



## Performance Summaries

### by Strategic Objective

The following sections of the report describe VA's accomplishments associated with each of the strategic objectives identified in the Department's strategic plan. This information complements and provides additional detail beyond the summaries of performance associated with each strategic goal (refer to the Performance Overview and Performance Results by Strategic Goal sections on pages 23-54).

For **each strategic objective**, the layout of the information is in **three parts** as follows:

# Part 1


### Vignette

A short description of a new VA program or a story about how VA is making a difference for America's veterans as it relates to VA's strategic objective.

**STRATEGIC OBJECTIVE 4.3**  
**Academic Partnerships**  
*Enhance the quality of care to veterans and provide high-quality educational experiences for health profession trainees, created internally in VA and via partnerships with the academic community.*

**Making a Difference for the Veteran**

**Graduate Medical Education (GME) Enhancement Initiative**  
*Expanding the number of VA Physician Resident Positions to Meet the Needs of VA and the Nation*



Based upon the recommendations of a Federally-chartered advisory committee, VA began an expansion of physician resident positions from 8.5% of the US total in 2005-06 to a target of 10-11% by 2011. The overall goals of this ambitious initiative are as follows:

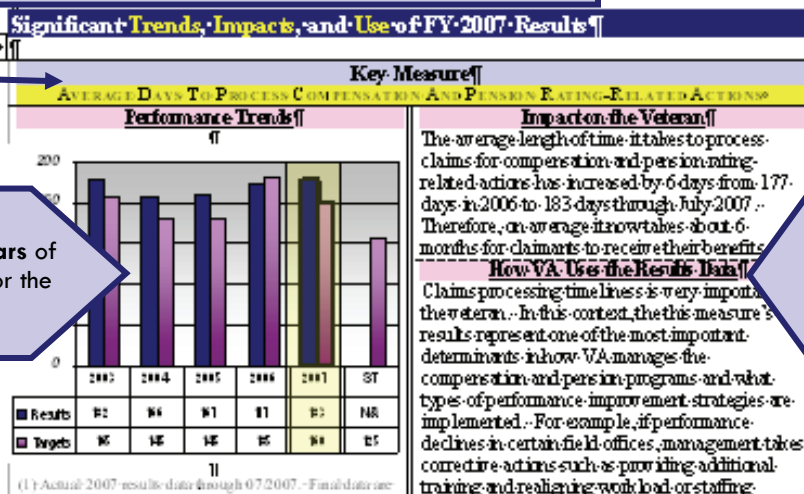
- Expand physician resident positions in specialties of greatest need to veterans
- Address uneven geographic distribution of residents and improve veterans' access to care
- Foster innovative models of resident education
- Propel VA to a greater leadership role in national GME
- Begin to address physician workforce shortages for VA and the nation

This far-reaching plan will add approximately 2,000 positions over a 5-year period. Positions will be awarded competitively. The application process takes into account the quality of existing educational programs and infrastructure, the needs of new sites of VA care (e.g., community-based outpatient clinics and new or rapidly-growing facilities in under-served areas), the ability of a site to offer innovative

### Illustrative Measure

Measures shown in this section are representative of what VA is trying to achieve as defined by the given Strategic Objective. The text of the measure is shown as well as an indication of whether it is a key or supporting measure.

# Part 2



### Bar Chart

Chart depicting 5 years of targets and results for the given measure

### Impact and Use

This area includes two components as relates to the given measure:

- Impact statements** describing how the 2007 performance result impacted the veteran
- Data Use** statements describing how VA management uses the results data to make improvements in operations.



# Part 3

Concurrence Attachment 3f

Part II – Performance Summaries by Strategic Objective

|  |   |
|--|---|
| <p><b>Additional Performance Information Related to Strategic Objective 2.2</b></p>  | <p>32 issued February 2007. [WEA: These need more explanation. Why are they important? Why will not understand.]</p>  |
| <p><b>OIG Major Management Challenges and GAO High-Risk Areas</b></p>  | <p><b>Other Important Results</b></p>   |
| <p>VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.</p> | <p>This area provides the following as relates to the given Strategic Objective:</p>  |
| <p><b>Program Assessment Rating Tool (PART) Evaluations</b></p>  | <p>• A list of <b>major management challenges</b> identified by VA's Office of Inspector General and <b>High-Risk Areas</b> identified by the Government Accountability Office that have an impact on this objective.</p>   |
| <p><b>Program Evaluations</b></p>  | <p>• A description of <b>program evaluations</b> that have been completed or are ongoing.</p>   |
| <p><b>New Policies, Procedures, or Process Improvements</b></p>  | <p>• A list of related <b>Program Assessment Rating Tool</b> reviews conducted.</p> <p>• A description of <b>new policies and procedures</b> that have been or are being implemented to improve VA's ability to achieve the strategic objective.</p> <p>• Any <b>other important performance results</b> in support of the strategic objective.</p> |

In 2007 there were 11 measures for which performance results were significantly below expectations and, as a consequence, had a significant impact on program performance. For each of these measures, we provide explanations of why the shortfall occurred and descriptions of resolution strategies being employed to improve performance. Please see the Performance Shortfall Analysis tables beginning on page 86 for this information. In the measures tables beginning on page 221, these results are color-coded in red.

Measures color-coded in yellow do not appear in the Performance Shortfall Analysis tables. Although the target was not achieved for these measures, the result did not significantly impact program performance.

**Please note:** In this report, with the exception of table and chart titles, references to years (e.g., 2005, 2006) are fiscal years unless stated otherwise.



## Strategic Goal One

### Restoration and Improved Quality of Life for Disabled Veterans

#### STRATEGIC OBJECTIVE 1.1

##### Specialized Health Care Services

*Maximize the physical, mental, and social functioning of veterans with disabilities and be a leader in providing specialized health care services.*

#### Making a Difference for the Veteran

### VA's Suicide Hotline Begins Operations



The VA's National Suicide Prevention toll-free hotline 1-800-273-TALK (8255) is manned round-the-clock to ensure veterans with emotional crises have access to trained mental health professionals.

The Department of Veterans Affairs (VA) has begun operation of a national suicide prevention hotline to provide veterans with emotional crises with round the clock access to trained professionals.

"Veterans need to know these VA professionals are literally a phone call away," said former Secretary of Veterans Affairs Jim Nicholson. "All servicemembers who experience the stresses of combat can have wounds on their minds as well as their bodies. Veterans should see mental health services as another benefit they have earned, which the men and women of VA are honored to provide."

The hotline number is 1-800-273-TALK (8255). VA's hotline is staffed by mental health professionals in Canandaigua, New York. They take calls from across the country and work closely with local VA mental health providers to help callers. To operate the national hotline, VA is partnering with the Substance Abuse and Mental Health Services Administration of the Department of Health and Human Services (HHS).

"The hotline will put veterans in touch – any time of the day or night, any day of the week, from anywhere in the country – with trained, caring professionals who can help," added Nicholson. "This is another example of the VA's commitment to provide world-class health care for our Nation's veterans, especially combat veterans newly returned from Iraq and Afghanistan."

The suicide hotline is among several enhancements to mental health care that former Secretary Nicholson announced this year. In mid July, the Department's top mental health professionals convened in the Washington, DC, area to review the services provided to veterans of the Global War on Terror.

VA is the largest provider of mental health care in the Nation. This year, the Department will spend about \$3 billion for mental health. More than 9,000 mental health professionals, backed up by primary care physicians and other health professionals in every VA medical center and outpatient clinic, provide mental health care to about 1 million veterans each year.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Supporting Measure   |               |  |       |
|--|---------------|--|-------|
| PERCENT OF SPECIALLY ADAPTED HOUSING (SAH) GRANT RECIPIENTS WHO INDICATED THAT GRANT-FUNDED HOUSING ADAPTATIONS INCREASED THEIR INDEPENDENCE |               |  |       |
| Performance Trends   |               | Impact on the Veteran  |       |
|  |               | <p>Specially Adapted Housing grants are provided to severely disabled veterans to build a new or adapt an existing dwelling to meet their adaptive housing needs.</p>                                |       |
|  |               | <p><b>How VA Uses the Results Data</b></p> <p>VA intends to monitor this program measure and use data to gauge program performance and, where appropriate, make modifications to program policy.</p> |       |
|  | 2006          | 2007   | ST    |
| ■ Results  | Avail 11/2007 | TBD  | N/A   |
| ■ Targets  | N/A           | 98.0%  | 99.0% |

(1) Actual 2007 results data will not be available until 10/2008.  
 (2) ST= Strategic Target

**Additional Performance Information Related to Strategic Objective 1.1**

**OIG Major Management Challenges**

- Quality of Health Care (see page 254 for more details)
- Electronic Medical Records (see page 257 for more details)
- New and Significantly-Increased Health Problems Associated with OIF/OEF (see page 260 for more details)

**GAO High-Risk Areas**

The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Medical Care program during CY 2003, which resulted in a rating of “Adequate.” Please see OMB PART reviews on page 81 for more information.

**Program Evaluations**

A program evaluation of mental health services for seriously mentally ill (SMI) patients in VA is being conducted by the Altarum Institute in conjunction with RAND-University of Pittsburgh Health Institute. It will assess type, level and quality of care provided, and degree of satisfaction of patients receiving SMI services for schizophrenia, bipolar, major depression, post-traumatic stress disorder, and substance use disorder.



This study, unprecedented in its scope, will evaluate patient-centered outcomes measured across the continuum of care--from diagnosis through treatment, chronic disease management, and rehabilitation. The study was started in 2006 and will be completed in 2010. Particular attention is being paid to patient outcomes to determine if the services we provide are making a difference in our patients' lives. Service-connected veterans having these mental health conditions are a particular emphasis, especially in terms of determining why they may or may not choose to use VA for their health care.

The major deliverable this year will be the results of an extensive survey of all VA facilities that will define the level of current services and the extent of the use of evidence-based care, and allow VA to track the use of its mental health enhancement funds by repeating the survey later in the study. This will provide detailed information on services currently provided, workload, cost, staffing, types of care, referral patterns, use of primary care, and mental health specialists. All of this information will facilitate the implementation of the Mental Health Strategic Plan, identify gaps in services, and guide further use of enhancement funds to improve patient care.

A second major deliverable is the identification of performance indicators to evaluate mental health care and patient outcomes, along with accompanying documentation of the justification for and strength of the indicators. These may also be adopted by VA in its ongoing efforts to measure and improve the quality of care provided. This level of detail and specificity has never before been developed in VA.

#### **New Policies, Procedures, or Process Improvements**

- VA mandated that all OIF/OEF veterans who come to VA for care be screened for TBI. Screening policy and procedures have been defined in a VA directive. Veterans with positive screens are offered follow-up evaluations by providers with training and expertise in TBI. In addition, an algorithm

for the management of positive symptoms has been developed by VA experts and disseminated nationally.

