

# GAO Highlights

Highlights of [GAO-16-280](#), a report to congressional committees

## Why GAO Did This Study

The National Defense Authorization Act for Fiscal Year 2010 (NDAA 2010) authorized VA and DOD to establish a 5-year demonstration to integrate VA and Navy medical facilities into a first-of-its-kind FHCC in North Chicago, Illinois to provide health care to both VA and DOD beneficiaries. Requirements for the FHCC are outlined in an Executive Agreement.

The NDAA 2010, as amended, included a provision for GAO to review the FHCC demonstration, resulting in prior reports in 2011 and 2012. This third report assesses (1) the extent to which the FHCC governance structure and leadership processes facilitated collaboration, (2) difficulties, if any, that the FHCC faced in integrating the workforce, and (3) difficulties, if any, that the FHCC faced in integrating operations.

To conduct its work, GAO reviewed VA, DOD, and FHCC documents (such as the Executive Agreement), federal standards for internal control, and other sources of related best practices, and interviewed VA, DOD, Navy, and FHCC officials, including former and current leadership and over 100 staff.

## What GAO Recommends

GAO is making 8 recommendations, including that VA and DOD collaborate to establish selection criteria for FHCC leadership and that prior to future integration efforts, VA and DOD conduct data-driven strategic workforce planning and resolve differences in IT network security standards to the extent possible. VA and DOD concurred with all of GAO's recommendations.

View [GAO-16-280](#). For more information, contact Debra A. Draper at (202) 512-7114 or [draperd@gao.gov](mailto:draperd@gao.gov).

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## FEDERAL HEALTH CARE CENTER

### VA and DOD Need to Address Ongoing Difficulties and Better Prepare for Future Integrations

## What GAO Found

The governance structure for the Captain James A. Lovell Federal Health Care Center (FHCC) demonstration—which includes leadership officials within the Departments of Veterans Affairs (VA) and Defense (DOD)—helped resolve collaboration problems with local leadership, but limitations with the FHCC's leadership selection and evaluation processes may impede future collaboration. For example, VA and DOD did not use—and have not yet developed—FHCC-specific criteria to select individuals for the facility's director (from VA) and deputy director (from the Navy) positions to ensure that they would be well suited for a collaborative environment. As GAO has previously reported, leaders who work successfully in a collaborative environment exhibit certain competencies, such as working well with others and communicating openly. Identifying specific selection criteria that include competencies for leading an integrated facility would help ensure that FHCC leadership have the necessary skills or experience to work well together.

Decisions regarding the integration of the FHCC's civilian and active duty workforce created difficulties with managing staffing across the facility. The FHCC did not initially conduct comprehensive, data-driven staffing analyses, which is not consistent with government best practices for workforce planning. As a result, the FHCC was unable to confirm that its workforce was appropriately aligned to maximize efficiency. According to DOD and Navy officials, this was due to a decision that the FHCC would initially maintain pre-integration staffing levels, and to the difficulty of projecting appropriate staffing levels during demonstration planning. In addition, management's ability to maximize efficiency was further impeded by a lack of data-driven staffing reviews due to data limitations, and a need to focus more intently on other integration requirements. In December 2015, FHCC officials told GAO they had developed an initiative in the interim for reviewing staffing until VA and DOD conduct a more formal, comprehensive, data-driven review of the FHCC's workforce.

The FHCC also faced difficulties integrating certain clinical and administrative operations, including information technology (IT). For example, although the Executive Agreement calls for the FHCC to utilize efficient processes, issues related to the IT infrastructure—which comprises three networks to accommodate differences in VA and DOD's network security standards—initially affected the functioning of some of the FHCC's local IT capabilities and impeded efficiency by limiting the ability of some providers and staff to consistently access VA and DOD's electronic health record systems. Although steps have been taken to improve the functioning of these capabilities, VA officials acknowledged that the FHCC's complex IT infrastructure has created difficulties with managing network connections and providing seamless access to software applications, among other issues. DOD officials said that they continue to work with VA to improve the reliability of the FHCC's IT infrastructure, such as through upgrades and expanding support for data sharing and interoperability. However, VA and DOD officials told GAO that the departments do not plan to resolve differences in network security standards to the extent that the FHCC would be able to have a single-network IT infrastructure. According to VA officials, this is due, at least in part, to the departments' different missions.