

STRATEGIC PLANNING PROCESS

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Directive establishes a strategic planning process that assesses the health care needs of Veterans, plans how to accommodate those needs, and ensures compliance with applicable Federal and Department of Veterans Affairs (VA) planning requirements.
- 2. SUMMARY OF CHANGES:** This Directive outlines the current comprehensive planning continuum that effectively integrates various tasks, activities, and reporting requirements associated with budget, capital asset, information technology, human resources workforce development, performance management, and strategic planning within VHA.
- 3. RELATED ISSUES:** None.
- 4. RESPONSIBLE OFFICE:** The Assistant Deputy Under Secretary for Health for Policy and Planning (10P1) is responsible for the contents of this Directive. Questions may be addressed to 202-461-7100.
- 5. RESCISSION:** VHA Directive 2008-034, dated July 14, 2008, is rescinded.
- 6. RECERTIFICATION:** This VHA Directive is due to be recertified on or before the last working day of March, 2019.

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STRATEGIC PLANNING PROCESS

1. PURPOSE: This Veterans Health Administration (VHA) Directive establishes a strategic planning process that assesses the health care needs of Veterans, plans how to accommodate those needs, and ensures compliance with applicable Federal and Department of Veterans Affairs (VA) planning requirements. **AUTHORITY:** Public Law (Pub. L.) 111-352, the GPRA [Government Performance and Results Act] Modernization Act of 2010.

2. BACKGROUND:

a. Health care requires a timely and disciplined planning process. Clearly defining a planning framework, components, cycle, responsibilities, and timeframes provide structure to this process. This Directive outlines a comprehensive planning continuum that effectively integrates various tasks, activities, and reporting requirements associated with budget, capital assets, information technology, human resources workforce development, performance management, and strategic planning within VHA. The process defines and integrates VHA planning and capabilities development for VHA Program Offices, Veterans Integrated Service Networks (VISN), and sub-organizations with the needs and expectations of Veterans.

b. The VHA Strategic Planning Framework provides a structure for alignment of VHA initiatives to the organization's plan of action for the delivery of services into the future. Program Offices coordinate and communicate with the VISNs through the Office of the Deputy Under Secretary for Health for Operations and Management in developing plans for VHA programs (see paragraph 4d).

c. Strategic Planning Framework.

(1) The following figure describes VHA's Strategic Planning Framework. In support of the mission and vision, guided by VA Core Values and VHA Principles, it outlines the goals, objectives, measures, and strategies required to deliver results on established goals. The goals and objectives in the VA Strategic Plan are reflected in the VHA Strategic Plan.

(a) VHA's vision states that "VHA will continue to be the benchmark of excellence and value in health care and benefits by providing exemplary services that are both patient-centered and evidence-based. This care will be delivered by engaged, collaborative teams in an integrated environment that supports learning, discovery, and continuous improvement. It will emphasize prevention and population health and contribute to the Nation's well-being through education, research, and service in national emergencies." VHA has identified six principles that are the philosophical pillars embedded in VHA's vision; they are: Patient-centered, Team-Based, Data-Driven and Evidence-Based, Prevention or Population Health, Providing Value, and Continuously Improving. These philosophical pillars are also embodied in our goals, objectives, and every strategy undertaken.

(b) Using VA strategic goals and objectives for direction, and VHA's principles as the basis for defining how VHA works, three goals were established to guide VHA's approach into the future. The three goals are (1) Provide Veterans personalized, proactive, patient-driven health care; (2) Achieve measurable improvements in health outcomes; and (3) Align resources to deliver sustained value to Veterans. These three goals are aligned with the Department's

strategic goals and objectives to ensure VA priorities are addressed. The VHA goals and objectives advance VHA's efforts to be the provider of choice for America's Veterans through the creation of a health system unparalleled in the industry, providing personalized, proactive, patient-driven health care, while making significant contributions to research, creating educational opportunities for health care professionals, and maintaining a state of emergency preparedness for disaster response.

