

## JOINT VENTURES PROGRAM

- 1. REASON FOR ISSUE:** To provide policy and responsibilities for the evaluation and approval of Joint Venture (JV) proposals.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive sets forth the policies and responsibilities for evaluating and approving proposals for JVs. The directive contains:
  - a. Policy for identifying a JV proposal,
  - b. Policy for utilizing criteria in planning for a JV and evaluating a JV proposal, and
  - c. Departmental responsibilities for evaluating and approving proposals for JVs.
- 3. RESPONSIBLE OFFICE:** The Office of the Assistant Secretary for Policy and Planning (008).
- 4. RELATED HANDBOOK:** VA Handbook 0311, Joint Ventures Program.
- 5. RESCISSIONS:** None.

**CERTIFIED BY:**

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**BY DIRECTION OF THE SECRETARY  
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## JOINT VENTURES PROGRAM

**1. PURPOSE.** This Department of Veterans Affairs (VA) Directive provides policy and responsibilities in planning and proposing future Joint Ventures (JVs) which meet current and emerging needs for services to VA beneficiaries. The related Handbook provides a process and criteria for use in evaluating JV proposals and a communications strategy for use during negotiations. Policy, responsibilities, process, and criteria provide a framework for planning and evaluating JV proposals, which complement but do not replace existing planning methodologies and other Departmental requirements as appropriate such as the Capital Investment and Budget Processes.

**2. POLICY.** VA's primary premise for entering into a JV is to enhance the quality of services and access for VA beneficiaries thereby fulfilling its statutory missions. To that end, VA shall establish and maintain a Department-wide analytical framework for JV planning including the following elements: (See VA Handbook 0311, Joint Ventures Program)

- a. **JV Definition and Characteristics.**
- b. **Criteria for Evaluating JV Proposals.**
- c. **Approval Process.**

### 3. RESPONSIBILITIES

a. **Secretary of Veterans Affairs.** The Secretary of Veterans Affairs (Secretary) has the final approval authority of the JV proposal. The Secretary communicates approval to prospective JV partners.

b. **Deputy Secretary.** The Deputy Secretary chairs the VA Strategic Management Council (SMC) which is comprised of the Deputy Under Secretaries for Health, Benefits, and Memorial Affairs. The SMC reviews JV proposals and recommends JV proposals for the Secretary's review and approval. The SMC commits departmental expertise and oversees resources to assist implementation of approved JVs.

c. **Office of the General Counsel.** The Office of the General Counsel is responsible for identifying and meeting the legal needs of VA. Its primary objective is to ensure the just and faithful execution of the laws, regulations and policies that the Secretary has responsibility for administering, and by so doing enable the Department to accomplish its mission of service to our Nation's veterans. *NOTE: JV proposals must be reviewed by the Office of the General Counsel early in the approval process to determine if legal authority exists for the proposal or if legislation will be required.*

d. **Assistant Secretary for Policy and Planning.** The Assistant Secretary for Policy and Planning is responsible for coordinating departmental policy, standards, guidance, process, and procedures regarding JV planning, approval, reporting, ongoing monitoring and oversight.

e. **Assistant Secretary for Information and Technology/Chief Information Officer (CIO).** The Assistant Secretary for Information and Technology is responsible for guidance, planning, approval, implementation, ongoing monitoring and oversight, and operations for JVs regarding the protection of Veterans' Personally Identifiable Information (PII) and medically sensitive information as stipulated under the Health Insurance Portability and Accountability Act (HIPAA), ensuring compliance with information technology (IT) security and privacy regulations, the establishment of data sharing strategies, and the determination of any equipment modernization and infrastructure requirements and systems operations needs.

f. **Assistant Secretary for Management.** The Assistant Secretary for Management is responsible for ensuring departmental policy, standards, guidance, process, and procedures regarding JV capital budgeting, acquisitions, planning, approval, reporting, ongoing monitoring and oversight.

g. **Director, Office of Construction and Facilities Management.** The Director, Office of Construction and Facilities Management, is responsible for providing asset facility management services and expertise in constructing medical centers, community based clinics, regional offices and national cemeteries across the country.

h. **Under Secretaries for Health (VHA), Benefits (VBA), and Memorial Affairs (NCA).** The Under Secretaries are responsible for establishing national standards and guidance regarding JV planning, approval, implementation, ongoing monitoring and oversight, and operations for JVs involving Administration staff, facilities, and other resources.

i. **Proposing VA Official.** The Proposing VA Official(s) is "regional" for a proposed JV which is facility-based. The Proposing VA Official is the director of the region (e.g., Veterans Integrated Service Network (VISN) Director for VHA; Area Office Director for VBA; and Memorial Service Network (MSN) Director for NCA). The Assistant Secretary for the Staff Office which has the largest commitment of resources is the Proposing VA Official for a proposed JV which is not facility-based.

