to standardize the process for estimating funding levels for sustaining its capital assets portfolio. VA and DOD now use the same planning platform to develop projects, thus making future collaborative opportunities easier to define requirements.</p>	<p>VA and DOD have not demonstrated that they have implemented facility lifecycle management practices on an enterprise-wide basis, as recommended by the task force.</p>

Enclosure I

Recommendation, by type and number	Status	Action taken	Action remaining
<p>4.8 VA and DOD should declare that joint ventures are integral to the standard operations of both departments. Through the interagency leadership committee, the departments should articulate policy requiring that: (1) all major initiatives of each department be designed and tested for effectiveness and suitability in joint venture sites; (2) lessons learned from successful joint ventures be shared with other joint venture sites and also throughout the health care delivery systems of the two departments; and (3) all proposed VA and DOD facility construction within a geographic area be evaluated as a potential joint venture.</p>	●	<p>In 2005, DOD issued a policy directive that assigned responsibilities and prescribed procedures for the development and operation of DOD-VA health care resource sharing agreements. The directive also defined joint ventures and discussed departmental policy on joint ventures, among other things.</p> <p>In 2005, 2006, and 2007, VA and DOD sponsored annual conferences to bring together leadership from all joint venture sites to share lessons learned.</p> <p>In 2006, VA established a Joint Venture Proposals Working Group to develop criteria for evaluating joint venture proposals at the department level and a communications strategy for use during joint venture negotiations. VA issued the criteria and communications strategy in a handbook in November 2007. The handbook details departmental policy on joint ventures, defines joint ventures, and identifies the process for reviewing and approving joint venture proposals, among other things.</p> <p>VA and DOD have also established a Joint Market Opportunities Work Group to examine the existing VA-DOD joint ventures and the potential for additional joint ventures. In the first phase of its review, the working group studied all eight existing VA-DOD joint venture sites to identify best practices, lessons learned, and challenges. The working group reported the findings from the first phase of its review to the JEC in January 2008. In the second phase of its review, the working group plans to assess potential opportunities for colocation and comanagement of VA-DOD facilities. The working group has identified some locations to study and expects to report its findings from the second phase to the JEC in July 2008.</p>	<p>VA and DOD have not fully developed and implemented joint policies that state that joint ventures are integral to the standard operations of both departments or ensure that all major initiatives of each department are designed and tested for the effectiveness and suitability in joint venture sites, as recommended by the task force.</p>
<p>4.9 VA and DOD should work together to identify and address staffing shortfalls, develop consistent clinical scopes of practice for nonphysician providers, and ensure that their provider credentialing systems interface with each other.</p>	◎	<p>VA and DOD piloted a credentialing interface that was shown to be technically feasible, but both departments told us that the time and money required to support and maintain a mutual electronic credentialing system was not warranted as the number of credentialed providers working in both VA and DOD facilities is too small to justify the expenditure. The interface is no longer in use, but according to VA, it may be reestablished if it is needed in the future.</p>	<p>We are unable to determine what remains to be done to fully implement this recommendation, because VA and DOD have not provided sufficient information to determine the status of their progress on addressing staffing shortfalls or on developing consistent clinical scopes of practice for nonphysician providers.</p>

Source: GAO analysis of VA and DOD information and President's task force report.

Legend:

- Fully implemented
- Partially implemented
- No action needed
- ◎ Unable to determine

Enclosure I

^aIn accordance with the Bob Stump National Defense Authorization Act for Fiscal Year 2003, Pub. L. No. 107-314, § 712(a), 116 Stat. 2590. The JEC was originally called the DOD-VA Health Executive Committee.

^bPub. L. No. 108-136, § 583, 117 Stat. 1392, 1490 (2003) (codified as amended at 38 U.S.C. § 320).

^cThe six strategic goals in the JSP are related to leadership, commitment, and accountability; high-quality health care; seamless coordination of benefits; integrated information sharing; efficiency of operations; and joint medical contingency/readiness capabilities.

^dSee GAO, *Information Technology: VA and DOD Are Making Progress in Sharing Medical Information, but Are Far from Comprehensive Electronic Medical Records*, [GAO-07-852T](#) (Washington, D.C.: May 8, 2007).

^eSee GAO, *Information Technology: VA and DOD Continue to Expand Sharing of Medical Information, but Still Lack Comprehensive Electronic Medical Records*, [GAO-08-207T](#) (Washington, D.C.: Oct. 24, 2007).

^fThe HIPAA Privacy Rule permits the exchange of health care information between VA- and DOD-covered entities for a number of purposes, including to provide medical treatment, to make payments for health care, and to make VA benefit determinations upon servicemembers' discharge or separation from the armed forces. See 45 C.F.R. §§ 164.506, 164.512(k) (2007).

^gSee GAO, *VA and DOD Health Care: Efforts to Coordinate a Single Physical Exam Process for Servicemembers Leaving the Military*, [GAO-05-64](#) (Washington, D.C.: Nov. 12, 2004).

^hNDAA for Fiscal Year 2008, Pub. L. No. 110-181, § 1614, 122 Stat. 3, 443-46.

ⁱSee GAO, *DOD and VA: Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Servicemembers*, [GAO-08-514T](#) (Washington, D.C.: Feb. 27, 2008).

