Rising to the challenge
Capital planning in federal health facilities

Give us your greatest challenge
Federal Health Advisory Services
Federal health care capital programs are often challenged by rapidly changing requirements and evolving missions, making managing outcomes difficult. Now, the Military Health System (MHS) and the US Department of Veterans Affairs (VA) face additional challenges – the wars in Iraq and Afghanistan have changed the needs of our nation's warriors and their families. Military treatment facilities are seeing an unprecedented number and range of injuries, requiring better facilities to care for these servicemen and women in the years to come. And with the current economic conditions and evolving technologies and clinical delivery systems, it is imperative for government agencies to re-examine how their health care capital investment programs are designed and implemented.

A capital problem
Congress has dramatically increased funding for health care delivery transformation as a response to these challenges. This has resulted in large capital investment projects ranging from new construction and renovation to recapitalization and restructuring, as well as the proliferation of centers of excellence. As of August 2009, the Veterans Health Administration (VHA) was working on 32 construction projects with an estimated total cost of $6.1 billion.¹ While executing these large projects, federal agencies face a multitude of challenges, including limited budgets in the early phases of design and the transformational demands of redirecting the building of world-class facilities well after steel has been driven into the ground.

Fresh perspective
To safeguard Congress' investment and deliver the best available care to our servicemen and women and veterans, the government must rigorously manage the scope, cost and schedule of each capital investment project. That's where Ernst & Young can help. We offer strategic capital investment services with an integrated approach to help you navigate the complexities of delivering a capital project.

This approach includes four phases: initiation, formation, execution and realization, as shown in Figure 1.

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In addition to our traditional capital investment services, we offer specialized support regarding:

- **Project management oversight.** We help you implement robust governance and controls, integrate and coordinate project management disciplines and implement structured consultation and communication protocols.

- **Contract compliance.** We assess the scope of the construction and support services contracts, identify potential gaps in requirements and verify the fulfillment of contract terms by other contractors.

- **Risk mitigation.** We perform an independent program assessment using our Diagnostic Assessment Tool (DAT), based on our independent verification and validation methodology. (See Figure 2.)

DAT may be applied at any point during the project life cycle to benchmark the project milestones against the critical path, leading practices and the last responsible day. It helps our team extract the essential items for a successful project from thousands of project activities, sort them into functional groups and highlight interdependencies.
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**Assess**
- Understand project environment and projected outcomes
- Understand scope, budget, schedule and areas of risk
- Identify critical milestones and associated interdependencies

**Benchmark**
- Provide leading practices and last responsible date for critical milestones
- Measure project’s current and anticipated progress against leading practices
- Assess operational framework against standard program management practices

**Monitor**
- Monitor project’s progress
- Monitor implementation of specific recommendations

**Analyze**
- Analyze/map milestone interdependencies against functional quadrants
- Describe current project activity status and conduct impact analysis
- Identify project controls and potential gaps in requirements

**Figure 2  Diagnostic Assessment Tool (DAT)**
DAT methodology includes four steps:

1. **Assess.** We review the project’s schedule and scope, budget, and operational functions to identify areas of risk, determine critical milestones and map interdependencies between key activities.

2. **Benchmark.** We measure the project’s current and future forecasted progress against industry-leading practices. We develop a timeline based on representative project data that depicts when specific milestones should be completed in advance of “Day One,” in terms of leading practices and last responsible date.

3. **Analyze.** We create a clear graphic representation of the relationships between project activities and key functional outcomes. This distinctive graphic helps our clients understand the cascading effect of critical milestones, the interdependencies and their overall impact on the success of the project. We then provide risk mitigation strategies as well as remediation recommendations to help manage risks and resolve issues.

4. **Monitor.** We evaluate the project’s progress against the critical path and project management leading practices on a continuing basis.
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Straightforward outcomes

We bring a fresh perspective to risk management and problem solving. In the current environment, without an objective look at complex capital investments, agencies increase their risk exposure to cost overruns, schedule slippage and misaligned scope. We can help you gain clear insights into specific project risks and help you prioritize your activities in all phases to mitigate these risks.

Ultimately, our goal is to bring you relevant, evidence-based analyses and recommendations to support you as you meet the needs of our servicemen and women and their families.

Give us your greatest challenge

- We are a global market leader in identifying, monitoring, managing and controlling the key risks of health care capital investment projects.
- We use our knowledge of health care investment planning, industry leading practices and risk management analytics to provide insight that focuses on investment risk identification and mitigation.
- We offer unbiased validation and verification of the current state of your program.
- Our culture – and our consulting approach – is based on honesty, integrity and new ideas, helping us provide objective, insightful analyses and recommendations.
- We leverage our quantitative heritage to help you make fact-based, informed decisions.
For more information, contact our Federal Health Advisory group:

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The Entrepreneurship Bootcamp for Veterans’ Families

Military families face daunting challenges when a family member is disabled or killed in military service. The Entrepreneurship Bootcamp for Veterans’ Families (EBV-F) is designed to provide a vocational path forward for family members in a full-time caregiver role for a wounded warrior or for the surviving family in a household where a parent has been killed in combat.

Established by The Whitman School of Management at Syracuse University and sponsored by Ernst & Young, EBV-F is an all-expenses-paid program designed to teach these family members the fundamentals of starting and running a small business.

EBV-F uses the same model as a well-established program now in its fourth year called Entrepreneurship Bootcamp for Veterans with Disabilities (EBV). The new program works with spouses and other immediate family members of disabled and deceased veterans, helping them to launch and grow a family business while taking into account their special circumstances. There is an online course, followed by two weeks in residence, after which participants are paired with online mentors who work with them over the next year. The pilot program began at The Whitman School of Management in November 2010.

In addition to financial support, Ernst & Young is assisting with planning, curriculum development, guest speakers, awareness and mentoring. Our sponsorship of the program highlights our commitment to our nation’s wounded warriors, families, entrepreneurship and education. We are proud to help launch this program at Syracuse University and plan to extend EBV-F to additional schools in the coming year.