



Highlights of [GAO-08-399](#), a report to the Ranking Member, Committee on Veterans' Affairs, U.S. Senate

Why GAO Did This Study

The Department of Veterans Affairs (VA) and the Department of Defense (DOD) have a long history of partnering to achieve more cost-effective use of health care resources. Their partnerships have evolved to include joint ventures—joint efforts to construct or share medical facilities. VA has maintained eight joint ventures with DOD across the country. VA has also developed partnerships, or affiliations, with university medical schools to obtain health care services for veterans and provide training to medical residents. VA has not entered into a joint venture with an academic affiliate to date. However, several proposals for such joint ventures have surfaced in the last decade.

This congressionally requested report discusses the (1) potential benefits and concerns associated with joint ventures and the extent to which they are documented and measured, (2) lessons learned from existing and proposed VA joint ventures, and (3) steps VA has taken to evaluate proposed joint ventures. To address these issues, GAO conducted site visits to and interviews with officials from all existing and proposed joint venture sites.

What GAO Recommends

GAO is recommending that the VA Secretary develop departmental performance measures for assessing joint venture outcomes and more specific criteria for evaluating joint venture proposals. VA generally agreed with GAO's findings and recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-399](#). For more information, contact Randall Williamson at (202) 512-2834 or williamsonr@gao.gov.

VA HEALTH CARE

Additional Efforts to Better Assess Joint Ventures Needed

What GAO Found

VA and DOD officials identified a number of potential benefits and concerns associated with joint ventures, but they have not routinely or comprehensively documented and measured them. Among the potential benefits, VA and DOD officials and academic affiliate representatives cited improved access to care, lower or avoided costs, and improved training opportunities. While the identified benefits are many, these officials and representatives also cited a number of concerns associated with joint ventures, such as potential conflicts of missions and cultures, a loss of organizational identity and control, staffing uncertainties, and financial risks. Although able to provide anecdotal information of the benefits and concerns associated with joint ventures, officials at the joint ventures do not use performance measures to routinely or comprehensively document and assess the outcomes of the joint ventures. Without such efforts, it is difficult to know to what extent these benefits and concerns have materialized. VA also does not use performance measures at the department level to determine what is being achieved through the joint ventures—thereby making it difficult to determine the overall outcomes of the joint ventures and to hold joint venture partners accountable for results.

Officials from VA and DOD and representatives from academic affiliates identified several lessons they have learned from their experiences with the existing and proposed joint ventures. These lessons include the importance of establishing joint committees to work through issues, communicating frequently with their partners, securing leadership buy-in and support at all levels, developing contingency plans, allowing adequate time to implement change, and establishing clear roles and responsibilities. For example, at most VA-DOD joint venture sites, officials have created jointly staffed committees to tackle specific issues, such as clinical, financial, and information management. Also, in New Orleans, Louisiana, VA and its academic affiliate signed a memorandum of understanding that, among other things, identifies the roles and responsibilities of the parties involved in the proposed joint venture negotiations.

VA has taken steps to enhance its process for evaluating proposed joint ventures, but additional efforts are warranted. In response to our previous recommendations, VA developed and issued criteria for evaluating joint venture proposals in November 2007. In addition, VA established working groups in Charleston, South Carolina, and New Orleans to examine joint venture proposals with academic affiliates. However, VA's criteria for evaluating joint venture proposals are not sufficiently specific, in terms of both the definition and the application of the criteria. As a result, VA's evaluations of joint venture proposals could be inconsistent and, therefore, may not serve as a reliable guide for federal investments in joint ventures. In addition, the criteria are not tailored to take into account differences in prospective joint venture partners to ensure that VA applies the appropriate level of review and scrutiny to proposals.