#### 4. REFERENCES

a. “Capital Asset Realignment for Enhanced Services (CARES) Commission Report to the Secretary of Veterans Affairs,” February 2004.

b. Department of Veterans Affairs Strategic Plan FY 2006-2011. Office of the Secretary. October 2006.

c. Functional Process Improvement (FPI) Report for Department of Defense (DoD) / Department of Veterans Affairs (VA) Joint Ventures, November 11, 1994, Version 1.2, BPR 1255047-005-001.

d. NCA Handbook 8500 “National Cemetery Administration Public Affairs.”

e. “Policy in Association of Veterans’ Hospitals with Medical Schools,” First published January 30, 1946. Available at VA Manual 8 (M8), Part I, Chapter 2, Appendix 2-D. (November 8, 1989), it is commonly referred to as “Policy Memorandum Number 2.”

f. “President’s Task Force to Improve Health Care Delivery for Our Nation’s Veterans,” Final Report 2003.

g. VA Directive 4085, “Capital Asset Management,” establishes a uniform framework for VA’s capital asset policies, standards, and business practices; is intended to be general in nature; and applies to all VA capital asset activities.

h. VA Directive 4086, “Investment Matrix,” establishes a Department wide standard methodology for identifying capital investment options at the beginning of the planning and selection process.

i. VA Directive 6500, “Information Security Program,” establishes the criteria for the Department-wide Information Security Program. VA Handbook 6500 provides specific procedures and establishes operational requirements to implement VA Directive 6500 to ensure Department-wide compliance with the Federal Information Security Management Act of 2002 (FISMA), 44 U.S.C. §§ 3541-3549, and the security of VA information and information systems administered by VA, or on behalf of VA. This handbook applies to all VA organizations, (Administrations, Staff Offices, Other Key Officials, their employees and contractors working for, or on behalf of the VA.)

j. VA/Department of Defense (DoD) Joint Executive Council FY 2006 Annual Report.

k. VA/DoD Memorandum of Understanding (MOU) “VA/DoD Health Care Resources Sharing Guidelines,” dated July 29, 1983.

l. VHA Directive 2002-032 “Capital Asset Realignment of Enhanced Services (CARES) Program.”

m. VHA Notice 99-04 “Telemedicine Strategic Planning Document” outlines a national strategy for VHA telemedicine. It provides recommendations for the development, evaluation and optimization of telemedicine to improve health care for veterans.

n. 5 U.S.C. § 552a “Privacy Act of 1974”

o. 31 U.S.C. § 1535 “The Economy Act”

p. 38 U.S.C. § 5701 “VA Confidentially Statute”

q. 38 U.S.C. §§ 5721-5728 “VA Information Security”

r. 38 U.S.C. § 7302 authorizes VA to provide training for health care personnel in cooperation with affiliated institutions.

s. 38 U.S.C. § 7303 authorizes VA to carry out a program of medical research.

t. 38 U.S.C. § 8111. This statute authorizes VA to enter into agreements with DoD for the sharing of health care resources.

(1) Agreements under this authority may be used to facilitate health care resource sharing agreements at DoD facilities using DoD personnel, VA personnel, or a combination of DoD and VA personnel.

(2) § 811 Paragraph (e)(2): To facilitate the sharing and coordination of health care services between the two Departments, the two Secretaries shall jointly develop and implement guidelines for a standardized, uniform payment and reimbursement schedule for those services. Such schedule shall be revised periodically as necessary. The two Secretaries may on a case-by-case basis waive elements of the schedule if they jointly agree that such a waiver is in the best interests of both Departments. § 811 Paragraph (e) (3)(E) Each such agreement shall provide that a providing Department or service region shall be reimbursed for the cost of the health care resources provided under the agreement and that the rate of such reimbursement shall be as determined in accordance with paragraph (e)(2).

(3) The term "health care resource" is broadly defined by the statute to include hospital care, medical services, rehabilitative services and "any other health care service, and any health care support or administrative resource."

(4) VHA Handbook 1660.4 "VA-DOD Health Care Resources Sharing" contains instructions on how to develop VA and DoD sharing agreements and TRICARE contracts, and it incorporates revisions necessary due to changes to the VA-DoD Sharing Law (38 U.S.C. § 8111), Departmental policies, and VHA reorganizations. Paragraph 13 "Joint Ventures, Construction, and Equipment."

u. 38 U.S.C. §§ 8151-8153. Sharing of Health Care Resources. Health care resources may be obtained from any health care provider. To the extent that the resource is obtained from an institution affiliated with VA in accordance with 38 U.S.C. § 7302, including medical practice groups and other entities associated with affiliated institutions, it may be obtained on a sole-source basis. (The term "health-care providers" includes health-care plans and insurers and any organizations, institutions, or other entities or individuals who furnish health-care resources).

(1) VA Directive 1663, "Health Care Resources Contracting – Buying," 38 U.S.C. § 8153. This VA Directive provides guidance on acquiring services from VA affiliates and implements provisions of Pub. L. 104-262, "The Veterans Health Care Eligibility Reform Act of 1996," which significantly expands VA's health care resources sharing authority in 38 U.S.C. §§ 8151 – 8153 (sharing authority). In general, non-competitive sharing agreements for the purchase of health care resources below \$500,000 (including all option years) and competitive sharing agreements below \$1.5 million (including all option years) may be executed without prior legal and technical review by VA Central Office (VACO). Regional Counsel must approve sharing agreements for the sale of health-care resources below \$500,000. Agreements for the sale of health care resources above that threshold require legal and technical review in VACO.

(2) VHA Directive 1660.1 "Enhanced Health Care Resources Sharing Authority – Selling" further implements provisions of Pub. L. 104-262.

(3) VHA Handbook 1820.1 "Sharing Use of Space Handbook" outlines the procedures and approvals needed for entering into use of space sharing agreements. (Pub. L. 104-262, codified under title 38 U.S.C. § 8153). This Handbook identifies the Capital Asset Management and Planning Service (10NR), in the Office of Deputy Under Secretary for Health for Operations and Management, as the primary coordinating and review office for field-based sharing use of space proposals. In addition, sharing proposals between VA medical centers and homeless veterans' service providers for use of space for supportive housing programs or service centers are to be given high priority consideration.

v. 38 U.S.C. §§ 8161-8169 “Enhanced-Use Leases” This statute authorizes the Secretary to lease Department-controlled real property to private or other public entities for a term not to exceed 75 years.

(1) Each enhanced-use (EU) lease must be in exchange for “fair consideration” as determined by the Secretary. Such consideration may consist of monetary and/or “in-kind” consideration, including construction, repair, remodeling, improvements, or maintenance services for Department facilities, or the provision of office, storage, or other usable space. Monetary lease proceeds are deposited in the Medical Care Collections Fund.

(2) The Secretary, in considering a potential EU lease for VA property, must determine that (a) the proposed use for the property includes space for an activity contributing to VA’s mission; the EU lease would not be inconsistent with or adversely affect that mission; and the EU lease would enhance the use of the property; or (b) as implemented under a proposed VHA business plan, the EU lease would provide consideration that would demonstrably improve health care and services for veterans in the affected community.

(3) An EU lease may not be executed until Congress has been afforded a 45-day notice-and wait period.

(4) VA Directive 7415.1, “Enhanced Use Lease Policy.” This directive addresses the following subject areas: general EU leasing program policies, execution of EU leases, financial management of in-kind consideration and proceeds generated from EU leases, and policies pertaining to independent trusts as lessees.

(5) VA Handbook 7415.1, “Enhanced Use Lease.” This handbook establishes enhanced-use lease procedures for concept plan review and standards; public hearings; notice of intent to designate; notice of designation and intent to execute leases; delegation of authorities; lease administration and deposit of monetary proceeds.