^jTo conduct its work, the SOC established work groups that focused on specific areas, including case management; disability evaluation systems; traumatic brain injury; psychological health, including post-traumatic stress disorder; and data sharing between VA and DOD.

^kIn accordance with the Bob Stump National Defense Authorization Act for Fiscal Year 2003, Pub. L. No. 107-314, § 721, 116 Stat. 2458, 2589-2595 (2002) (codified as amended at 38 U.S.C. § 8111).

^l10 U.S.C. § 1074g.

^mSee GAO, *DOD and VA Outpatient Pharmacy Data: Computable Data Are Exchanged for Some Shared Patients, but Additional Steps Could Facilitate Exchanging These Data for All Shared Patients*, [GAO-07-554R](#) (Washington, D.C.: Apr. 30, 2007).

ⁿ38 C.F.R. § 17.96.

Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

April 14, 2008

Mr. Randall B. Williamson
Acting Director, Health Care
U. S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Williamson:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's draft report, ***"VA AND DOD HEALTH CARE: Progress Made on Implementation of 2003 President's Task Force Recommendations on Collaboration and Coordination, but More Remains to Be Done"*** (GAO-08-495R)."

The report provides specific recommendations in areas where VA is continuing to work with the Department of Defense (DoD) to develop new strategies to assist in improving coordination and sharing between VA and DoD and improving health care, services and benefits for servicemembers and veterans.

VA agrees with your findings and provides updated detailed information in the enclosure.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Peake".

James B. Peake, M.D.

Enclosure

Comments from the Department of Defense



THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

APR 11 2008

Randall B Williamson
Acting Director, Health Care
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Williamson:

This is the Department of Defense (DoD) response to the GAO draft report, "VA DoD Health Care: Progress Made on Implementation of 2003 President's Task Force Recommendations on Collaboration, But More Remains to Be Done," dated March 26, 2008 (GAO Code 290646/GAO-08-495R)." The draft report examines very important aspects of our joint efforts to implement the numerous recommendations for improving the way the Departments of Defense and Veterans Affairs collaborate to deliver health care services to our Nation's veterans.

I concur with the draft report's findings and conclusion provided that the attached technical comments are incorporated into the final report. DoD was and continues to be highly appreciative of the myriad recommendations to improve the manner in which we work with the Department of Veterans Affairs to provide benefits and services to the brave men and women and their families who serve our country.

Again, thank you for the opportunity to provide these comments. My points of contact for additional information are Mr. Ken Cox (Functional) at (703) 681-4299 and Mr. Gunther Zimmerman (Audit Liaison) at (703) 681-3492.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Ward Casscells".

S. Ward Casscells, MD

Enclosure:
As stated

Enclosure IV

GAO Contact and Staff Acknowledgments

GAO Contact

Randall Williamson, (206) 287-4860 or williamsonr@gao.gov

Acknowledgments

In addition to the contact named above, James C. Musselwhite, Jr., Assistant Director; Kye Briesath; Vashun Cole; Julie L. Thomas; Timothy Walker; Greg Whitney; and Robert L. Williams, Jr. made major contributions to this report.

Related GAO Products

VA Health Care: Additional Efforts to Better Assess Joint Ventures Needed. [GAO-08-399](#). Washington, D.C.: March 28, 2008.

DOD and VA: Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Servicemembers. [GAO-08-514T](#). Washington, D.C.: February 27, 2008.

Information Technology: VA and DOD Continue to Expand Sharing of Medical Information, but Still Lack Comprehensive Electronic Medical Records. [GAO-08-207T](#). Washington, D.C.: October 24, 2007.

DOD and VA: Preliminary Observations on Efforts to Improve Health Care and Disability Evaluations for Returning Servicemembers. [GAO-07-1256T](#). Washington, D.C.: September 26, 2007.

GAO Findings and Recommendations Regarding DOD and VA Disability Systems. [GAO-07-906R](#). Washington, D.C.: May 25, 2007.

Information Technology: VA and DOD Are Making Progress in Sharing Medical Information, but Are Far from Comprehensive Electronic Medical Records. [GAO-07-852T](#). Washington, D.C.: May 8, 2007.

DOD and VA Outpatient Pharmacy Data: Computable Data Are Exchanged for Some Shared Patients, but Additional Steps Could Facilitate Exchanging These Data for All Shared Patients. [GAO-07-554R](#). Washington, D.C.: April 30, 2007.

VA and DOD Health Care: Opportunities to Maximize Resource Sharing Remain. [GAO-06-315](#). Washington, D.C.: March 20, 2006.

Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies. [GAO-06-15](#). Washington, D.C.: October 21, 2005.

Defense Health Care: Improvements Needed in Occupational and Environmental Health Surveillance during Deployments to Address Immediate and Long-term Health Issues. [GAO-05-632](#). Washington, D.C.: July 14, 2005.

VA and DOD Health Care: Efforts to Coordinate a Single Physical Exam Process for Servicemembers Leaving the Military. [GAO-05-64](#). Washington, D.C.: November 12, 2004.

Department of Veterans Affairs: Federal Gulf War Illnesses Research Strategy Needs Reassessment. [GAO-04-767](#). Washington, D.C.: June 1, 2004.

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