- In 2007 VA experienced an increase in the number of inquiries into the SAH grant program. Legislation passed in June of 2006 changed the one-time only usage of SAH grant benefits to a total of three times, not to exceed the maximum amounts established. As a result of the legislated changes, VA released revised computer-based training for SAH staff in 2007.
- VA also released an updated SAH manual, which provides more detailed instructions for VA staff on the processing of SAH grants.

#### **Other Important Results**

- In February 2006, VA opened a Polytrauma Call Center operated 24 hours per day, 7 days per week, to answer clinical, administrative, and benefit inquiries from severely injured patients and their families. From March through August 2007, the Call Center made 3,511 outreach phone calls, contacting 917 seriously injured OIF/OEF veterans. Through the outreach phone calls, VA has been able to provide these veterans additional assistance with outstanding health or benefits concerns.
- More than 100 measures focused on **specialized health care** are now analyzed by health care program officials quarterly, with focus on such areas as access, prevention/health promotion, cardiovascular disease, mental health, and most recently, measures related to health care for OIF/OEF servicemembers and veterans.
- New measures have been designed to assess the **quality** of patient care in a variety of settings, including inpatient, outpatient, emergency, and mental health. Quality is further evaluated in special populations such as women, mentally ill, spinal cord injury, and OIF/OEF.
- As of August 2007, VA processed 576 SAH grants for severely disabled veterans to build a new or adapt an existing dwelling to meet their adaptive housing needs.



### **Data Quality**

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 192.



## STRATEGIC OBJECTIVE 1.2

### *Decisions on Disability Compensation Claims*

*Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.*

## Making a Difference for the Veteran

### Helping a Homeless Veteran in a Time of Need

Three days before Thanksgiving 2006, Ms. Tresa Jackson, one of the Women Veterans Coordinators at the St. Paul Regional Office, was contacted by a staff member at the Minneapolis VA Medical Center (VAMC) regarding a homeless woman veteran. The veteran was living in her car and needed help.



Tresa Jackson, one of the Women Veterans Coordinators at the St. Paul Regional Office, is to be commended for the excellent customer service she exhibited in assisting a homeless woman veteran with receiving VA benefits.

Ms. Jackson immediately went to the VAMC and met with the veteran. She assisted the veteran in filing a claim for service-connected compensation for a mental health condition and for nonservice-connected pension benefits. That same day, Ms. Jackson contacted the Minnesota Assistance Council for Veterans and was able to obtain a referral for housing while the veteran waited to be placed in the inpatient treatment program at the VAMC.

Ms. Jackson printed the veteran's clinical records and delivered the claim to a rating specialist at the regional office. The veteran was granted nonservice-connected pension benefits and received her first pension benefit payment on December 29, 2006. Ms. Jackson was just getting started. While the veteran was completing treatment, Ms. Jackson gathered the evidence necessary to grant 100 percent service-connected compensation. A retroactive benefit check was issued on April 4, 2007.

The veteran began receiving monthly benefit payments at the 100 percent rate on May 1, 2007. The veteran has since completed treatment, found suitable housing near her family, and has continued to receive care at the Minneapolis VAMC.

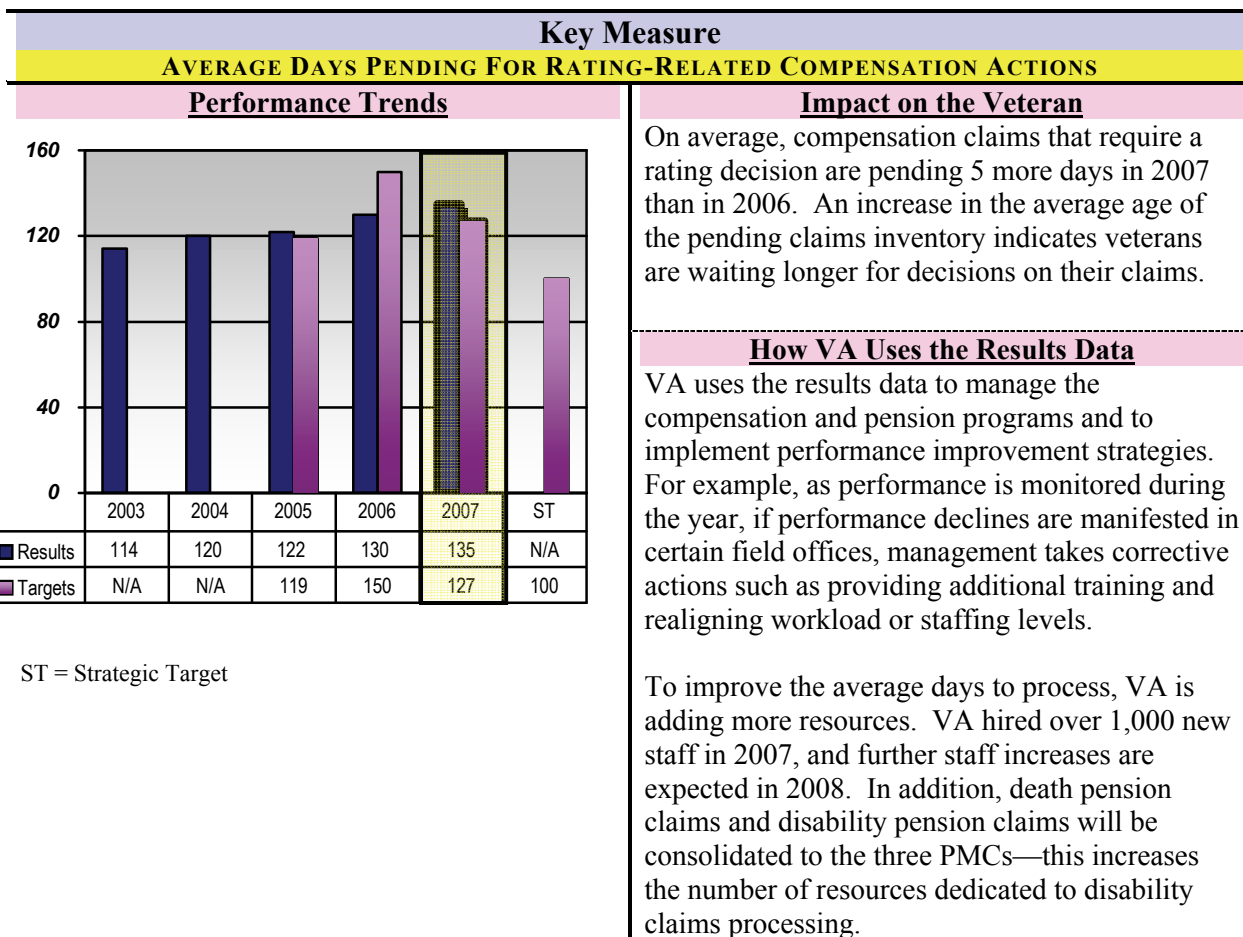


**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure   |         |         |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
|---|---------|---------|--|---|---------|---------|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|--|--|--|
| AVERAGE DAYS TO PROCESS COMPENSATION AND PENSION RATING-RELATED ACTIONS   |         |         |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| Performance Trends  |         |         |  | Impact on the Veteran   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| <table border="1"> <thead> <tr> <th>Year</th> <th>Results</th> <th>Targets</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>182</td> <td>165</td> </tr> <tr> <td>2004</td> <td>166</td> <td>145</td> </tr> <tr> <td>2005</td> <td>167</td> <td>145</td> </tr> <tr> <td>2006</td> <td>177</td> <td>185</td> </tr> <tr> <td>2007</td> <td>183</td> <td>160</td> </tr> </tbody> </table> |         |         |  | Year  | Results | Targets | 2003 | 182 | 165 | 2004 | 166 | 145 | 2005 | 167 | 145 | 2006 | 177 | 185 | 2007 | 183 | 160 | <p>The average length of time it takes to process claims for compensation and pension rating-related actions has increased by 6 days from 177 days in 2006 to 183 days in 2007. Therefore, on average it takes about 6 months for claimants to receive their benefits.</p> |  |  |
| Year  | Results | Targets |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| 2003  | 182     | 165     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| 2004  | 166     | 145     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| 2005  | 167     | 145     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| 2006  | 177     | 185     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
| 2007  | 183     | 160     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
|   |         |         |  | How VA Uses the Results Data  |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
|   |         |         |  | <p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>  |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |
|   |         |         |  | <p>To improve the average days to process, VA is adding more resources. VA hired over 1,000 new staff in 2007, and further staff increases are expected in 2008. In addition, death pension claims and disability pension claims will be consolidated to the three Pension Maintenance Centers (PMCs)—this increases the number of resources dedicated to disability claims processing.</p> |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |  |  |  |

ST = Strategic Target





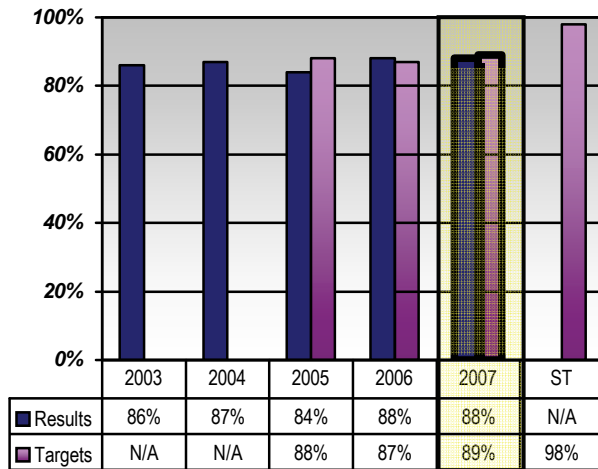
ST = Strategic Target



**Key Measure**

**NATIONAL ACCURACY RATE FOR COMPENSATION CORE RATING WORK**

**Performance Trends**



(1) Actual 2007 results data through 07/2007. Final data are expected in 01/2008.  
 (2) ST = Strategic Target

**Impact on the Veteran**

The veteran is entitled to an accurate decision on his or her compensation claim. Despite increased workload, VA has continued to maintain the accuracy of rating decisions on compensation claims, thereby ensuring that VA provides the correct level of benefit to the veteran.

**How VA Uses the Results Data**

VA uses technical accuracy reviews to identify areas where specialized training is needed on either a local or national level. Over the last several years, VA has placed great emphasis on helping employees manage increasingly complex compensation claims by taking the following actions:

- Expanded the Systematic Technical Accuracy Review (STAR) staff to increase review sampling; expand rating data analyses; and increase the focus on disability decision consistency reviews.
- Conducted satellite broadcasts on an as-needed basis to address special issues and areas of inconsistency and misunderstanding.
- Provided guidance through training letters on the development and evaluation of specific disabilities.