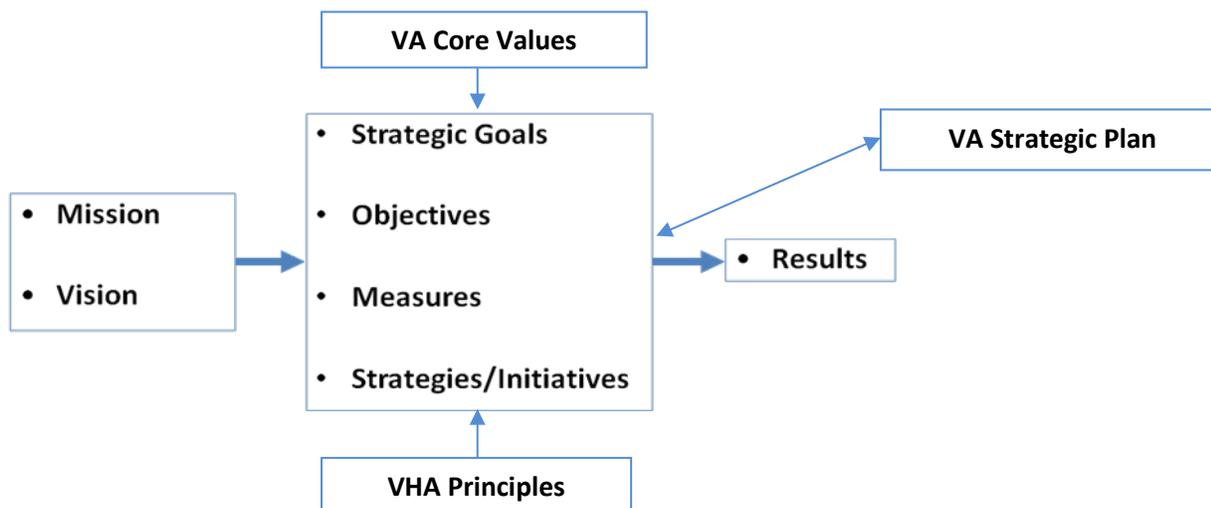


Figure 1: VHA Strategic Planning Framework

(2) The development of a VHA Strategic Plan, from the mission and vision to the strategies and performance measures, follows a continuum that is implemented throughout the system. The VHA Strategic Plan drives budget planning, performance planning, policy formulation, succession planning, capital planning, and legislative initiatives. The VHA strategic planning process contributes to, and supports the integrated VA Strategic Plan.

(a) Senior leaders and staff play a key role in the development and deployment of strategic and tactical plans, providing innovation and creativity to support the achievement of strategic goals and objectives.

(b) The VHA planning cycle represents the sequence that links strategic thinking and planning to budget and tactical planning and management. A review of progress on plans and outcomes then informs the next planning cycle. Appendix A, Overview of Planning Phases, depicts notional timeframes for phases in the planning cycle.

(c) VHA uses the Planning, Programming, Budgeting, and Execution (PPBE) to improve efficiency through long-term planning and cost-benefit analysis in order to link strategies and priorities with available financial resources. This process streamlines the connection between priorities and decisions by deploying a high-level multi-year continuous budgetary process. PPBE allows for long-term forecasting, and provides the ability to connect budgetary decision-making with strategic outcomes.

3. POLICY: It is VHA policy to establish a strategic planning process that supports VA core missions and meets criteria established by VA senior management, VHA senior management,

and Federal law. *NOTE: The VHA Strategic Plan and all associated documents can be accessed on the Assistant Deputy Under Secretary for Health for Policy and Planning Web site at <http://vaww.va.gov/VHAOPP/strathom1.asp>. NOTE: This is an internal VA website and is not available to the public.*

4. RESPONSIBILITIES:

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for:

(1) Representing VHA in the development of VA goals and objectives, establishes vision and clear direction, and sets goals and objectives for the VHA strategic planning process.

