Marketing Plan: Rebranding the Veterans Health Administration

Michael McClain, Owen Pitrone, Michael Siegert, Marc Skinner

MMKT5470

Army-Baylor University Graduate Program in

Health and Business Administration
1.0 Executive Summary

The Veterans Health Administration (VHA) is a federally funded, national healthcare system that provides comprehensive health care services to veterans. Established in 1946, the VHA has grown steadily, alongside the DOD. The total expenditure for Veteran Medical Programs in 2013 was in the area of $55 billion, compare this to about $24 billion in 2000 and it is clear that the programs have expanded considerably. The VHA’s includes 151 Medical Centers, 820 Community Based Outpatient Clinics, 103 Residential Rehabilitation Centers and 139 Integrated Disability Evaluation System sites. The VHA’s mission is to provide health care to veterans, to include training, research, addressing the issue of homeless veterans in the United States. The goal of the VHA’s marketing is to rebrand itself as the premier healthcare organization for veterans and to distance the VHA from recent scandals. Dr. Kizer’s legacy of VHA market penetration strategy directs the targeting of non-enrolled veterans and the rebranding of VHA programs and awareness about improvements in quality, technological advancements, and particularly access to care. Beyond this, rebranding will occur for current enrollees, to include an updated VHA website with appointment information and transparency. Finally, the VHA will place advertisements in numerous media, publication, and social media outlets.

2.0 Situation Analysis

The purpose of this marketing plan is to develop strategic initiatives that will re-establish the VA’s perception as the premier health service in the United States for the veteran population. The VA will have to adapt to changes within the field of healthcare as well as a growing and changing beneficiary population. The following analysis will look at current trends and areas of improvement for the VA.
2.1 Market Summary

The market summary for the VA will include discussions of the market demographics, needs, trends, and growth. This summary will also include projections for the VA market demographics and target markets.

2.1.1 Market Demographics

As a healthcare provider for veterans of the armed forces, the market demographics for the VHA are quite diverse. The geographical region, target demographics, and increasingly complex nature of disability claims continue to increase among the veteran population (FY 2014-2020 Strategic Plan, 2014). The majority of current veterans reside in the states of California, Texas, and Florida; however, the dispersion of veterans is wide across all 50 states (Statistics, 2014). The most recent survey of the VA population revealed that 9.1 million of the roughly 22.6 million are at or above the age of 65, with 8.2 million being below the age of 50 (Bureau, 2012).

2.1.2 Market Needs

With the wide dispersion of market demographics within the VA, the market needs are, as expected, quite diverse. The top five needs currently being addressed by the VA are (FY 2014-2020 Strategic Plan, 2014):

- Health care for VA enrollees and patients
- Life insurance
- Veteran’s disability compensation
- Home loans
- Educational benefits
Additionally, the large population of homeless veterans is an area of focus for the VA and would encompass many current VA benefits listed above. Most of the VA population has great need for long-term health care services including those for mental health, physical therapy, and preventative services (FY 2014-2020 Strategic Plan, 2014).

2.1.3. Market Trends

According to the most recent VA study, the total population will follow a steady decline from roughly 22.6 million in 2013 to roughly 14.5 million in 2043 (Statistics, 2014). Within this projection are a variety of changes to the gender make-up, ethnicity, and the period of service of the veterans. These changes include: a growing increase in the percentage of female veterans from 8% in 2013 to almost 17% in 2043, increases of black, Hispanic, and other ethnicities by an estimated 6%, 6%, and 2.5%, respectively, and a decreasing population of veterans from WWII, Korean War, and the Vietnam War (Department of the Veterans Affairs, 2014). The below chart shows data from the U.S. Census Bureau (2012) and demonstrates current trends in VA spending from 2000-2010. The Affordable Care Act introduces a growing shift towards “patient centric” care and will demand increased wellness and preventative care in
addition to an increased amount of veterans covered by a third-party insurance agency (FY 2014-2020 Strategic Plan, 2014). The cumulative effects from the ACA are still to be determined, but the increased opportunity for veterans to seek care elsewhere will require that the VA present veterans with valued care. The Veterans Access, Choice, and Accountability Act of 2014 will move the VA towards a more integrated and dynamic health care system and is designed to create a medical home for the patients beyond the walls of the treatment facility (Administration, 2014).

2.1.4 Market Growth

Continued expansion of the veteran population will result in increasing expenditures, more diversity, and growing complexity among needs. Current projections, as demonstrated in section 2.1.3, show a greater percentage of female veterans, more diverse ethnicity, and a greater need for outreach to the population of homeless veterans.

2.2 SWOT Analysis

The below SWOT analysis briefly describes the strengths, weaknesses, opportunities, and threats that are currently facing the VA.

2.2.1 Strengths

There are many strengths within the VA organization, three of which are listed below:

- **Noble and well supported mission focus.** This mission attracts many potential staff members to include administrative officials, technicians, physicians, and general staff.