**Additional Performance Information Related to Strategic Objective 1.2**

**OIG Major Management Challenges**

- Pending Claims and Estimated Receipts (see page 264 for more details)
- Appeals (see page 266 for more details)
- Accuracy and Variance (see page 267 for more details)

**GAO High-Risk Areas**

- Modernizing Federal Disability Programs (see page 289 for more details)

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during CY 2002, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 78 for more information.

**Program Evaluations**

In July 2007 the President's Commission on Care for America's Returning Wounded Warriors, led by Robert Dole and Donna Shalala, provided recommendations to improve and modernize the VA disability compensation program.



In October 2007, VA, in conjunction with the Department of Defense, submitted a legislative proposal to Congress to implement the recommendations of the President's Commission.

The Veterans' Disability Benefits Commission began work in May 2005 and recently concluded its work. The purpose of the Commission was to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service, and to produce a report on the study. The Commission issued its findings and recommendations in October. VA will study the Commission's recommendations and begin taking appropriate actions in 2008.

#### **New Policies, Procedures, or Process Improvements**

- VA is developing the Expedited Claims Adjudication to offer an expedited process to represented claimants who desire to shorten the time required to process their claims through a knowing waiver. The regulations required to affect this program have been drafted and are now under Departmental review.
- VA deployed the VETSNET Operations Report, a new workload management reports system, nationwide in May 2007. This system provides reports that are faster and more user-friendly than prior reports systems. This results in better, more timely

management information available for senior leaders to take necessary corrective action.

- The Veterans Service Center Managers Workshop held in May emphasized improving claims processing timeliness and methods to help newly hired veterans service representatives become more productive.

#### **Other Important Results**

The Board of Veterans' Appeals (BVA) introduced a number of employee incentives and training programs to increase productivity while maintaining high decisional quality. BVA trains Veterans Law Judges and staff counsel to write clear, correct, coherent, and concise decisions and employs a quality review process that translates "lessons learned" into directed training sessions. BVA has a full-time training coordinator who oversees training sessions on specific legal issues, writing skills, and other matters.

"Grand Rounds" and other training keep the legal staff current with continuing changes in the law. The ultimate benefit to our Nation's veterans is improved decisional quality, reduced remands, and quicker resolution of appeals.

#### **Data Verification and Measure Validation**

Verification and validation information for the three key measures that support this objective is provided in the Key Measures Data Table on page 204.



## STRATEGIC OBJECTIVE 1.3

### *Suitable Employment and Special Support*

*Provide eligible service-connected disabled veterans with the opportunity to become employable and obtain and maintain employment, while delivering special support to veterans with serious employment handicaps.*

## Making a Difference for the Veteran

### **VA Teams Up with the Federal Aviation Administration to Provide Veterans with New Training Opportunities**

“A Hero to the Nation – A Hero in the Skies” – with that theme in mind, officials from the Federal Aviation Administration (FAA) and Veterans Benefits Administration unveiled FAA’s Veterans Employment Program on Capitol Hill in April 2007. A product of a memorandum of understanding signed by the two agencies in November 2006, the new program establishes a framework for providing transition for veterans with disabilities into the civilian workforce through on-the-job training programs administered by the FAA. Through this partnership, disabled veterans will be able to take advantage of VA vocational rehabilitation benefits while training for select positions in the FAA such as air traffic control specialist and airway transportation systems specialist.

The FAA Office of Human Resource Management, in collaboration with the Academy and Air Traffic Organization, has developed a training plan for veterans entering this program. The training, approved by VA, will allow disabled veterans who apply and are approved by VA to use their vocational rehabilitation benefits to attend classes at the FAA Academy. The Academy offers a wide array of training assistance and offers the best aviation training available. Veterans will complete the same training requirements as current FAA employees. Veterans must apply through VA’s Vocational Rehabilitation and Employment (VR&E) Service. The VR&E Web site, [www.vetsuccess.gov](http://www.vetsuccess.gov), has detailed information on the program.



A memo of understanding was signed by Admiral Daniel Cooper, VA Under Secretary for Benefits, and Marion Blakey, FAA Administrator, that established a program to provide a smooth transition for veterans with disabilities into the civilian workforce through an on-the-job training program administered by FAA.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure  |         |         |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
|--|---------|---------|--|---|---------|---------|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|----|-----|-----|---|--|--|
| VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E) REHABILITATION RATE  |         |         |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| Performance Trends   |         |         |  | Impact on the Veteran   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| <table border="1"> <thead> <tr> <th>Year</th> <th>Results</th> <th>Targets</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>59%</td> <td>65%</td> </tr> <tr> <td>2004</td> <td>62%</td> <td>67%</td> </tr> <tr> <td>2005</td> <td>63%</td> <td>66%</td> </tr> <tr> <td>2006</td> <td>73%</td> <td>69%</td> </tr> <tr> <td>2007</td> <td>73%</td> <td>73%</td> </tr> <tr> <td>ST</td> <td>N/A</td> <td>80%</td> </tr> </tbody> </table> |         |         |  | Year  | Results | Targets | 2003 | 59% | 65% | 2004 | 62% | 67% | 2005 | 63% | 66% | 2006 | 73% | 69% | 2007 | 73% | 73% | ST | N/A | 80% | <p>A “rehabilitated” veteran is one who enters the rehabilitation program and successfully completes the program plan with the objective to obtain employment or gain independence in daily living.</p> |  |  |
| Year   | Results | Targets |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| 2003   | 59%     | 65%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| 2004   | 62%     | 67%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| 2005   | 63%     | 66%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| 2006   | 73%     | 69%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| 2007   | 73%     | 73%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
| ST   | N/A     | 80%     |  |   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
|  |         |         |  | How VA Uses the Results Data  |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
|  |         |         |  | <p>The key indicator of the effectiveness of the VR&amp;E program is the rehabilitation rate. In this context, the measure is used to assess individual performance for all vocational rehabilitation counselors, counseling psychologists, VR&amp;E officers, and regional office directors.</p> |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |
|  |         |         |  | <p>For detailed information on how this measure is calculated, please see the Definitions section in Part IV.</p>   |         |         |      |     |     |      |     |     |      |     |     |      |     |     |      |     |     |    |     |     |   |  |  |

**Additional Performance Information Related to Strategic Objective 1.3**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Vocational Rehabilitation and Employment program during CY 2006, which resulted in a rating of “Adequate.” Please see OMB PART reviews on page 79 for more information.

**Program Evaluations**

The Secretary's Task Force Report of 2004 on the Vocational Rehabilitation and Employment program made over 100 recommendations. Over 88 recommendations have been completed or implemented. One of the major recommendations for the program was to implement the Five-Track Employment Model, which was completed during 2006. In 2007 VA completed a training needs assessment to use in identifying the requirements for the VR&E program. Using this tool, VA began work on the Electronic Performance Support System for the Vocational Rehabilitation Counselor position. The Electronic Performance Support System will be used in the regional office VR&E divisions as a reference tool for current staff and a standardized training tool for newly hired staff; the tool will help staff provide consistent services to veterans.



### **Other Important Results**

VR&E Service conducted several training sessions on topics such as the following:

- Fiscal Accuracy and Integrity
- Program Outcome Accuracy
- Maximum Rehabilitation Gains
- Functional Capacity Evaluations
- Cognitive Assistive Devices
- Independent Living

Through the Quality Assurance Review program, VR&E was able to identify areas that warranted attention and additional training for all VR&E counselors. Standardized training is provided to improve the counselors' performance in providing the best possible service to veterans nationwide. These training sessions were provided throughout the year; it is anticipated that improvement will be demonstrated during the next fiscal year's quality assurance reviews.

### **Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 206.



## STRATEGIC OBJECTIVE 1.4

### *Improved Standard of Living for Eligible Survivors*

*Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.*

## Making a Difference for the Veteran

### **VA's Life Insurance Programs for Service-Disabled Veterans Provide Eligible Survivors With an Improved Standard of Living**

The purchase of life insurance is an important aspect of providing financial security to one's survivors. VA's life insurance programs are particularly important for service-disabled veterans and their families because these veterans may not be able to purchase life insurance from the commercial insurance industry due to lost or impaired insurability resulting from military service. VA provides two life insurance programs that are specifically designed for service-disabled veterans.



This veteran is a policyholder of Veterans' Mortgage Life Insurance and Service Disabled Veterans Insurance. These programs provide over \$2 billion in life insurance protection to the many families of service-disabled veterans.

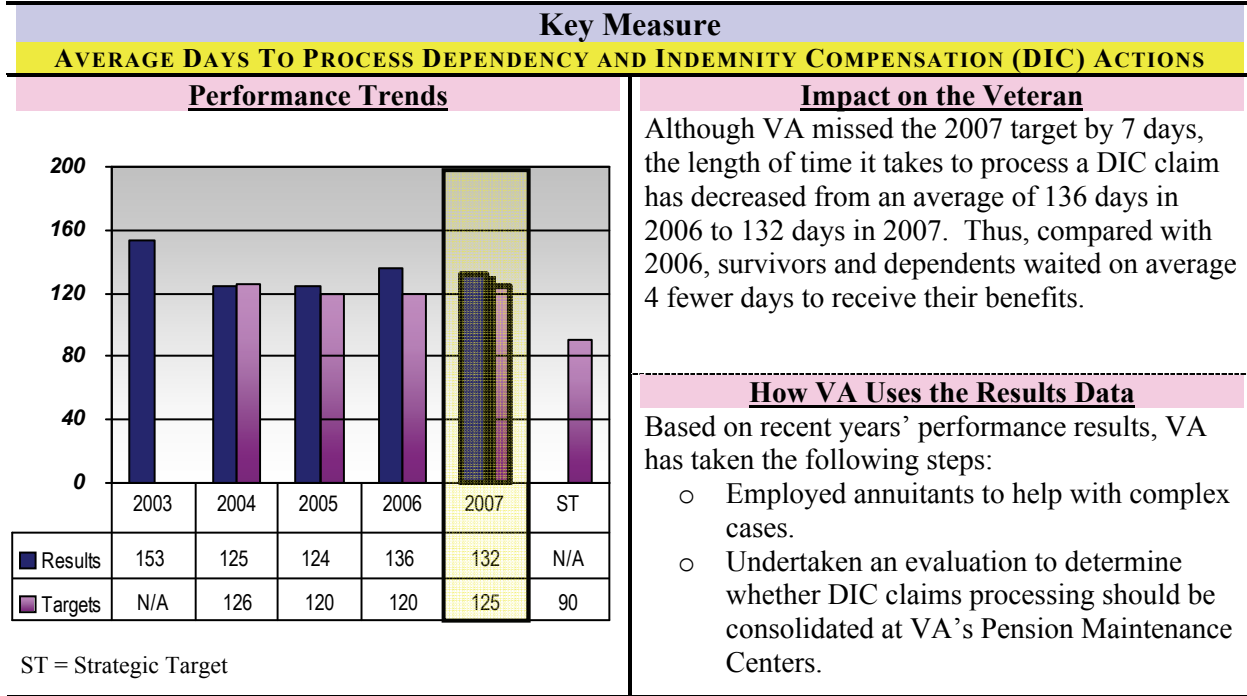
Service Disabled Veterans Insurance (S-DVI) is open to veterans separated from service on or after April 25, 1951, who receive a service-connected disability rating. Eligible veterans can purchase up to \$10,000 of life insurance at standard (healthy) rates. S-DVI policyholders who are totally disabled before age 65 can have their premiums waived and can purchase up to an additional \$20,000 in coverage. Veterans' Mortgage Life Insurance (VMLI) provides up to \$90,000 of mortgage protection life insurance at standard premium rates to service-disabled veterans who have received a grant for specially adapted housing. S-DVI and VMLI programs provide over \$2 billion in life insurance protection to the families of service-disabled veterans.

