

Department of Veterans Affairs Realizes Benefits through Improved Healthcare for Veterans¹

A Supplement to the report, *PMIAA: Strengthening the Government Delivery Foundation*.

Hurricane Katrina decimated thousands of buildings in New Orleans, Louisiana, USA, in 2005, including a U.S. Department of Veterans Affairs (VA) medical facility that served approximately 40,000 military families. The hospital, also where world-class research was conducted and more than 500 medical students were training to become physicians, suffered so much damage that it had to be replaced.

So in 2006, the U.S. Congress authorized funding for a new 1.6-million-square-foot (148,645-squaremeter) regional referral center. Dubbed Project Legacy, the 10-year, US\$1 billion project delivered an eight-building, 30-acre (12.1-hectare) campus in the heart of New Orleans. In a city submerged and beleaguered by a deadly storm, rebuilding a critical healthcare center became a symbol of recovery.

“It was a time that was pretty dark for many people,” says Liz Failla, supervisory project engineer, Southeast Louisiana Veterans Health Care System, New Orleans. “And this project offered hope.”

But the pressure to complete a sprawling state-of-the-art healthcare institution on schedule and on budget was immense. A wary government sponsor allowed no margin for error. The Government Accountability Office (GAO) demanded strict requirements designed to ensure the project team remained careful stewards of taxpayer funds. And a weary community—including healthcare facility patients and staff—needed assurances that the project would expand services and improve access to care. That meant the team had to maintain a sharp focus on managing risk, scope and stakeholders.

“Early on, we understood that we could not make changes unless they were absolutely necessary,” says Fernando Rivera, medical center director, Southeast Louisiana Veterans Health Care System. “That was a big lesson learned. Without sound project management principles, we would not have easily seen the impact a change would have.”

For instance, changes to the scope could be made only if they were necessary to deliver better patient care. The strict change controls were part of a broader risk management approach that was integrated throughout project coordination. Following the GAO’s feedback, project managers identified initial project risks based on lessons learned from previous projects, as well as the VA’s national activation office lessons-learned database. Among the key risks the team identified were the need to align hiring and training of new staff with project completion, a lack of effective procurement strategies for materials and equipment, and poor stakeholder communication and responsiveness. The team brought planning specialists into the process from the outset of the design phase. Better planning upfront ensured the team set realistic timeline goals and helped foster a culture committed to good communication and problem solving.

¹This case study is based on the article, “2018 PMI® PROJECT OF THE YEAR WINNER, Full Recovery: A team rebuilt a hospital for military veterans—restoring healthcare and order for a battered city,” by Sarah Fister Gale and published in the November 2018 *PM Network* magazine.

“As a former civil engineer, it’s easy for me to understand why the skill sets of project management practitioners were needed on this project,” Mr. Rivera says. “It wasn’t just a nice thing to have, it was a critical requirement to the success of the project.”

Collective Soul

Putting veterans, families and the community first helped build wholesale support for a facility that would transform lives well beyond New Orleans. For instance, the medical center was the region’s go-to heart surgery facility for veterans in states including Florida and Mississippi, Mr. Rivera says. Gathering feedback from all of those critical stakeholders helped ensure the facility would meet the needs of patients and medical staff, as well as secure buy-in from residents who had grown weary of waiting for their city to be rebuilt, Ms. Failla says.

The team leveraged town hall meetings, community interviews and focus groups with hospital staff and veterans to generate pages of ideas. “We started with ‘What are your hopes and dreams, and what are your fears?’” says Stephanie Repasky, PsyD, deputy director, Southeast Louisiana Veterans Health Care System, New Orleans. “That drove a lot of what we did in the design.”

Patient and staff feedback drove many practical design changes, such as placing mirrors at levels that were easier to access for patients in wheelchairs and adding bathrooms in the parking garage. Staff feedback led the team to design all patient rooms with identical features—such as placement of staff sinks—to make operations more uniform and efficient. The team also sought feedback on aesthetic decisions, including paint color, furniture and curtain patterns. For example, the team learned to avoid using curtains that were the same color as sand or had patterns similar to barbed wire, because patients might negatively associate those elements with their service in the Gulf War in the early 1990s that was waged primarily in desert areas.

“Everything that we did was based upon feedback from users and our staff, as well as our customers, our patients and their family members,” Dr. Repasky says.

Although gathering and incorporating immense public feedback added time to the planning process, it helped the team deliver a facility that aligned with the VA’s mission, Mr. Rivera says. “We were able to draw from this national reference that the VA has along with a very intimate set of ideas and experiences from our patients and staff to put together a very efficient design.”

Storm Resistance

Although the team couldn’t prevent future disasters, it was focused on mitigating the impact of hurricanes—and considered those risks with every design decision. From the outset, the project team leveraged lessons learned from Katrina and other storms to meet one goal: make the hospital one of the most hurricane-resistant medical facilities in the nation. In the days after Katrina hit, medical staff had to abandon the hospital and were forced to improvise—providing care in tents and other makeshift shelters amid hot and humid conditions.