- **Inter-agency communication of patient information.** The electronic medical record, VISTA, provides the VA with communication of patient records across the country. Such communication allows for superior continuity of care and, among other things, patient satisfaction.
• **Largest network of healthcare in the United States.** The amount of resources, expertise, and footprint of the VA across the U.S. allows for stability within the organization. The variety of VA facilities allows veterans to seek care near their homes. Such services are convenient to the veterans and ideal for providing personal and superior health care.

2.2.2 Weaknesses

The VA has a variety of weaknesses that could be discussed, however only three of them are listed below:

• **Negative Publicity.** Recent allegations regarding the wait lists for care among veterans have tarnished the VA brand. Time, resources, and intentional outreach will have to be implemented in order to restore the VA’s image.

• **Funding.** The VA is federally funded and therefore has limited control over whether or not future projects or programs will have funding. Additionally, such funds are highly scrutinized and create a risk-averse atmosphere for spending.

• **Uncontrolled spending.** A U.S. Government Accountability Office 2008 report showed nearly $7 billion in miscellaneous expenditures which could not be accounted for (U.S. Government Accountability Office, 2010). Without a proper understanding of how the budget is being spent, accountability cannot be maintained and opportunities to recover unnecessary spending become increasingly more challenging.

2.2.3 Opportunities

Opportunities exists in both the strengths and weakness categories listed above. The VA’s large network allows an increase in communication and best practices among their facilities. A large network also allows an increased footprint in the communities of each
respective facility. This footprint can allow for community outreach and programs design to improve the VA brand and reserve the negative publicity. Uncontrolled spending will require time and expertise to remedy; however, the room for improvement is vast, and as tight oversight is placed on spending, opportunities for reduced and more efficient spending will become apparent.

2.2.4 Threats

There are many threats that face the VA, especially with the increased competition that will be associated with the expansion of the ACA among veterans. Private hospitals within each local community will consistently compete for veteran services. The limited access to VA facilities will force veterans to seek care at civilian care facilities. Additionally, the uncertainty involved with federal funding makes expansion and future planning a challenge. Should federal funding become limited or even unavailable, VA services would be severely hampered.

2.3 Competition

As discussed in section 2.2.4, competition for the VA will reside with other private healthcare organizations. Increased coverage due to the ACA will result in increased freedom for veterans to seek care at civilian facilities. The VA also competes with other federal agencies for congressional appropriation of funds on an annual basis.

2.4 Product Offering

While the primary mission of the VA is to provide healthcare to veterans, there are a myriad of additional services that are offered as well (FY 2014-2020 Strategic Plan, 2014). A few of the VA product categories are listed below:

- **Health benefits.** Inpatient, outpatient, long-term, preventative, and among other things, emergency care are offered to veterans.
• **Research.** The VA is renowned for their research on conditions and ailments that affect much of the veteran and other eligible beneficiaries.

• **Federal support.** In addition to the VA mission to support veterans, the VA also supports other federal agencies in their mission to serve the American people. Some of these agencies include: the Department of Defense, the Federal Emergency Management Agency, and among other agencies, the Department of Homeland Security.

### 2.5 Keys to success

Success for the VA will require a variety of approaches. In the VA’s report, *Blueprint for Excellence (2014)*, 10 strategies are listed for the way forward, three of which are listed below:

• **Customer Service.** An increased focus on providing superior customer service is required to rebuild the VA brand. Training and top-down accountability are a requirement to grow this capability across the various VA facilities.

• **Business Accountability.** Spending must be transparent and accountable to allow for streamlining operations and looking for areas of opportunity within the business model. The VA has identified audits and inspections as the way forward to improve accountability among the different levels of the organization.

• **Improve performance.** While this strategy could be applied to any organization, it is no less essential to improving operations within the VA. Improvement for the VA includes increasing expertise among providers, seeking favorable veteran outcomes, improving communication among VISNs, and ultimately improving the health of the VA beneficiaries.
2.6 Critical issues

Many issues have been discussed already in the above sections, which include, but are not limited to: business accountability, customer service (avoiding negative publicity), improving access to care for veterans, and reaching the homeless population of veterans. VISNs must ensure that they maximize performance through tailored services that are specific to their patient demographics within their respective geographical region. Such an approach will take creativity and outside of the box thinking. The impact of the ACA will create a dynamic and changing climate within the field of healthcare. The VA must remain flexible in their practices, be able to adapt to policy changes, and perhaps new and expanding requirements.

3.0 Marketing Strategy

Our marketing strategy is a two-pronged approach focusing on regaining the trust of American veterans and obtaining employee buy-in. We realize that veterans have options for their health care needs with the enactment of the Patient Protection and Affordable Care Act, and in light of the current scheduling scandal, the VHA needs to rebuild trust that it can provide timely, world-class health care to its beneficiaries. In the past, organizational inertia limited the effectiveness of change initiatives from within the VHA. This marketing strategy must get employee buy-in for long-term success.