Servicemembers' Group Life Insurance (SGLI) while in service are guaranteed the right to convert from SGLI to VGLI upon separation, without proof of good health. Although not limited to disabled veterans, the conversion privilege is an especially important feature for veterans who may not be able to purchase life insurance as a result of their service-connected conditions. VGLI is lifetime-renewable term insurance available up to a maximum of \$400,000. In addition, if a servicemember is totally disabled at the time of separation from active duty, he or she may have their SGLI coverage extended free of charge for 2 years.

Veterans' Group Life Insurance (VGLI) is another VA life insurance option for veterans who leave military service with service-connected disabilities. All members who carry



**Significant Trends, Impacts, and Use of FY 2007 Results**



ST = Strategic Target

**Additional Performance Information Related to Strategic Objective 1.4**

**OIG Major Management Challenges**

- Pending Claims and Estimated Receipts (see page 264 for more details)
- Appeals (see page 266 for more details)
- Accuracy and Variance (see page 267 for more details)

**GAO High-Risk Areas**

- Modernizing Federal Disability Programs (see page 289 for more details)

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during CY 2002, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 78 for more information.

**Program Evaluations**

The Veterans' Disability Benefits Commission began work in May 2005 and recently concluded its work. The purpose of the Commission was to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service, and to produce a report on the study. The Commission issued its findings and recommendations in October. VA will study the Commission's recommendations and begin taking appropriate actions in 2008.

**New Policies, Procedures, or Process Improvements**

- VA is using rehired annuitants to provide training and mentorship and to assist the Tiger Team in Cleveland as they process claims from across the country. We expect this to increase the number of completed rating-related claims.
- VA is evaluating the consolidation of dependency and indemnity compensation





(DIC) claims processing to VA's Pension Maintenance Centers to determine if this would improve efficiency in processing claims.

**Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 206.



## Strategic Goal Two

*Ensure a smooth transition for veterans from active military service to civilian life.*

### STRATEGIC OBJECTIVE 2.1

#### *Reentry into Civilian Life*

*Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.*

### Making a Difference for the Veteran

## New Ft. Bragg Facility Provides Needed Bridge for Easing Transition to Civilian Life



Ron Aument, VA Deputy Under Secretary for Benefits (center); Colonel David G. Fox, Garrison Commander Fort Bragg (left); and Monty Montgomery, Director, Winston-Salem Regional Office (right) at the grand opening of the Benefits Delivery Office.

To provide easier access for soldiers at Ft. Bragg to benefits offered by VA—especially programs for transitioning service-members—VA and Ft. Bragg opened a newly expanded Benefits Delivery Office in August.

"VA is absolutely committed to ensure that military members have a seamless transition from active duty to VA's benefits and health care systems," said Ronald Aument, VA's Deputy Under Secretary for Benefits. "This new office helps us fulfill that commitment."

VA operates 140 offices on military installations as part of its Benefits Delivery at Discharge program. Among the services offered by the VA facility at Ft. Bragg are the following:

- Benefits counselors will coordinate with the Warrior Transition Battalion at Womack Medical Center and the VA Medical Center in Fayetteville to ensure that the most severely injured soldiers continue to receive the highest level of care as they leave active duty.
- Staff at the VA office can explain to separating servicemembers the full range of health care, disability, home loan, vocational, and educational benefits offered by VA.
- For those within 6 months of separation, VA can help file a claim for benefits and provide a medical examination to record any disabilities. For those eligible for rehabilitation assistance, VA counselors can meet with the separating servicemembers to plan a program of education and training that will help them return to productive employment after discharge.

"We are thrilled to have this new location where we can meet with soldiers and airmen before their discharge, and provide them information and assistance on VA benefits," said John Montgomery, Director of VA's Winston-Salem Regional Office. "Prior to this, we had to send soldiers to Fayetteville for medical exams and to Spring Lake for vocational rehabilitation counseling. This new office allows us to provide true one-stop service to these deserving men and women."



**Significant Trends, Impacts, and Use of FY 2007 Results**

| <b>Supporting Measure</b>   |         |   |         |         |      |    |    |      |     |     |        |     |     |   |  |
|---|---------|---|---------|---------|------|----|----|------|-----|-----|--------|-----|-----|---|--|
| <b>PERCENT OF SEVERELY-INJURED OR ILL OEF/OIF SERVICEMEMBERS/VETERANS WHO ARE CONTACTED BY THEIR ASSIGNED VA CASE MANAGER WITHIN 7 CALENDAR DAYS OF NOTIFICATION OF TRANSFER TO THE VA SYSTEM AS AN INPATIENT OR OUTPATIENT</b>   |         |   |         |         |      |    |    |      |     |     |        |     |     |   |  |
| <b>Performance Trends</b>   |         | <b>Impact on the Veteran</b>  |         |         |      |    |    |      |     |     |        |     |     |   |  |
| <table border="1"> <thead> <tr> <th>Year</th> <th>Results</th> <th>Targets</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>2007</td> <td>90%</td> <td>90%</td> </tr> <tr> <td>ST (2)</td> <td>N/A</td> <td>95%</td> </tr> </tbody> </table> |         | Year  | Results | Targets | 2006 | 0% | 0% | 2007 | 90% | 90% | ST (2) | N/A | 95% | <p>This measure is designed to monitor how quickly VA case managers contact severely wounded OIF/OEF veterans and their families. Case managers play an important role in helping these individuals make a smooth and efficient transition into VA health facilities. In this context, the case managers help these veterans and their families understand VA's system of health care and financial benefits.</p> |  |
| Year  | Results | Targets   |         |         |      |    |    |      |     |     |        |     |     |   |  |
| 2006  | 0%      | 0%  |         |         |      |    |    |      |     |     |        |     |     |   |  |
| 2007  | 90%     | 90%   |         |         |      |    |    |      |     |     |        |     |     |   |  |
| ST (2)  | N/A     | 95%   |         |         |      |    |    |      |     |     |        |     |     |   |  |
|   |         | <b>How VA Uses the Results Data</b>   |         |         |      |    |    |      |     |     |        |     |     |   |  |
|   |         | <p>Measure data are posted on the VHA Support Service Center (VSSC) site monthly, where they are viewable by facility, network, and Central Office staff. Measure data are also published quarterly in the Executive Briefing Book maintained on the Office of Quality and Performance Web site. Data are shown nationally, as well as by VISN and facility. Quality Managers, Chief Medical Officers, Facility Directors, Network Directors, and Central Office staff access the data in the Briefing Book on a regular basis.</p>   |         |         |      |    |    |      |     |     |        |     |     |   |  |
|   |         | <p>The results data serve as key VA monitoring capabilities with regard to OIF/OEF patients. Data are used to identify process and system problems that can then be resolved in a timely manner. If the performance level of a given facility continually falls below the target of 90 percent, VA would examine the situation to determine possible reasons and solutions. Potential strategies could include increasing the number of case managers, additional staff training, improving documentation to capture accomplishments, and expanding methodologies for making veteran contact.</p> |         |         |      |    |    |      |     |     |        |     |     |   |  |

(1) Actual 2007 results data through 08/2007. Final data are expected in 11/2007.

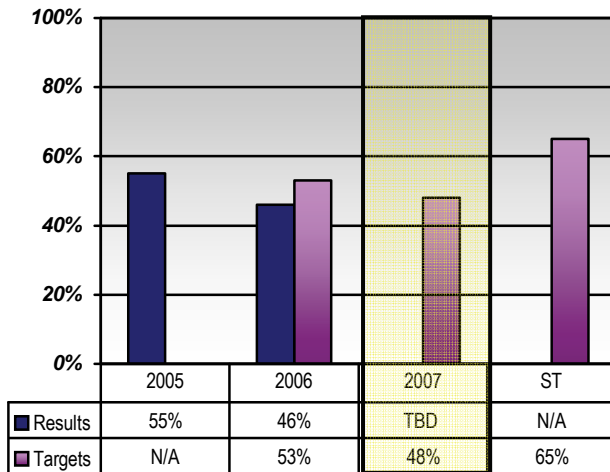
(2) ST = Strategic Target



**Supporting Measure**

**OUT OF ALL ORIGINAL CLAIMS FILED WITHIN THE FIRST YEAR OF RELEASE FROM ACTIVE DUTY, THE PERCENTAGE FILED AT A BDD SITE PRIOR TO A SERVICEMEMBER'S DISCHARGE**

**Performance Trends**



- (1) Actual 2007 results data TBD. Final data are expected in 11/2007.
- (2) 2006 Result has been recalculated.
- (3) ST = Strategic Target

**Impact on the Veteran**

The BDD program helps servicemembers who have only 60 to 180 days remaining before separation and/or retirement to file for VA service-connected disability compensation. For those granted VA disability benefits, the program provides a seamless transition from the DoD health care system into the VA medical and benefits system. Through July 2007, VA received more than 33,800 original compensation claims through the BDD program.

**How VA Uses the Results Data**

VA uses the results data to measure the participation rate in the BDD program. Together with DoD, VA seeks to achieve a participation rate of 65 percent by 2011.

**Additional Performance Information Related to Strategic Objective 2.1**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

No PART evaluations have been completed that specifically address this objective.

**Program Evaluations**

No independent program evaluations have been conducted recently that specifically address this objective.

**New Policies, Procedures, or Process Improvements**

In September 2007, VA introduced the BDD program to Navy personnel. The program began in San Diego, California.