Many decisions were made to ensure violent storms would never interrupt service. The team placed critical heating and cooling systems on upper floors. All areas that include mission-critical medical equipment were built 20 feet (6 meters) above designated floodwater heights, and floodgates were incorporated into the lower floors so elevators wouldn’t flood, Ms. Failla says. Walls and windows were designed to withstand wind of up to 130 miles

(209.2 kilometers) per hour. The team also built an on-site facility that can store up to 320,000 gallons of fuel and a 6,000-square-foot (557-square-meter) warehouse stocked with emergency supplies.

“The facility is set up to support 1,000 occupants for five days without having the benefit of water or electricity,” Mr. Rivera says.

The hospital also must double as a recovery center. So each private patient room is equipped to support two people to accommodate extra patients during a crisis. “That’s really important for our mission, not just due to a natural disaster but also in the event of an epidemic where you need more beds,” Ms. Failla says.

Preventive Measures

Proactive resource management was necessary to help prepare for a seamless transition to operations—and mitigate the risk of potential staffing gaps when the hospital opened. “We were very concerned about being able to hire staff in a competitive market,” says Mary Beth Cooper, associate chief nurse for activation, Southeast Louisiana Veterans Health Care System.

With many positions in high demand in the healthcare industry, her team turned to the Project Legacy team for help. The hospital wanted to ensure hiring efforts aligned with project progress, Ms. Cooper says.

“The project managers assisted us with making sure that we realized what deadlines were coming up,” she says. And if issues arose that might delay their ability to begin training or onboarding, the project team kept the hospital hiring team in the loop. The project team’s input on hiring triggered Ms. Cooper’s team to build timelines for other critical elements, including acquisition and delivery of equipment, and creating and approving policies that would govern talent once the facilities were opened.

“They helped us realize that we needed to document all of these plans in a format we could work with,” she says. “Project management helped us with all of that.”

Leaving a Legacy

Despite significant obstacles, the three phases of the project were delivered on time between December 2016 and August 2018, and the entire project came in roughly 14 percent under budget. The hospital now offers more than 65 clinical, ancillary, administrative and support services 24 hours a day, seven days a week. In its first 18 months, the facility completed more than 500,000 outpatient appointments and more than 1,000 surgical procedures and delivered roughly 10,000 days of inpatient care.

“We’re meeting our mission to provide immediate needs to our community,” Dr. Repasky says. “We’ve returned inpatient care services to people who have not gotten it from a VA in over 12 years.”

Moreover, project leaders and the VA believe Project Legacy offers a roadmap for future VA hospital projects—in particular, showing how strong communication and collaboration with all stakeholders can ensure teams meet objectives.

“It all boils down to communication and respecting your client,” Ms. Failla says. “This project was born out of a disaster, and it took a lot of hard work to bring it to where it is today so that we can again provide services to our nation’s heroes.”

Analysis – Implications for the Program Management Improvement and Accountability Act

While no one likes having someone watching over their work, the Veterans Affairs New Orleans construction project benefitted from an additional layer of oversight from the Government Accountability Office (GAO). Project leadership noted that the additional attention focused the project team on addressing potential management gaps in its risk, scope change and stakeholder management practices. And the project team ensured that team members brought a range of skills and capabilities to support successful project delivery. Effectively managing these critical areas of focus proved vital in delivering the eight buildings with 1.6 million square feet of space on time and 14% under budget.

While important, the project outputs alone were insufficient to achieve the vision for the New Orleans hospital site. So whether consciously or unconsciously, the project team used elements of effective program management to deliver additional benefits. The team developed requirements and identified benefits critical to the hospital's success by soliciting the "hopes and dreams" of the community. These stakeholder inputs elevated the vision beyond physical infrastructure into something of longer-term value to the community. Further, to maintain high operating performance to deliver services to more than 70,000 veterans, the hospital would require forward-thinking talent management. Building that forward-thinking approach into the plans would require change-enabling capabilities. Both of these practices reflected good program planning to deliver the processes, organization, technology and information flow needed in a future state. Program management approaches are best for transitioning to a new state, leading change and ensuring sustained performance – all of which are beyond the reasonable scope of a project.

These program and change management elements contributed to program-level performance outcomes essential to realizing the long-term benefits associated with the hospital:

- **Sustainable in extreme weather conditions.** The hospital has enhanced storm wind resistance capabilities and can remain self-sufficient for 1,000 people for up to five days with no water or electricity.
- **An expanded range of service offerings.** The hospital offers a broad range of services, including 65 clinical, ancillary, administrative and support services. It is open 24 hours per day, 7 days per week.
- **A pleasing but highly functional design.** The building design incorporated stakeholder feedback for a more aesthetically pleasing design with greater functional utility for staff and reduced stress for patients.
- **Long-term talent planning.** The best facilities and equipment are meaningless without qualified and trained staff to deliver effective patient care. Recognizing that talent shortages would remain a significant market condition into the future, the team ensured that staff recruitment and retention approaches focused beyond getting the hospital staffed sufficiently for its opening.

Actual performance outcome metrics from the hospital's first 18 months of operation indicate progress toward realizing desired benefits of providing quality healthcare, restoring hope and pride within the New Orleans community, and restoring confidence in government:

- The hospital completed more than 500,000 outpatient appointments.
- Staff performed more than 1,000 surgical procedures.
- The hospital delivered over 10,000 days of inpatient care.
- Most importantly, the hospital ". . . returned inpatient care services to people who have not gotten it from the VA in over 12 years."