Veterans Health Administration Marketing Plan

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1.0 Executive Summary

The U.S. Veterans Health Administration (VHA) is responsible for providing healthcare for our nation’s veterans. As a result of deeply rooted American culture, a wide variety of social and health care benefits are provided to veterans. By the early 1990’s, the VHA provided service to only 10% of the 9.5 million veterans eligible for VHA health care. Historically, the VHA faced a perception of access difficulties, fragmented services, irregular quality of care, and service that is indifferent or uncaring. Since his appointment in 1994 as undersecretary for health, Dr. Kenneth W. Kizer has worked diligently to transform the culture and structure of the VHA towards his vision to provide a seamless continuum of consistent and predictable high-quality, patient centered care to veterans that is of superior value. While Dr. Kizer made great strides during his first four years, the VHA still faces challenges as a result of his recent changes in organizational infrastructure, employees who are resistant to change, lack of employee accountability, and lack of internal employee knowledge in analytics, marketing plans, capital investment decisions. Because the VHA is a government organization, it faces restrictions on appropriated funds for advertising, limited community relations staff, and additional bureaucracy. Despite these limiting factors, the overall goal of our marketing plan is to convey the message that the “new” VHA provides world-class health care to our nation’s veterans. The internal and external marketing campaign aims to build trust in the VHA system. The internal campaign will inspire exceptional care among employees through a strategic messaging program utilizing a robust internal recognition program and messaging through posters and internal commercials displayed in common areas, waiting rooms, and elevators in the 54 VA hospitals. The external campaign will include transforming the VHA website, and create billboards and commercials featuring top VHA facilities, new programs, and stories highlighting exceptional VHA health care and veteran’s stories. The commercials will play on the Armed Forces Network and national TV in order to increase enrollment and trust in the VHA system.

2.0 Situation Analysis:

The U.S. Department of Veterans Affairs (VA) has the sole responsibility of serving America’s veterans. It is responsible for providing world class healthcare for these veterans through the Veterans Health Administration (VHA). The VHA is tasked with improving the highest quality healthcare provided to veterans while also ensuring access is optimized.

2.1 Market Summary:

The Veterans Health Administration beneficiary population consists of veterans who served in the active military service and who were discharged under conditions other than dishonorable. The VHA patient population is living longer than ever, which has given a rise to an increased need for healthcare. As of late 1999 the current veteran population was approximately 27 million people. The target audience for this new marketing plan will be veterans who served
during the Vietnam and Gulf War eras, as this population is beginning to require more healthcare as they age.

Target Markets

- Aging Vietnam and Gulf War era population
- Increasing female beneficiaries enrollment

2.1.1 Market Demographics:

The typical VHA beneficiary consists of the geographic, demographic, and behavior factors listed below:

Geographic Factors

- The VHA has no set geographic target area. It is imperative for the VHA to be able to provide services to veterans throughout the entire country.
- A large percentage of veterans live in rural areas. This presents a significant problem because reaching veterans in these areas has proven to be quite challenging.¹

Demographic Factors

- The veteran population is overwhelmingly male.
- The total targeted population consists of over 27 million possible beneficiaries.
- Current projections estimate a decline in veteran population over the next few decades.
- Current trends indicate a significant female population increase over the next two decades.
- Along with an increase in the female population, the percentage of minorities will also increase.²

¹,² Department of Veterans Affairs, Veteran Population Projections FY2000 to FY2036.

³ Department of Veterans Affairs Office Strategic Plan, FY 2000-2036, June 2010
Projected Veteran Population 17 Years and Older: 2000 to 2036

Source: Department of Veterans Affairs, Office of the Actuary, Veteran Population Projections Model (VetPop), 2007, Table 5L.

Projected Female Veteran Population 17 Years and Older: 2000 to 2036

Source: Department of Veterans Affairs, Office of the Actuary, Veteran Population Projections Model (VetPop), 2007, Table 5L.
2.1.2 Market Needs:

The Veterans Health Administration has positioned itself to effectively meet the needs of a diverse veteran population. It has identified specific needs of this population that need to be addressed. These needs are:

- World class, quality healthcare that optimizes accessibility while also enhancing the importance of value.
- Requirement for more efficient health education, training, and counseling services.
- Improving an already robust electronic health record system.
- Advancing customer satisfaction by providing management systems and support services to that are easy to use.

2.1.3 Market Trends:

The healthcare market in the past decade has undergone a significant shift due to advances in science, technology, and the pressure to control the rising costs of healthcare. The VHA was late to the race to adapt to these societal changes. In the past 4 years, the VHA has taken considerable steps to transform the organization to meet or exceed civilian healthcare standards and control costs. Veterans have a choice as to where they receive their healthcare. The VHA wants to encourage veterans to choose them as their primary means for receiving their healthcare.

2.1.4 Market Growth:
Overall the veteran population is expected to decline over the next few decades. Capturing as many veterans into the VHA beneficiary population will be essential to transforming the organization. As mentioned earlier, there is an expected increase in the female and minority populations. Similar to the civilian sector, there is an anticipated growth in the diagnosis of chronic illnesses and obesity within the aging veteran population. Due to the complex types of injuries veterans may suffer from, it is necessary to increase access to care to provide veterans a seamless and effective patient experience.

2.2 SWOT

The following SWOT analysis captures the key strengths and weaknesses within the VHA and describes the opportunities and threats facing the VHA.

2.2.1 Strengths

- Decentralized management of leadership to allow for veterans integrated service network (VISNs) to make operational decisions and manage the network’s fiscal budget
- The VHA is a leader in medical merit with a strong graduate medical educational programs, a robust inpatient structure, and advanced medical research
- The largest integrated healthcare system in the United States

2.2.2 Weakness

- Poor communication and sharing of best practices throughout the VHA
- Lack of leadership training in strategic analysis, marking planning, decision making, and negotiating contracts
- Limited access to outpatient care to include lengthy distance and long wait times for routine appointments

2.2.3 Opportunities

- Ability to lead the nation the largest integrated health-care system to focus on a system of health rather than healthcare
- The capacity to provide medical care to a unique, deserving, and growing patient population—the veterans of the armed forces

2.2.4 Threats

- The growing national deficit potentially restricting funds to the VHA
- The escalating cost of healthcare, staffing shortages, and increasing demand for services
- Uncertainty of healthcare reform

2.3 Competition:
The VHA is the largest integrated system of healthcare in the nation. Their unique consumer base consists primarily of veterans. Their focus on training healthcare professionals, medical research, support of disasters, and assistance to homeless veterans has a positive national impact. The competitive private market has quicker access to care, less variation in quality, and the ability to adapt quickly to the changing healthcare environment. As healthcare policy is evolving, many private sectors have transformed their business practice towards outpatient care. The VHA bureaucracy is cumbersome and the process to modify policy and implement organizational change is lengthy; resulting in a substantial challenge when competing with private healthcare systems.

2.4 Product Offering:

The VHA offers multiple medical services:

- Medical care to eligible veterans to include inpatient care, outpatient clinics, behavioral health, and community living centers
- Health-professional training for medical students, graduate medical education, nursing students and ancillary health professional schooling
- Medical research in biomedical sciences, rehabilitative medicine, and health-services delivery
- Medical support of the DoD medical-care system, emergency preparedness, and national disasters

2.5 Keys to Success:

The keys to successful implementation of this marketing approach includes a focus on training and instilling a sense of pride in the VHA’s employees and veterans while developing and marketing a brand of high quality healthcare for our nation’s veterans. A steadfast commitment to excellence is required from all to ensure that this philosophy is adopted throughout the organization, and not simply seen as another passing fad. Resistance to change must be challenged by the leadership in order for employees to truly embrace the new philosophy. This will translate into exceptional care, changing veterans’ and the public’s perception of VHA healthcare. The internal marketing program will highlight programs and service provided by the VHA. The program will highlight employees providing exceptional care who have embraced the philosophy of excellence. The internal program will include commercials, posters, and a multimedia platform such as televisions screens in common areas, waiting areas, and elevators to convey our message to employees and patients. Highlighting key staff will also serve as an internal awards and recognition program. Our external marketing program will reach veterans through social media and television to expand our enrollment population and convey the message of quality and safe healthcare.

2.6 Critical Issues:
The critical issues facing the VHA are numerous. The VHA faces a perception of access difficulties, fragmented services, irregular quality of care, and service that is indifferent or uncaring. Additionally, the VHA faces challenges from recent changes in organizational infrastructure, employees who are resistant to change, lack of employee accountability, and lack of internal employee knowledge in analytics, marketing plans, capital investment decisions. Because the VHA is a government organization, it faces restrictions on appropriated funds for advertising, limited community relations staff, and additional bureaucracy.

In order to address the VHA’s critical issues, the government must commit to a dramatic increase in money for marketing, communications, and community relations. Historically, money for marketing, training, and education are considered administrative costs and are usually the focus of budget cuts in a financially constrained environment. This lack of attention and funding has created the current VHA situation. The marketing plan outlined will address these critical issues and provide a roadmap to change the organizational culture of the VHA, as well as the public’s perception of VHA healthcare and services provided to our nation’s veterans.

3.0 Marketing Strategy

The VHA has a long history of caring for our nation’s veterans. The foundation of our marketing plan is building trust and confidence in our veteran patients and our nation that the VHA provides exceptionally safe and quality healthcare. Our marketing campaign will feature an internal and external campaign to transform the organizational culture through strategic communications, highlighting examples of exceptional care by providers and staff, as well as veteran’s stories of satisfied care and possible stories of their injuries received during service. Our branding will rely on a theme of refocus and commitment to the most deserving patients—our military veterans.