VA also expanded transition assistance to servicemembers through the Pre-Discharge Claims Process. This process is for servicemembers within 180 days of discharge and includes National Guard, Reservist, and those undergoing medical evaluation and physical evaluation boards.

Because of the BDD program's unique process, it is being used to evaluate the feasibility of using Virtual VA (VVA) to electronically process claims. Service medical records are scanned into the VVA system, and the claim is processed in a completely virtual environment. To date, there have been over 2,300 BDD claims processed through Virtual VA.



### **Other Important Results**

In February 2007, VA announced the expansion of a collaborative outreach program with states and territories to help severely injured servicemembers receive benefits from their states when they transition from military hospitals to VA medical facilities in their communities.

In October 2003, VA began placing social work liaisons and VBA benefits counselors at 10 major Military Treatment Facilities (MTFs) to assist injured and ill servicemembers transition from the military to veteran status. Through August 31, 2007, VHA staff has coordinated

8,150 transfers of OIF/OEF servicemembers and veterans from an MTF to a VA medical facility.

Since its inception in November 2005 through July 31, 2007, more than 113,000 Reserve and Guard members have completed the Post Deployment Health Reassessment (PDHRA) on-site screen, resulting in over 26,345 referrals to VA medical centers and 13,213 to Vet Centers.

### **Data Quality**

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 192.



## STRATEGIC OBJECTIVE 2.2

### *Decisions on Education Claims*

*Enhance the ability of veterans and servicemembers to achieve educational and career goals by providing timely and accurate decisions on education claims and continuing payments at appropriate levels.*

## Making a Difference for the Veteran

### VA's GI Bill Opens Doors of Educational Opportunity For Veterans

Since 1944, GI Bill educational benefits have opened the doors of opportunity for nearly 22 million veterans. Matt Stiner, a veteran of Operation Iraqi Freedom and a senior at Oklahoma State University, is one of the latest additions to that 63-year-old success story.



Matt Stiner is a perfect example of how VA's education programs continue to work for our newest generation of combat veterans. Since the creation of the GI Bill, 21.9 million veterans and active-duty personnel have received more than \$80 billion in benefits for education or training.

A native of Tulsa, Oklahoma, majoring in political science, Stiner was among only 75 college juniors to receive a prestigious \$30,000 Truman Scholarship. The Harry S. Truman Scholarship Foundation honors students who are entering public service.

"VA is proud to see a veteran using the GI Bill receive such a prestigious honor," said former Secretary of Veterans Affairs Jim Nicholson. "Stiner is a perfect example of how VA's education programs continue to work for our newest generation of combat veterans."

"The GI Bill was part of the reason I joined the military," said Stiner. "It has enabled me to attend college and really focus on my studies. I received information about the GI Bill during my first day at boot camp and always knew I would benefit from it."

After graduating, Stiner, who began using the Montgomery GI Bill in July 2004, plans to pursue a master's degree in public administration from the University of Georgia.

In 2000, Stiner enlisted in the U.S. Marine Corps and served 4 years as an assistant chief of a 155 mm howitzer section, as a Marine combat instructor of water survival, and as a Green Belt martial arts instructor. Stiner spent 7 months in Iraq.

"This country was founded on the principles that led to the GI Bill and I hope other veterans will get out and use it," said Stiner. "If you are passionate about something, it will certainly help you accomplish your dreams -- not only in a college setting but through vocational training and other opportunities. If I can do it, anybody can."

The GI Bill's educational benefits trace their roots back to June 22, 1944, when President Franklin D. Roosevelt signed into law the GI Bill of Rights, which gave veterans financial assistance with advanced educational or vocational training. The current version of that landmark legislation, the Montgomery GI Bill, was enacted in 1985.

Since the creation of the GI Bill, 21.9 million veterans and active-duty personnel have received more than \$80 billion in benefits for education or training.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| <b>Key Measure</b>   |  |  |  |   |  |  |
|--|--|--|--|---|--|--|
| <b>AVERAGE DAYS TO COMPLETE ORIGINAL EDUCATION CLAIMS</b>  |  |  |  |   |  |  |
| <b>Performance Trends</b>  |  |  |  | <b>Impact on the Veteran</b>  |  |  |
|  |  |  |  | <p>The timeliness of completing original education claims improved from 40 days in 2006 to 32.4 days in 2007. Thus, compared with 2006, veterans waited on average 7.6 fewer days to receive their initial award notification and payment. Making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p>                |  |  |
| <b>How VA Uses the Results Data</b>  |  |  |  |   |  |  |
| <p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.</p> |  |  |  | <p>The improvement in performance during 2007 was primarily due to the formation of the National Call Center (NCC). The NCC enabled Regional Processing Office (RPO) employees to process more original claims and reduce the backlog of pending claims. Employees at the NCC answered education program inquiries from servicemembers, reservists, veterans, and dependents.</p> |  |  |
| <p>ST = Strategic Target</p>   |  |  |  |   |  |  |

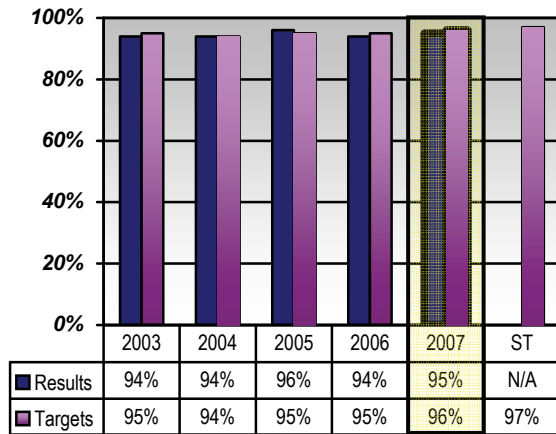
| <b>Key Measure</b>  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| <b>AVERAGE DAYS TO COMPLETE SUPPLEMENTAL EDUCATION CLAIMS</b>   |  |  |  |  |  |  |
| <b>Performance Trends</b>   |  |  |  | <b>Impact on the Veteran</b>   |  |  |
|   |  |  |  | <p>The timeliness of completing supplemental education claims improved from 20 days in 2006 to 13.2 days in 2007. Thus, compared with 2006, veterans waited on average 6.8 fewer days to receive their award notification and payment. Making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p> |  |  |
| <b>How VA Uses the Results Data</b>   |  |  |  |  |  |  |
| <p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. As stated above, the formation of the National Call Center in 2007 enabled RPO employees to process more original claims and reduce the backlog of pending claims.</p> |  |  |  | <p>The improvement in performance during 2007 was primarily due to the formation of the National Call Center (NCC). The NCC enabled Regional Processing Office (RPO) employees to process more original claims and reduce the backlog of pending claims.</p>   |  |  |
| <p>ST = Strategic Target</p>  |  |  |  |  |  |  |



**Supporting Measure**

**PAYMENT ACCURACY RATE (EDUCATION)**

**Performance Trends**



(1) 2006 result is corrected.  
 (2) ST = Strategic Target

**Impact on the Veteran**

VA missed the 2007 target by 1 percentage point. However, the accuracy rate increased from 94 percent in 2006 to 95 percent in 2007. Making accurate payments to veterans for educational claims is critical to helping them meet their educational goals and for assuring that VA is providing the appropriate level of tuition assistance.

**How VA Uses the Results Data**

VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. As stated above, the formation of the National Call Center enabled RPO employees to process more original claims and reduce the backlog of pending claims.

**Additional Performance Information Related to Strategic Objective 2.2**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Education program during CY 2003, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 80 for more information.

**Program Evaluations**

No independent program evaluations have been conducted recently that specifically address this objective.

**New Policies, Procedures, or Process Improvements**

VA implemented several major policies and procedures that enhanced the ability of veterans and servicemembers to achieve educational and career goals in 2007, including the following three:

- Instructions to process claims for benefits under the National Call to Service program.
- Procedures to institute payments of Licensing and Certification claims under the MGIB-SR (Chapter 1606) program.
- Instructions regarding the new Dependents Educational Assistance (DEA) (Chapter 35) eligibility category based on hospitalization in Service. Eligibility under DEA has been extended to include dependents of service persons who have a service-connected permanent and total disability and are likely to be discharged or released from service for their service-connected disability.





### **Other Important Results**

In 2007 Education Service implemented 23 recommendations from its 2006 RPO workshop. The recommendations primarily dealt with information technology and systems-related modifications that improved VA's ability to process claims more efficiently.

### **Data Quality**

The first phase of The Education Expert System (TEES) was completed in March 2007 with the launching of the Web Enabled Approval Management System (WEAMS). WEAMS is the approval repository for educational and job training programs; licensing and certification tests; and national exams maintained in the VA corporate environment. WEAMS merged two existing approval systems – the On-Line Approval File, which contained educational and job training programs, and the Licensing and Certification Approval System, which contains the approvals for national exams. The consolidation of these legacy applications and the manual process for national exam approvals into a single repository allows Education Liaison Representatives to process and maintain approval information more efficiently. The public began accessing WEAMS on-line to ascertain which programs are approved for VA training. Education Service will continue to expand Internet-based options for obtaining information about benefits and contacting VA.

### **Data Verification and Measure Validation**

Verification and validation information for the two key measures that support this objective is provided in the Key Measures Data Table on page 206.



## Strategic Goal Three

*Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.*

### STRATEGIC OBJECTIVE 3.1

#### *Delivering Health Care*

*Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status of enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the costs, and those statutorily eligible for care.*

### Making a Difference for the Veteran

## VA's MOVE Program Helps Veterans Manage Weight

By the start of Healthy Weight Week in January, more than 41,000 veterans were participating in a weight management program designed by the Department of Veterans Affairs (VA) to reduce the high rates of illness among VA's patients caused by obesity.

"There is a growing epidemic of obesity and diabetes in the Nation, especially among veterans," said former Secretary of Veterans Affairs Jim Nicholson. "Seventy percent of the veterans VA cares for are overweight and one in five has diabetes, both of which increase the risk of many diseases."

The MOVE! Program - "Managing Overweight Veterans Everywhere" - not only encourages veterans enrolled in VA care to get in shape but also offers information through an Internet link to family members and anyone trying to lose weight.

VA started MOVE! to encourage veterans to increase their physical activity and improve their nutrition. Through individual and group counseling, physicians, nurses, dieticians, and recreational therapists help enrollees change their eating behavior and increase their exercise.

Primary care teams at all VA medical centers stay in touch with participants to track their progress. Increasing numbers of VA community-based clinics are also enrolling veterans. Among activities the teams promote are competing in fitness challenges, joining community exercise programs that partner with VA medical facilities, and leading families and friends into movement and nutrition routines.