3.1 Mission

The VHA strives to provide both patient-centered and evidence-based health care services that are a benchmark of excellence and value. The mission of the Veteran’s Health Administration is to honor America’s Veterans by providing exceptional health care that improves their health and well-being.
3.2 Marketing Objectives

- Demonstrate timely medical appointments within the VHA, or ensure timely appointments in the veterans’ communities if appointments within the VHA are not available
- Achieve long-term employee buy-in for organization-wide, patient-centered change

3.3 Financial Objectives

- Demonstrate reliability with tax-payer dollars
- Demonstrate efficiency with tax-payer dollars

3.4 Target Markets

The VHA serves more than 8.3 million veterans at over 1,700 facilities across the United States, with more than 53,000 licensed health care practitioners employed. The VHA has collaborated with many Department of Defense facilities to help expand capacity, and yet demand continues to exceed capacity in all 21 Veterans Integrated Service Networks (VISN). Within the 21 VISNs, there are more than 800 Community-Based Outpatient Clinics, 135 Community Living Centers, 48 VHA Domiciliaries, and 278 community based Vet Centers. These facilities provide a full spectrum of health care services from primary care to specialty care, behavioral health, inpatient hospitals, and skilled nursing facilities (Veterans Health Administration, 2014).

3.5 Positioning

The VHA will position itself as a benchmark of excellence and value in health care. This position will be attained through leveraging our existing facilities, and outreach to providers as authorized by the Veterans Access, Choice, and Accountability Act of 2014, in order to meet the health care needs of America’s veterans.
3.6 Strategies

There are two objectives needed to accomplish the VHA’s mission and vision. First, the VHA needs to regain the trust of American veterans as the preferred organization to receive their health care, in a timely manner. The marketing strategy will create a simple message: Veterans will get a medical appointment on time, every time. This message will be communicated to veterans via mail flyers, full-page advertisements in the magazine VAnguard, phone call on-hold messages, and featured prominently on the VA website, to include transparency in regards to actual appointment times.

The second objective to achieve is employee buy-in for long-term success. The marketing strategy used to achieve this objective will be through face-to-face meetings from senior management to mid-level management, and combined senior management and mid-level managers with direct reports. This will be through daily huddles, standard meetings, and implementation of Gemba walks. A lot of time and effort will be invested to effect long-term cultural change.

3.7 Marketing Program

The VHA marketing program is comprised of pricing, distribution, advertising and promotion, and customer service.

- **Pricing.** This will be based on a per-capita basis.
- **Distribution.** The VHA will use direct-to-beneficiary distribution channels.
- **Advertising and promotion.** The VHA will rely upon mail flyers, magazine advertisements, phone call on-hold messages, and internet advertisements for the first strategy. The VHA will rely upon face-to-face and town hall platforms to advertise the second strategy.
- **Customer Service.** The VHA will be the national benchmark of excellence and value in all aspects of health care, including customer service. Customer service employees will be empowered to achieve excellence in customer service.

**3.8 Marketing Research**

The VHA has a robust database of all eligible veterans, including patient satisfaction information. This information is easily comparable to Department of Defense data, and Hospital Consumer Assessment of Healthcare Providers Systems (Medicare.gov, 2014). This information is continually updated, and will be used to inform VHA leadership for any changes in demographics, enrollment, utilization, or veterans’ needs.

**4.0 Financials**

For fiscal year 2015, VHA marketing department will invest $28 million to launch a marketing campaign that must completely rebrand the public image of our health care system. Due to the projected population growth, the marketing budget overall will increase to $35 million for FY2015. This intended expenditure is within the requirements of House Resolution 83, requiring that the marketing expenditure at the Department of Veteran’s Affairs not exceed $40 million in any specific section (113th Congress, 2014). As previously stated and in order to maximize marketing resources, this funding will be allocated on a per capita basis. Beyond this, promotional campaign responsibility will be pushed to and funded at the regional VISNs; this will ensure both the widest reach and the uniform vision of our new brand. The desired outcome of this expenditure is a more complete capture of the market, but also to bring back those who have been alienated by recent errors made by specific VHA locations. In order to achieve this goal, the expenditure, per capita, will more than double what was spent in fiscal year 2000. The
financial aspect of expenditure, particularly in light of the Affordable Care Act, is then of the utmost importance, as is the transparency of the access to care.

5.0 Controls

VISNs will review all local marketing products for presence of over-arching VHA marketing objectives. Budgetary accountability will remain with VISNs. Further controls may be established to manage implementation and organization of marketing activities.

5.1 Implementation

- Customer service satisfaction surveys, online transparency campaigns, and employee whistleblower hotlines will be used to monitor patient wait times.
- Independent contractors will inspect targeted facilities and generate reports for public release on access to care.
- VISN leadership will use updated employee termination policies to remove ineffective healthcare leaders.

5.2 Marketing Organization

VHA headquarters is responsible for providing unified public relations campaigns to VISN directors. VISN directors are responsible for subordinate marketing activities.

5.3 Contingency Planning

VISN directors will empower leadership to creatively market to local target populations.

Difficulties and Risks

- Federal budget constraints.
- New DVA Leadership.
- Time constraints and the need to move quickly.
- Entrenched veteran perception of wait times at VHA healthcare facilities.
• Ongoing congressional attention.

**Worst-Case Risks**

• Sequestration.

• Additional negative press.
References:


