

# CHAPTER 5

## Implementation and Transition

**I. Purpose:** This chapter briefly addresses some issues related to the implementation of the national headquarters and field reorganizations, and identifies priorities for the future.

**II. Background -- ‘Think Global, Act Local’:** This restructuring plan provides the impetus for a profound paradigm shift in the provision of health care services to veterans. Central to this shift is the creation of a powerful interdependence that has not previously existed between field operations and central office. Now is the time to fully integrate all of VHA’s critical functions and re-focus each on the most important customer -- the veteran patient.

This reorganization is not a simple realignment of 159 independent medical centers, 33 networks and four regions into 22 VISNs. Nor is it a re-shuffling of bureaucratic boxes on a central office organizational chart. Rather, it is a fundamental change in the way responsibility is spread across many decision points in order to imbue the organization with a common sense of purpose. VHA will become less like a mega-corporation and more like a system of federated networks that are bound together by a determination to provide quality patient care. If roles are properly defined and executed, and if power, authority and accountability are balanced and dispersed throughout the organization, then the result will be an interdependent and interlocking system whose whole is greater than the sum of its parts.

“Think global, act local” is a fashionable slogan that embodies how VHA intends to function in the future. Strategic planning will become integrated with quality improvement in order to assure that the changing demands of the national health care environment are reflected in the

consistent delivery of local services. Patient care services, and most importantly VHA's recognized special programs, will benefit from a new way of thinking in which multi-functional teams will collaborate and offer expert consultative services for clinicians at the point of service delivery. Health care delivery will be shifted away from institutional inpatient modalities to network-based ambulatory solutions. And a renewed emphasis on data capture and information management will provide the vehicle for meaningful performance measurement and resultant accountability. VHA also recognizes the importance of maintaining its education and research activities. The responsibility to the next generation of clinicians will be best met if education, training and research efforts are supported by the restructuring of the delivery system.

**III. Organizational Culture:** At the VISN level, the bricks and mortar of individual institutions will no longer be the central point of patient services. While there will be additional flexibility and autonomy for local managers, independent decision making and parochial interests must be subsumed for the greater good of the geographic network. Community involvement and resource sharing will become the vehicles for outreach and expanded services. Program and resource decisions will be built on the shared vision of improved customer satisfaction, quality care, access and cost-effectiveness.

At the national headquarters level, the focus will move from a centralized organization that exercises a traditionally hierarchical mode of operational control toward a headquarters that supports the field, through governance and leadership, in its critical role of serving patients. Patient-care decision making will be exercised as close to the patient as possible, allowing headquarters to concentrate on leading the system through the dynamic and turbulent changes ahead. Ultimately, the goal is that the field will seek advice and counsel from headquarters

because headquarters has expertise to offer and adds value to field decision making, not because it is holding operational decisions hostage.

While this reorganization is dramatic in scope, the implementation of the new structure will be relatively simple when compared with the cultural change needed to make the operation truly effective. The Under Secretary recognizes that the inherent value and strength of VHA lie in the individuals who comprise the organization. The Under Secretary also acknowledges that, over time, VHA has instilled certain behaviors and attitudes in its employees that are not compatible with this new direction. VHA's responsibilities for two-way communication, job re-engineering, education and training are tremendous, and the Under Secretary is committed to providing the tools necessary to assure a smooth, orderly and compassionate transition. Additionally, the entire organization needs to demonstrate greater sensitivity to its various stakeholders, including veterans service organizations, employee unions, affiliated medical schools, and state and local health care entities.

**IV. Education and Training:** Change of this magnitude does not come quickly or easily, and changing an organization's culture is not a task for the fainthearted. Key to managing the change process and facilitating the acquisition of new skills is education and training. As part of the implementation plan, comprehensive education and training needs will be identified and options to meet those needs will be developed. For example, the VISN directors will need an orientation on the scope of responsibilities for this new position. New sets of skills, such as business planning, and performance measurement and systems monitoring, will need to be acquired.

**V. Communication:** Communication of both the spirit and the specifics of the transition plan to internal and external audiences is one of extreme importance. The internal VHA audience,

including both field and headquarters employees and volunteers, has been kept informed as the reorganization plan has been formulated. Senior managers at all levels, as well as employee representatives, have been given the opportunity to comment on two reorganization foundation documents as well as a draft of this reorganization report. The Under Secretary's vision for this transformation and its inherent culture change was also outlined in January during the annual VHA Senior Management Conference.

A comprehensive communication plan has been developed to assure that information is provided in a meaningful and timely manner. For example, a bulletin updating all VHA employees on the progress of the transition development group will be disseminated periodically, with copies also being sent to veterans service organizations and employee unions. Extensive use of the national VA magazine, VANGUARD, as well as satellite teleconferences, electronic mail and conference calls are integral parts of the communication strategy. Special briefings for congressional committee staffs, VSOs, top VA staff and others have been presented by the Under Secretary in an effort to personally convey the vision for the future VHA. Feature stories have run in U.S. Medicine, Modern Healthcare, AHA News and other publications, including VSO magazines. These have provided important insight into the impending changes transforming VHA. Local medical facilities are being encouraged to inform their individual communities of the changes that are planned and the benefits that will accrue to veteran beneficiaries in their service areas.

**VI. Information Systems Management:** Central to the success of this plan is the future development of financial and information management systems that support integrated networks. Modifications will be required to the current resource allocation model, known as Resource Planning and Management (RPM), in order to refine funding distribution at the VISN level, to accurately measure the financial needs of new programs and access points, and to

ensure that the model will meet the requirements of a financial monitoring system. Further, leadership of the

new structure will have tremendous demands for accurate and real-time information to aid decision making and monitor performance. These modifications and resources for the development of new models will have high priority.

**VII. Implementation Plans:** Many of the specific plans that are required to effect this transition are in various stages of formulation. The Under Secretary intends to establish an implementation team and various work groups to further develop and refine this plan to the level of detail necessary to effect its implementation at both the headquarters and field levels. This implementation team will consist of staff from headquarters and field elements and will have specific functional assignments. The team will work in close collaboration with internal and external stakeholders, such as employee unions and VSOs, and will seek expertise from outside consultants as necessary. Examples of issues to be addressed are:

- The selection process for VISN directors and other key VISN staff;
- Identification of the VISN office locations;
- Development of systems for resource allocation to VISNs;
- Reallocation of current region personnel, programs and functions;
- Development of policy for performance measurement and systems monitoring and the attendant performance contracts for field and headquarters executives;
- Development of education and training programs to support the organizational transformation;
- Integration of patient care databases for VISN management;
- Development of policies for supporting the special medical programs;
- Further definition of the functions of the support services centers;
- Further refinement of headquarters' functions; and
- Identification of functions to be decentralized.

**VIII. The Transition:** An extremely important aspect of this plan is its flexibility. For example, while the VISN boundaries are largely defined by patient referral patterns and natural planning groups, they can be altered over time, if warranted. State level health care reform is continuing in many parts of the country, and if state legislation dictates that a network be organized around state borders, the change can be implemented with little disruption to the system as a whole. Or if, after implementation, it becomes clear that a VISN is unwieldy because of its size, complexity or other factors, then alignment can be adjusted. The provision of health care services is a dynamic field, and the integrated networks must retain the agility necessary to thrive. VHA must also recognize that improvement comes from knowledge, knowledge from experience, experience from action, and action from planning and evaluation. Failure and paralysis are predictable when the status quo is blindly defended; success and growth are realized when initiative is valued and honest mistakes are tolerated.

The transition period poses special challenges because change of this magnitude is often accompanied by organizational anxiety and disruption of existing systems. The Under Secretary is committed, however, to minimizing these untoward effects through effective communication and education and by building on the enthusiasm and momentum this new vision creates. An important goal of the restructuring is that VHA become an employer of choice, an organization that thrives on the growth and development of its most important asset - its people.

The transition must be orderly and visible to all of our customers -- veterans, their families, employees, volunteers, vendors, academic affiliates, sharing partners, etc. The Under Secretary intends that in the first year after implementation, significant improvements will begin to catch the attention of our various publics in such a way that they energize the system for even more positive change in the future.