(2) Ensuring a sound strategic planning framework and process for VHA, which includes ensuring all VHA leaders are responsible for effectively engaging their staff in the strategic planning process. This is accomplished through the roles of the Deputy Under Secretary for Health for Policy and Services, and Assistant Deputy Under Secretary for Health for Policy and Planning (see paragraphs 4c and 4h). *NOTE: Figure 1 depicts the integration of VA and VHA planning processes (see paragraph 2c(1)(b)).*

b. **Principal Deputy Under Secretary for Health.** The Principal Deputy Under Secretary for Health is responsible for:

(1) Ensuring VHA compliance with annual strategic planning guidance.

(2) Developing strategic and tactical plans that are aligned with and accomplish VHA's goals and objectives. This includes implementing VHA strategies and performance goals and providing input for future goals and objectives.

c. **Deputy Under Secretary for Health for Policy and Services.** The Deputy Under Secretary for Health for Policy and Services is responsible for:

(1) Ensuring VHA Program Office, VISN, and sub-organization compliance with annual strategic guidance.

(2) Developing strategic plans that are aligned with and accomplish VHA's goals and objectives. This includes implementing VHA strategies and performance goals and providing input for future goals and objectives. The VHA Strategic Planning Framework provides a structure for alignment of Program Office plans and delivery of services into the future. Program Offices provide coordination and communication with the VISNs in developing plans for the full continuum of health care delivery sites in their networks.

d. **Deputy Under Secretary for Health for Operations and Management.** The Deputy Under Secretary for Health for Operations and Management is responsible for:

(1) Ensuring VHA Program Office, VISN, and sub-organization compliance with annual strategic planning guidance.

(2) Developing tactical plans that are aligned with and accomplish VHA's goals and objectives. This includes implementing VHA strategies and performance goals and providing

input for future goals and objectives. The VHA Strategic Planning Framework provides a structure for the alignment of VISN initiatives and delivery of services into the future. VISNs provide coordination and communication with Program Offices in developing plans for the full continuum of health care delivery sites in their networks.

e. **National Leadership Council.** Based on national and local level environmental assessments, the National Leadership Council (NLC) is responsible for recommending strategic goals and objectives that support VHA direction and priorities, and for formulating strategies to accomplish those goals for approval by the Under Secretary for Health. While the strategic planning process is cyclical, this does not preclude the NLC from developing and modifying strategies, objectives, or performance goals during the planning cycle. Out-of-cycle planning requiring a rapid response, resulting from policy changes and unanticipated events, may be initiated by the NLC using the planning process defined by this Directive, but within a compressed timeframe.

f. **NLC Committees.** All NLC committees are responsible for:

(1) Assisting with the development of VHA strategies related to their specific areas of responsibility;

(2) Identifying general and specific information to assist Program Offices and VISNs in tactical plan development; and

(3) Monitoring progress of coordinated VHA Program Office, VISN, and sub-organization actions, and supporting the accomplishment of strategic plan objectives in the committee's specific area of responsibility.

g. **Strategic Directions Committee.** The Strategic Direction Committee (SDC) of the NLC is responsible for:

(1) Developing recommendations for the NLC and the Under Secretary for Health on strategic direction for VHA;

(2) Ensuring that strategic plans and initiatives support the vision, values, and mission of the organization and are aligned with the strategic direction and goals of VA;

(3) Serving in an advisory capacity to the VHA Office of Policy and Planning;

(4) Overseeing the implementation of change management consistent with the VHA and VA Strategic Plans;

(5) Ensuring participation of both the governance and management structures in strategic planning and implementation; and

(6) Recommending to the Under Secretary for Health agenda items for NLC related to the strategy and direction of the organization.

h. **Assistant Deputy Under Secretary for Health for Policy and Planning.** The role of the Assistant Deputy Under Secretary for Health for Policy and Planning is to support VHA as

an advisor on the development, implementation, and impact of VHA policy, strategic planning, forecasting, and data analysis. VHA's Office of Policy and Planning guides these efforts to ensure organization-wide involvement and achievement of VHA's strategic goals and objectives. The Assistant Deputy Under Secretary for Health for Policy and Planning is responsible for:

- (1) Directing VHA's strategic planning efforts.
- (2) Developing and coordinating VHA's national strategic planning guidance.
- (3) Ensuring that VA's strategic goals and objectives are embedded into VHA's goals, objectives, and strategies so that VHA is aligned and moving in the same direction.
- (4) Conducting program reviews, surveys, and management studies that integrate strategic planning and quality management into on-going organizational improvements.
- (5) Developing planning assumptions based on information gathered from environmental scans for use by SDC, NLC, and the Under Secretary for Health.
- (6) Developing and issuing guidance for planning based upon the analysis of the Enrollee Health Care Projection Model, Survey of Veteran Enrollees' Health and reliance upon VA and other available data sources.
- (7) Developing data summaries, gap analyses, and data for use by VISNs in the development of their plans. *NOTE: This summarized data includes space, costs, and utilization projections, which are analyzed and displayed in a standardized format.*
- (8) Leveraging expertise in utilization, cost modeling, quantitative analytical techniques, and integration of VA and non-VA databases to conduct special studies and analyses in support of VHA strategic planning.
- (9) Providing evaluative tools and planning models to assist in data analysis and strategic plan development.
- (10) Supporting the SDC generally and NLC Co-Chair Council sessions related to VHA strategic planning.
- (11) Providing support and consultation to VHA Program Offices, VISNs, and sub-organizations in strategic planning.
- (12) Coordinating with the VHA Office of Strategic Integration.
- (13) Coordinating data collection and strategic analyses needed by the Department and VHA senior management, VHA Program Offices, VISNs and sub-organizations, and the NLC.
- (14) Conducting program reviews and strategic infrastructure analyses.
- (15) Providing technical expertise through integrated and system-wide health-related data analysis on facility infrastructure policy and strategic capital planning.

(16) Coordinating technical assistance for VISN integrated capital master planning based on VISN strategic plans.

(17) Coordinating and providing strategic consultation, as appropriate, on all VHA performance measures.

(18) Developing and coordinating VHA's input into the VA Strategic Plan, with input from the SDC.

(19) Supporting the Under Secretary for Health and the NLC in the dissemination of the VHA Strategic Plan to all employees.

i. **Executive Director, VHA Office of Strategic Integration.** The Executive Director of the Office of Strategic Integration is responsible for:

(1) Collaborating with the Assistant Deputy Under Secretary for Health for Policy and Planning, the NLC, VISN Leadership, Program Office Leadership, and VHA and VA Leadership.

(2) Collaborating with the Assistant Deputy Under Secretary for Health for Policy and Planning, other key stakeholders, and VHA Leadership to develop and align tactical plans with the VHA Strategic Plan and VA Departmental requirements.

(3) Facilitating standardized business processes that ensure coordination, integration, and effective execution of the VHA Strategic Plan.

(4) Developing a systematic approach to the design, evaluation, and diffusion of new capabilities.

(5) Providing support and consultation to VHA Program Offices, VISNs, and sub-organizations in tactical planning.

(6) Ensuring that a global change management strategy is incorporated into tactical plans.

j. **VHA Chief Financial Officer.** The Chief Financial Officer is responsible for:

(1) Ensuring that VHA financial goals, objectives, and strategies are incorporated into the budget development and submissions.

(2) Providing appropriate financial assumptions and resource guidance to the strategic planning process.

(3) Coordinating with and assisting the Assistant Deputy Under Secretary for Health for Policy and Planning in the preparation of mandatory external budget reports.

k. **VHA Support Service Center.** The VHA Support Service Center (VSSC) is responsible for maintaining the intranet portal for data related to health care planning.

1. **VHA Program Offices.** VHA Program Offices are responsible for contributing to the VHA strategic planning process by:

(1) Providing information on new technology, future health and business practices, benchmarking, and special population demographics.

(2) Gathering stakeholder input for their respective program(s).

(3) Developing strategic plans in alignment with the VHA Strategic Plan.

(4) Developing tactical plans consistent with the VHA Strategic Plan using information gained from the environmental scan, NLC Committee recommendations, and VISN tactical plans. **NOTE:** *Tactical plans identify actions to be taken by various organizational units to collectively carry out VHA strategies.*

(5) Serving as subject matter experts to SDC and other NLC Committees in their respective program areas.

(6) Tracking and reporting accomplishments on the VHA Strategic Plan to the VHA Office of Policy and Planning and to the VHA Office of Strategic Integration.

(7) Implementing tactical plans.

(8) Providing input regarding future goals, objectives, and strategies.

m. **VISN Directors.** VISN Directors are responsible for:

(1) Submitting ideas and needs for input into VA and VHA strategic planning.

(2) Developing strategic plans that are aligned with the VHA Strategic Plan.

(3) Developing tactical plans to implement the VHA Strategic Plan.

(4) Implementing tactical plans.

(5) Tracking and reporting accomplishments in support of the VHA Strategic Plan to the Deputy Under Secretary for Health for Operations and Management and to the Office of the Under Secretary for Health on an annual basis.

(6) Regularly updating plans to address local issues.

(7) Providing input regarding future goals, objectives, and strategies.

5. REFERENCES:

a. Pub. L. 111-352, GPRA Modernization Act of 2010.

b. OMB Circular A-11, Part 6, Strategic Plans, Annual Performance Plans, Performance Reviews, and Annual Program Performance Reports.

6. DEFINITIONS:

- a. **Environmental Scan.** The environmental scan is an ongoing assessment process conducted at all levels of the organization for use in developing national vision, goals, and objectives. The environmental scan reviews current internal and external trends in health care and related systems, current research, emerging practices, government requirements, and Veteran and employee feedback.
- b. **Goal.** A goal is an observable and measurable end result having one or more objectives to be achieved within a more or less fixed timeframe.
- c. **Objectives.** Objectives are concise, specific, tangible statements that explain how the organization will accomplish a goal; they often begin with an action verb.
- d. **Performance Measures.** Performance measures are founded on defined domains of value, and valid and reliable metrics for evaluating the extent to which strategies and objectives are achieved.
- e. **Strategic Planning.** Strategic planning is the systematic process of envisioning a desired future, and translating this vision into broadly-defined goals or objectives and a sequence of steps to achieve them. VHA's strategic planning determines directional focus over the next 5 years consistent with priorities established by the Secretary of Veterans Affairs, as expressed in the VA Strategic Plan. There is one VHA Strategic Plan; however, strategic planning involves all parts of the organization.
- f. **Strategies.** Strategies consist of what the organization will "do" to achieve its objectives, i.e., the broad, overall priorities or direction for actions by an organization.
- g. **Tactical Planning.** Tactical planning is the process by which VHA implements annual actions and performance measures to accomplish the strategic goals and objectives. Synonymous with operational or business planning, the product of tactical planning is the Tactical or Operational Plan. Tactical planning occurs at all levels of the organization and represents the collective actions of VHA Program Offices, VISNs, and sub-organizations.

**VETERANS HEALTH ADMINISTRATION
OVERVIEW OF PLANNING PHASES**

This process links market analysis, strategic planning, and capital planning. The Overview of Planning Phases below provides notional timeframes for phases in the planning cycle.

Phase	Phase Title	Timeframes
Phase 1	Strategic Planning Update	April – May
Phase 2	Workforce Succession Planning	April – December
Phase 3	Strategic Planning Guidance	June
Phase 4	Health Care Planning Model Refresh	June – September
Phase 5	Tactical Planning	June – February
Phase 6	Budget and Performance Planning	June – February
Phase 7	Individual Performance Planning	October – December
Phase 8	Capital Asset Master Planning	October – December
Phase 9	IT Funding Requests	December
Phase 10	VA Strategic Capital Investment Planning (SCIP)	December – May
Phase 11	Periodic Review and Adjustment	June – ongoing and until next cycle begins