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VA REAL PROPERTY

VA Should Improve Its Efforts to Align Facilities with Veterans' Needs

GAO Highlights

Highlights of GAO-17-349 a report to congressional requesters

Why GAO Did This Study

VA operates one of the largest health care systems in the United States, with 168 VA medical centers and more than 1,000 outpatient facilities. Many of these facilities are underutilized and outdated. A previous effort aimed at modernizing and better aligning facilities was not fully implemented.

GAO was asked to review the current alignment of VA medical facilities with veterans' needs. This report examines: (1) the factors that affect VA facility alignment with veterans' needs, (2) the extent to which VA's capital-planning process facilitates the alignment of facilities with the veteran population, and (3) the extent to which VA has followed best practices by integrating stakeholders in facility alignment decisions. GAO reviewed VA's facility-planning documents and data, and interviewed VA officials in headquarters and at seven medical facilities selected for their geographic location, population, and past alignment efforts. GAO also evaluated VA's actions against federal standards for internal control and best practices for capital planning.

What GAO Recommends

GAO made four recommendations, including that: VA improve SCIP's scoring and approval process among other limitations and discontinue or improve the utility of the VAIP facility master plans, and improve guidance to effectively communicate facility alignment decisions with stakeholders and to evaluate these efforts. VA partially concurred with the first recommendation and fully concurred with the other recommendations. GAO believes the recommendations are sound, as described in the report.

View GAO-17-349. For more information-contact David J. Wise at (202) 512-2834 or wised@gao.gov, or Debra A. Draper at (202) 512-7114 or draperd@gao.gov

What GAO Found

Geographic shifts in the veteran population, changes in health care delivery, and an aging infrastructure affect the Department of Veterans Affairs' (VA) efforts to align its services and real property portfolio to meet the needs of veterans. For example, a shift over time from inpatient to outpatient care will likely result in underutilized space once used for inpatient care. In such instances, it is often difficult and costly for VA to modernize, renovate, and retrofit existing facilities given the challenges associated with these older facilities.

VA relies on the Strategic Capital Investment Planning (SCIP) process to plan and prioritize capital projects, but SCIP's limitations—including subjective narratives, long time frames, and restricted access to information—undermine VA's ability to achieve its goals. Although VA acknowledges many of these limitations, it has taken little action in response. Federal standards for internal control state that agencies should evaluate and determine appropriate corrective action for identified limitations on a timely basis. Without doing so, VA lacks reasonable assurance that its facility-alignment reflects veterans' needs.

A separate planning process—VA Integrated Planning (VAIP)—was designed to supplement SCIP and to provide planners with a more strategic vision for their medical facilities through the creation of facility master plans. However, GAO found limitations with this ongoing effort, which VA estimated to cost $108 million. Specifically, the facility master plans assume that all future growth in services will be provided directly through VA facilities without considering alternatives, such as purchasing care from the community. However, VA's use of care in the community has increased to an obligated $10.1 billion in fiscal year 2015. Federal capital-acquisition guidance identifies inefficient spending as a risk of not considering other options for delivering services. This consideration is particularly relevant as VA's data project that the number of enrolled veterans will begin to fall after 2024. Officials who oversee the VAIP process said that they were awaiting further analyses required by recently released VA guidance on the proportion of care and types of services to obtain from the community. As a result of this and other limitations, some local VA officials said that they make little use of the VAIP facility master plans and contract for their own facility master plans outside the VAIP process.

Although VA instructs local VA officials to communicate with stakeholders, its guidance is not detailed enough to conform to best practices. VA has not consistently followed best practices for effectively engaging stakeholders in facility consolidation efforts—such as in utilizing two-way communication early in the process and using data to demonstrate the rationale for facility alignment decisions. GAO found that when stakeholders were not always engaged consistently with best practices, VA's efforts to align facilities with veterans' needs were challenged. Also, VA officials said that they do not monitor or evaluate these communications efforts and, therefore, have little assurance that the methods used effectively disseminate information to stakeholders. This approach runs counter to federal standards for internal control, which instruct agencies to monitor and evaluate activities, such as communications methods.