Anyone can log onto [www.move.va.gov](http://www.move.va.gov), where a questionnaire helps identify personal barriers to weight control. The questions link to about 100 informational materials on the site. People not enrolled in VA health care can take the information about themselves to their personal health care providers.

Hall of Fame quarterback John Elway is promoting the VA campaign. He began appearing in television public service announcements (PSAs) nationwide in early January. In the PSAs, Elway is seen at the playing field of the Denver Broncos, encouraging veterans to become more active and improve their nutrition habits.



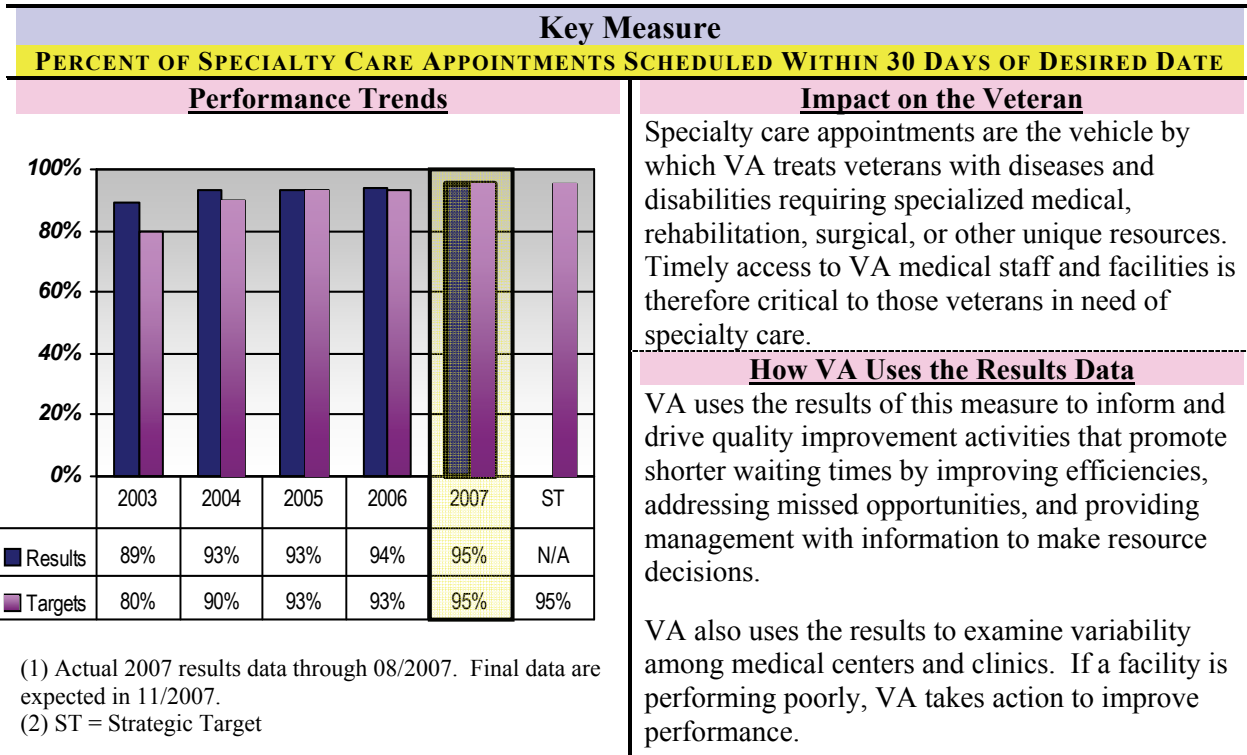
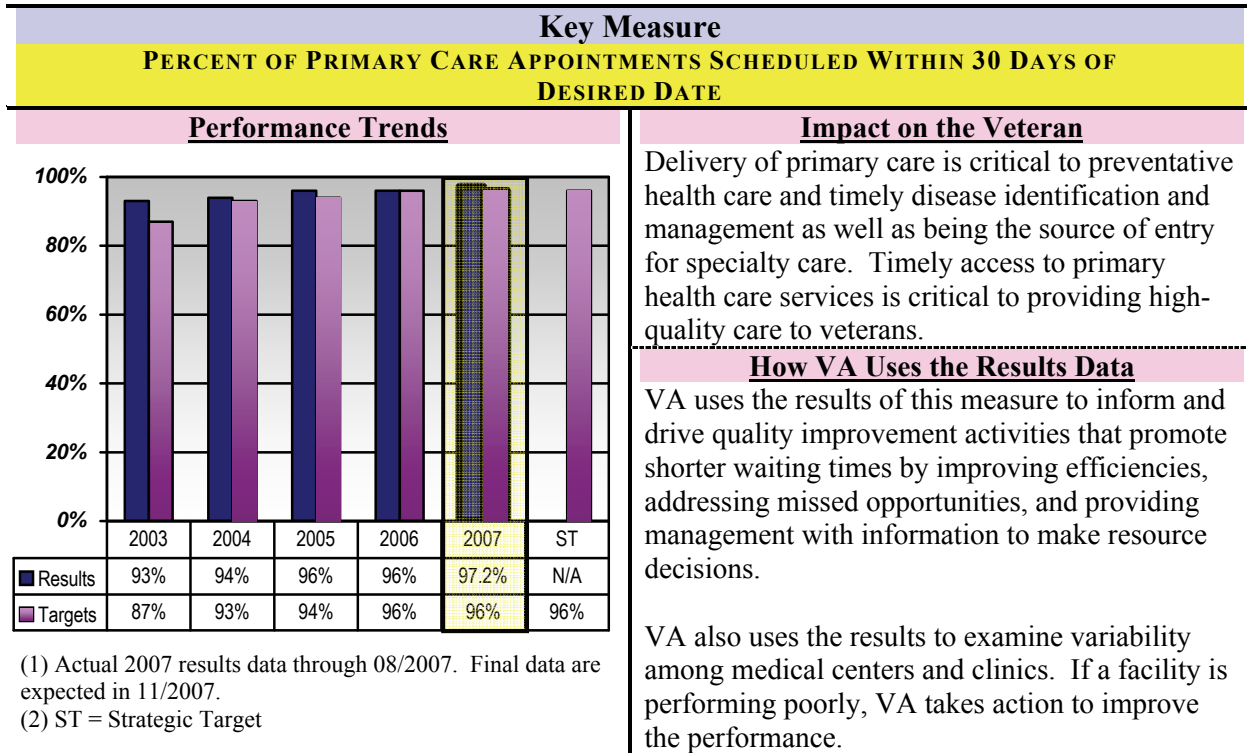
John Elway, Football Hall of Fame quarterback for the Denver Broncos, visited Connie Tally, Eligibility and Enrollment Trainer for VA's Health Administration Center, after attending a kick-off luncheon for the Healthier U.S. Veterans program in Denver. Elway is VA's spokesman for the program.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure  |      |                       |      |      |    |         |     |     |     |         |     |     |     |  |  |
|--|------|-----------------------|------|------|----|---------|-----|-----|-----|---------|-----|-----|-----|--|--|
| CLINICAL PRACTICE GUIDELINES INDEX II  |      |                       |      |      |    |         |     |     |     |         |     |     |     |  |  |
| Performance Trends   |      | Impact on the Veteran |      |      |    |         |     |     |     |         |     |     |     |  |  |
| <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th>2006</th> <th>2007</th> <th>ST</th> </tr> </thead> <tbody> <tr> <td>Results</td> <td>83%</td> <td>83%</td> <td>N/A</td> </tr> <tr> <td>Targets</td> <td>77%</td> <td>84%</td> <td>87%</td> </tr> </tbody> </table> |      |                       | 2006 | 2007 | ST | Results | 83% | 83% | N/A | Targets | 77% | 84% | 87% | <p>This measure targets promotion of early identification and treatment of potentially disabling and/or deadly diseases such as acute cardiac diseases, hypertension, diabetes, major depressive disorder, and schizophrenia, as well as tobacco use cessation. VA uses this measure to assess the quality of health care being delivered to its patients in accordance with industry standards.</p> <p style="text-align: center;"><b>How VA Uses the Results Data</b></p> <p>Early identification and intervention of acute and potentially disabling chronic diseases enable VA to target education, disease management, and care access to prevent and/or limit the effects of potentially disabling diseases and improve the quality of life for the veteran.</p> |  |
|  | 2006 | 2007                  | ST   |      |    |         |     |     |     |         |     |     |     |  |  |
| Results  | 83%  | 83%                   | N/A  |      |    |         |     |     |     |         |     |     |     |  |  |
| Targets  | 77%  | 84%                   | 87%  |      |    |         |     |     |     |         |     |     |     |  |  |
| <p>(1) Actual 2007 results data through 05/2007. Final data are expected in 11/2007.<br/>                     (2) ST = Strategic Target</p>  |      |                       |      |      |    |         |     |     |     |         |     |     |     |  |  |

| Key Measure  |      |                       |      |      |    |         |     |     |     |         |     |     |     |   |  |
|--|------|-----------------------|------|------|----|---------|-----|-----|-----|---------|-----|-----|-----|---|--|
| PREVENTION INDEX III   |      |                       |      |      |    |         |     |     |     |         |     |     |     |   |  |
| Performance Trends   |      | Impact on the Veteran |      |      |    |         |     |     |     |         |     |     |     |   |  |
| <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th>2006</th> <th>2007</th> <th>ST</th> </tr> </thead> <tbody> <tr> <td>Results</td> <td>88%</td> <td>87%</td> <td>N/A</td> </tr> <tr> <td>Targets</td> <td>88%</td> <td>88%</td> <td>88%</td> </tr> </tbody> </table> |      |                       | 2006 | 2007 | ST | Results | 88% | 87% | N/A | Targets | 88% | 88% | 88% | <p>This measure targets promotion of healthy lifestyle changes such as immunizations, smoking cessation, and early screening for chronically disabling diseases. A high score means that more VA-treated veterans are taking the necessary steps to develop or maintain healthy lifestyles.</p> <p style="text-align: center;"><b>How VA Uses the Results Data</b></p> <p>Early identification and intervention for risky behaviors and disease risk enable VA to target education, immunization programs, and clinic access to prevent and/or limit potential disabilities resulting from these activities and/or diseases. VA targets all outpatients for its prevention measures. VA targets the inpatient population for education on disease-specific care such as discharge instructions for the congestive heart failure patient and the need for immunizations for patients with pneumonia.</p> |  |
|  | 2006 | 2007                  | ST   |      |    |         |     |     |     |         |     |     |     |   |  |
| Results  | 88%  | 87%                   | N/A  |      |    |         |     |     |     |         |     |     |     |   |  |
| Targets  | 88%  | 88%                   | 88%  |      |    |         |     |     |     |         |     |     |     |   |  |
| <p>(1) Actual 2007 results data through 05/2007. Final data are expected in 11/2007.<br/>                     (2) ST = Strategic Target</p>  |      |                       |      |      |    |         |     |     |     |         |     |     |     |   |  |





**Key Measure**

**PERCENT OF PATIENTS RATING VA INPATIENT SERVICE AS "VERY GOOD" OR "EXCELLENT"**

**Performance Trends**

|         | 2003 | 2004 | 2005 | 2006 | 2007 | ST  |
|---------|------|------|------|------|------|-----|
| Results | 74%  | 74%  | 77%  | 78%  | 77%  | N/A |
| Targets | 70%  | 70%  | 74%  | 74%  | 78%  | 80% |

(1) Actual 2007 results data through 05/2007. Final data are expected in 11/2007.  
 (2) ST = Strategic Target

**Impact on the Veteran**

Veterans are entitled to health care that includes emotional support, education, shared decision-making, safe environments, family involvement, respect, and management of pain and discomfort. The veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met.

Satisfaction is a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the *inpatient* setting.

**How VA Uses the Results Data**

VA leadership targets improvement efforts on areas and/or facilities where scores are less than "very good." Facilities that achieve high scores serve as models and mentors for lower-scoring facilities.

**Key Measure**

**PERCENT OF PATIENTS RATING VA OUTPATIENT SERVICE AS "VERY GOOD" OR "EXCELLENT"**

**Performance Trends**

|         | 2003 | 2004 | 2005 | 2006 | 2007 | ST  |
|---------|------|------|------|------|------|-----|
| Results | 73%  | 72%  | 77%  | 78%  | 77%  | N/A |
| Targets | 71%  | 72%  | 73%  | 73%  | 78%  | 80% |

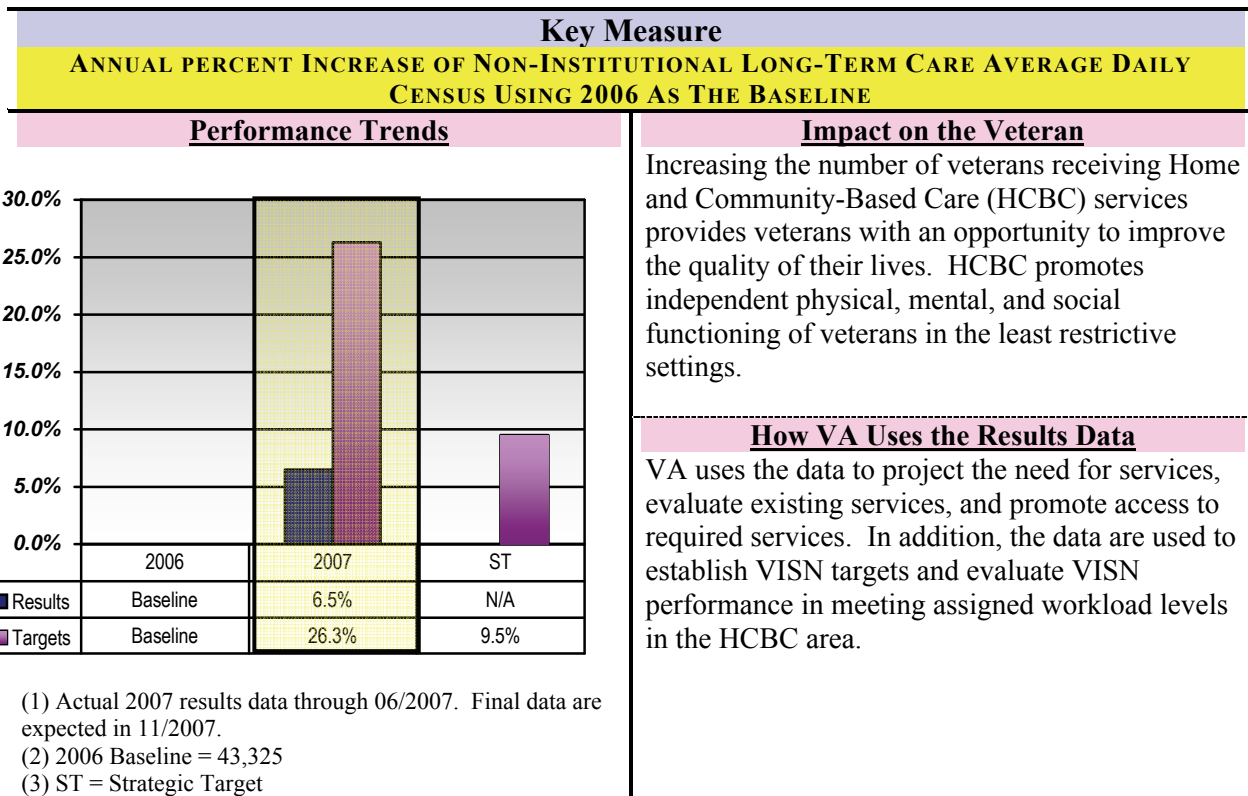
(1) Actual 2007 results data through 05/2007. Final data are expected in 11/2007.  
 (2) ST = Strategic Target

**Impact on the Veteran**

Veterans are entitled to health care that includes emotional support, education, shared decision-making, safe environments, family involvement, respect, and management of pain and discomfort. The veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the *outpatient* setting.

**How VA Uses the Results Data**

VA leadership targets improvement efforts on areas where scores are less than "very good." Facilities that achieve high scores serve as models and mentors for lower-scoring facilities. These improvement efforts may target any part of the facility from programs to individual clinics.



### Additional Performance Information Related to Strategic Objective 3.1

#### OIG Major Management Challenges

- Quality of Health Care (see page 254 for more details)
- Electronic Medical Records (see page 257 for more details)
- New and Significantly-Increased Health Problems associated with OIF/OEF (see page 260 for more details)

#### GAO High-Risk Areas

The Government Accountability Office did not identify any high-risk areas related to this objective.

#### Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Medical Care program during CY 2003, which resulted in a rating of “Adequate.”

Please see OMB PART reviews on page 81 for more information.

#### Program Evaluations

A program evaluation of VA’s oncology program is being conducted by Abt Associates in conjunction with Harvard Medical School. It was begun in 2005 and will be completed in 2009.

Given the complexity and unique nature of the different types of cancer, the scope of the study is limited to a subset of six oncologies which represent either the highest prevalence or special populations: lung, colorectal, prostate, myeloma, non-Hodgkins lymphoma, and breast cancer. **These six cancers account for about 73 percent of the 42,000 newly-diagnosed cancer cases in VA each year.** The evaluation examines the quality of care for veteran patients and their clinical outcomes, as well as questions on access, availability and utilization of services, pain and end-of-life management, the use of



pharmaceuticals and clinical trials, cancer care capabilities within each medical center, and cost. Deliverables for FY 2007 include performance indicators for quality care for each of the cancers. The indicators are developed and vetted by cancer experts. We have received the measures of performance for colon, prostate, and lung cancers, and expect to receive them for breast and hematologic cancers, symptom management, and end-of-life care later this year.

VHA will implement these performance measures in the External Peer Review Program. They provide objective, specific measures for quality care to be followed by VA practitioners; they are also used to grade network directors' performance. Additional deliverables are reports on VISN comparisons for colorectal and prostate cancer that will give us concrete information on such things as mortality and morbidity, cancer services, and patient outcomes. These will allow us to address any recommendations to improve outcomes and services.

#### **New Policies, Procedures, or Process Improvements**

VA has mandated that all OIF/OEF veterans who come to VA for care are screened for TBI. Screening policy and procedures have been defined in a directive. Veterans with positive screens are offered follow-up evaluations by providers with training and expertise in TBI. In addition, an algorithm for the management of positive symptoms has been developed by VA experts and disseminated nationally.

VA produced and published Web site checklists for human research protections and research privacy; these are available for use by the VA research community in meeting requirements for regulatory and policy compliance. VA also developed a checklist for research information security to help ensure compliance with VA regulations and policies.

#### **Other Important Results**

More than 100 measures are now analyzed by medical care program experts on a quarterly basis with focus on such areas as access,

prevention/health promotion, cardiovascular disease, mental health, and, most recently, measures related to health care for OIF/OEF servicemembers and veterans.

Measures have been designed to assess the quality of patient care in a variety of settings including inpatient, outpatient, emergency, and mental health. Quality is further evaluated in special populations such as women, mentally ill, spinal cord injury, and OIF/OEF.

#### **Data Verification and Measure Validation**

Verification and validation information for the key measures that support this objective is provided in the Key Measures Data Table on pages 208-213.



## STRATEGIC OBJECTIVE 3.2

### *Decisions on Pension Claims*

*Provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity by processing pension claims in a timely and accurate manner.*

## Making a Difference for the Veteran

### **Aid and Attendance: A Special Monthly Pension Benefit for Veterans and Surviving Spouses**



The Aid and Attendance pension benefit is available to wartime veterans and surviving spouses who have in-home care or live in nursing homes or assisted-living facilities.

The Department of Veterans Affairs (VA) is reaching out to inform wartime veterans and surviving spouses of deceased wartime veterans about an under-used, special monthly pension benefit called Aid and Attendance.

“Veterans have earned this benefit by their service to our Nation,” said former Secretary of Veterans Affairs Jim Nicholson. “We want to ensure that every veteran or surviving spouse who qualifies has the chance to apply.”

Although this is not a new program, not everyone is aware of his or her potential eligibility. The Aid and Attendance pension benefit may be available to wartime veterans and surviving spouses who have in-home care or who live in nursing homes or assisted-living facilities.

Many elderly veterans and surviving spouses whose incomes are above the congressionally mandated legal limit for a VA pension may still be eligible for the special monthly Aid and Attendance benefit if they have large medical expenses, including nursing home expenses, for which they do not receive reimbursement.

To qualify, claimants must be incapable of self support and in need of regular personal assistance. The basic criteria for the Aid and Attendance benefit include the inability to feed oneself, to dress and undress without assistance, or to take care of one’s own bodily needs. People who are bedridden or need help to adjust special prosthetic or orthopedic devices may also be eligible, as well as those who have a physical or mental injury or illness that requires regular assistance to protect them from hazards or dangers in their daily environment.

The Aid and Attendance income threshold for a veteran without dependents is now \$18,234 annually. The threshold increases to \$21,615 if a veteran has one dependent, and by \$1,866 for each additional dependent. The annual Aid and Attendance threshold for a surviving spouse alone is \$11,715. This threshold increases to \$13,976 if there is one dependent child, and by \$1,866 for each additional child.