3.1 Mission

The mission of the Veterans Health Administration is to provide a seamless continuum of consistent and predictable high-quality, patient centered care that is of superior value. This simple yet focused approach is a departure from the previous VHA mission and will enable all VHA employees to commit it to memory ensuring that all daily operations are in support of the mission.

3.2 Marketing Objectives

- To increase the percentage of total Veterans served to 20%.
- Increase the number of outpatient care visits by 50%
- Create the brand image within the U.S. as the premier health plan for veteran’s healthcare.

3.3 Financial Objectives
• Reduce overall cost per patient by 25%.
• Increase the number of ambulatory surgery from 35% to >75% of all surgeries.
• Continue to merge management and operations of VHA hospitals that are in the same geographic areas.

3.4 Target Markets

With the VHA’s current enrollment market of over 3.6 million veterans, the initial target market is the 31.3% of Veterans over 65 years of age that are not currently using the VHA for their primary healthcare. The second markets targeted are the veterans that have an annual income of less than $20,000. The third markets targeted are the veterans that are unable to work or have limited activities of daily living. Marketing strategies focus on reaching veterans through a number of strategies and techniques, while recognizing unique groups within the veteran population. These groups include veterans in underserved or often remote areas, mentally ill veterans, and chronically ill patients. The VHA’s aim is to expand this market by promoting to veterans that the VHA is the premier health plan for them. The VHA has a clearly defined and identifiable market niche that enables highly targeted and efficient marketing of its services.

3.5 Positioning

The VHA will position itself as the premier healthcare system for veterans with both quality and clinical outcomes. The VHA will leverage the competitive edge with: Unmatched Patient Satisfaction, Superior Clinical Outcomes, Convenience, and Accessibility of Care.

3.6 Strategies

The main objective is to position the Veterans Health Administration (VHA) as the premier healthcare provider for veterans. The marketing strategy will initially seek to increase patient awareness regarding the services offered and the quality of the healthcare that the VHA delivers. This strategy will help the VHA increase enrollment of eligible beneficiaries. The message the VHA will seek to communicate is: the VHA will continue to be the benchmark of excellence and value in healthcare by providing exemplary services that are both patient-centered and evidence-based, 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. This message will be distributed through a variety of methods. The first method will be a restructuring of the VHA website. The website will be redesigned to emphasize the VHA’s commitment to continuous improvement. The second marketing method will be a media tour to include interviews on television and radio. The goal of the media tour will be, to engage the public and start the conversation that the VHA is a redesigned organization that provides world-class health care for our veterans. The final strategy will be a comprehensive email and mail campaign to contact a new generation of veterans who may have overlooked the VHA as a source for their health care.
3.7 Marketing Program

The Veterans Health Administration marketing program is comprised of the following approaches:

- **Product:** VHA delivers the highest quality health care
- **Cost:** VHA delivers cost effective health care to the nation
- **Convenience:** VHA’s hospitals and clinics are conveniently located across the nation
- **Customer Satisfaction:** VHA will aim to achieve increased patient satisfaction
- **Promotion:** Several methods will be utilized to deliver the message of the redesigned VHA

3.8 Marketing Research

The VHA has a robust infrastructure consisting of over 1,300 health care facilities. The VA's Office of Quality and Performance distributes confidential questionnaires that ask patients about their satisfaction with recent outpatient or inpatient treatment at a VHA medical center. Gaining patient feedback is a critical element to ensure the VHA is providing the services that veterans require at the level of quality desired. Across industry lines, the VHA compares the quality of care they deliver against the private sector through quality metrics and as indicated on The American Customer Satisfaction Index as well as through reports from the RAND Corporation.

4.0 Financials

The VHA is constrained by a congressionally set budget. The VHA will seek to continue to allocate financial resources that provide the most value to the organization. Lowering the cost to deliver healthcare will remain a key function of the new VHA marketing plan. Cost benefit analysis programs will continue to be an important part of the leadership’s decision making process in determining which programs have the greatest value to veterans at the lowest cost. Over the past six years, the budget for the VHA has increased by $4 billion. The increased budget has allowed the VHA to restructure operations and will continue to be an imperative part of the VHA’s restricting plan.

5.0 Controls

The purpose of this marketing plan is to guide the VHA into the 21st century as a top tier healthcare organization. It will focus on both the internal and external changes to the organization. This plan will monitor per patient costs, the costs associated with running the organization, as well as patient satisfaction scores.

5.1 Implementation

This marketing program will be implemented nationwide to ensure it reaches the widest population.
5.2 Contingency Planning

This plan rests upon the assumption that congress will continue to allocate increased funding to the VHA. This marking plan could face difficulties if local VHA leadership does not fully embrace the new strategy to take the VHA into the 21st century. The worst case scenario is that congress decreases the budget allocations to the VHA, placing programs that have been implemented during the current leadership’s tenure in jeopardy.