**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure   |      |      |      |   |      |     |
|---|------|------|------|---|------|-----|
| AVERAGE DAYS TO PROCESS COMPENSATION AND PENSION RATING-RELATED ACTIONS |      |      |      |   |      |     |
| Performance Trends  |      |      |      | Impact on the Veteran   |      |     |
|   |      |      |      | <p>The average length of time it takes to process claims for compensation or pension has increased by 6 days from 177 days in 2006 to 183 days in 2007. Therefore, on average it takes about 6 months for claimants to receive their benefits.</p>  |      |     |
|   |      |      |      | <p><b>How VA uses the Results Data</b></p> <p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p> |      |     |
|   |      |      |      | <p>To improve the average days to process, VA is adding more resources. VA hired over 1,000 new staff in 2007, and further staff increases are expected in 2008. In addition, death pension claims and disability pension claims will be consolidated to the three PMCs—this increases the number of resources dedicated to disability claims processing.</p>                       |      |     |
|   | 2003 | 2004 | 2005 | 2006  | 2007 | ST  |
| ■ Results   | 182  | 166  | 167  | 177   | 183  | N/A |
| ■ Targets   | 165  | 145  | 145  | 185   | 160  | 125 |

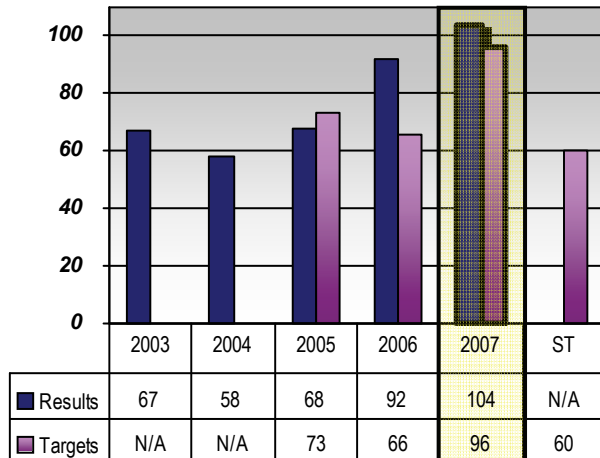
ST = Strategic Target



**Key Measure**

**AVERAGE DAYS TO PROCESS NON-RATING PENSION ACTIONS**

**Performance Trends**



ST = Strategic Target

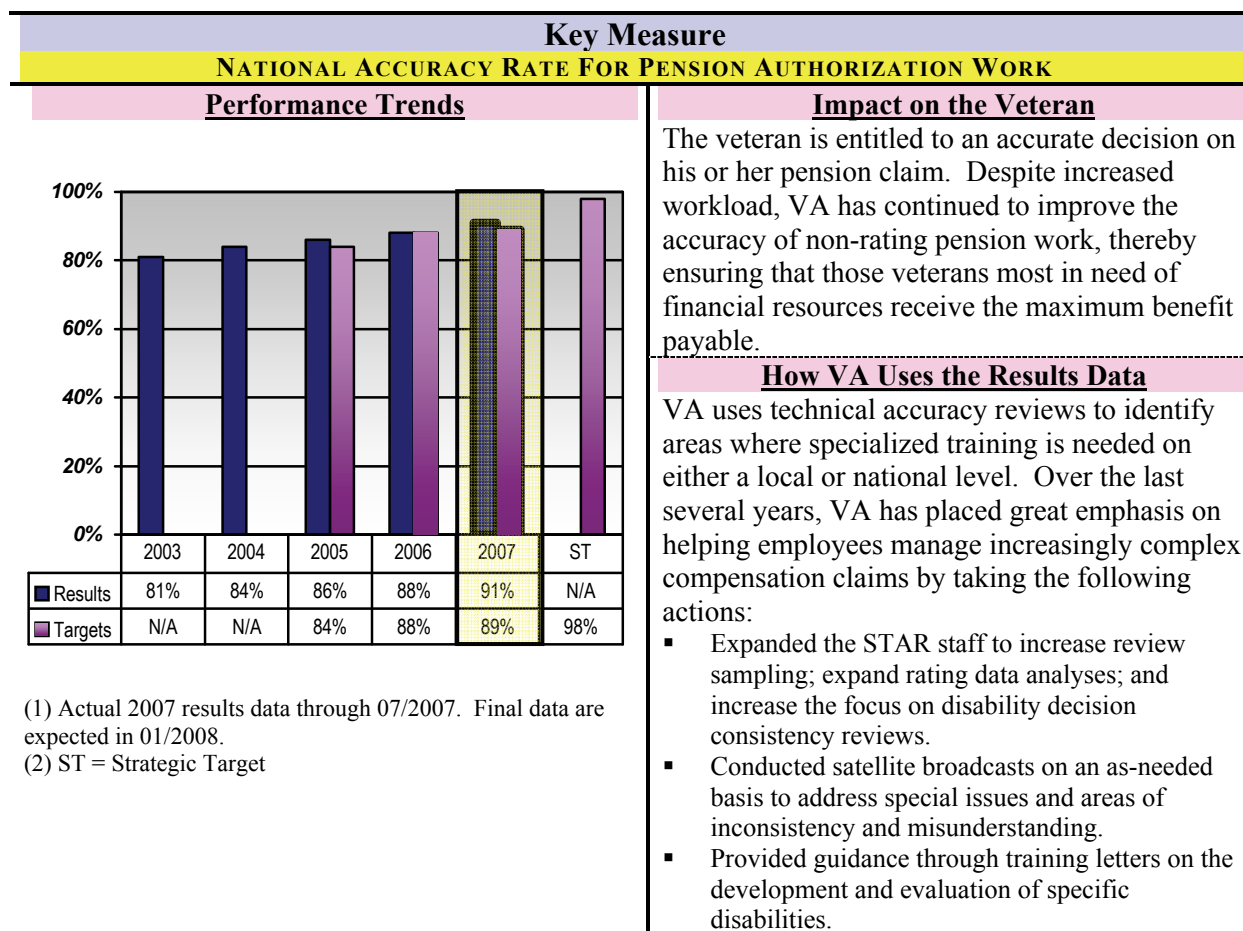
**Impact on the Veteran**

The average length of time it takes to process non-rating pension actions has increased by 12 days from 92 days in 2006 to 104 days in 2007. Therefore, on average, it takes over 3 months for claimants to receive a decision on their claim.

**How VA Uses the Results Data**

VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.

In addition, VA is consolidating death pension claims and disability pension claims to the three PMCs in FY 2008. This specialization will result in greater efficiency and improved timeliness.



(1) Actual 2007 results data through 07/2007. Final data are expected in 01/2008.  
 (2) ST = Strategic Target

### Additional Performance Information Related to Strategic Objective 3.2

#### OIG Major Management Challenges

- Pending Claims and Estimated Receipts (see page 264 for more details)
- Appeals (see page 266 for more details)
- Accuracy and Variance (see page 267 for more details)

#### GAO High-Risk Areas

- Modernizing Federal Disability Programs (see page 289 for more details)

### Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Pension program during CY 2005, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 83 for more information.

#### Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.



### **New Policies, Procedures, or Process Improvements**

VA's PMCs traditionally receive one batch of Income Verification Matches during the last quarter of the year. In 2007 the PMCs received data for 2 tax years (2004 and 2005), which negatively impacted the cumulative timeliness of claims processing.

VA implemented the following actions to strengthen efficiencies at the three PMCs:

- Each PMC has quality review coordinators responsible for quality improvement oversight.
- In September 2006, VA released a refresher training curriculum to ensure standardized processing of pension claims.
- VA developed eight new job aids to reduce errors associated with the infrequent processing of specialized awards. These job aids were implemented in September 2006.
- VA developed an electronic application that stores and sorts Compensation and Pension system messages associated with pension maintenance activities by categories such as frequency, claim number, and terminal digit to assist with timelier processing of the messages. This application was released to the PMCs in June 2007.

### **Data Verification and Measure Validation**

Verification and validation information for the three key measures that support this objective is provided in the Key Measures Data Table on pages 212-215.



## STRATEGIC OBJECTIVE 3.3

### Providing Insurance Service

Maintain a high level of service to insurance policyholders and their beneficiaries to enhance the financial security of veterans' families.

## Making a Difference for the Veteran

### VA Provides Life Insurance for Veterans

The screenshot shows the VA Insurance Web site interface. The main content area is titled "VA Life Insurance" and "Dividend Payment Options Available". It includes a table with two columns: "Dividend Option" and "How It Works". The "Dividend Option" column lists "Use Dividend to Pay Your Annual Premium". The "How It Works" column explains that this option automatically applies the annual dividend toward the annual policy premium. If the dividend is less than the premium, a bill is issued for the difference. If the dividend exceeds the premium, the excess can be paid in cash or used for additional insurance.

Policyholders may view their dividend options on the VA Insurance Web site.

More than a million veterans are in line to share \$369 million in annual insurance dividends during 2007, according to the Department of Veterans Affairs (VA). Dividends are paid each year to veterans holding certain government life insurance policies and who served between 1917 and 1956.

"These dividends are tangible evidence of VA's continuing commitment to safeguard the interests of America's veterans," said former Secretary of Veterans Affairs Jim Nicholson.

VA operates one of the Nation's largest life insurance programs, providing more than \$1.3 trillion in coverage to 7.2 million veterans, servicemembers, spouses, and children.

The dividend payments will be sent to an estimated 1.2 million holders of VA insurance policies on the anniversary date of their policies. Sent automatically through different payment plans, the amounts will vary based on the age of the veteran, the type of insurance, and the length of time the policy has been in force.

Veterans who have questions about their policies should contact the VA insurance toll-free number at 1-800-669-8477 or send an e-mail to [VAinsurance@va.gov](mailto:VAinsurance@va.gov). They may also visit the Internet at [www.insurance.va.gov](http://www.insurance.va.gov).



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure  |              |  |  |      |      |    |              |              |     |              |            |   |
|--|--------------|--|--|------|------|----|--------------|--------------|-----|--------------|------------|---|
| AVERAGE NUMBER OF DAYS TO PROCESS TSGLI DISBURSEMENTS  |              |  |  |      |      |    |              |              |     |              |            |   |
| Performance Trends   |              | Impact on the Veteran  |  |      |      |    |              |              |     |              |            |   |
| <table border="1"> <tr> <td>2006</td> <td>2007</td> <td>ST</td> </tr> <tr> <td>Results: 3.8</td> <td>Results: 3.0</td> <td>N/A</td> </tr> <tr> <td>Targets: N/A</td> <td>Targets: 5</td> <td>5</td> </tr> </table> |              |  |  | 2006 | 2007 | ST | Results: 3.8 | Results: 3.0 | N/A | Targets: N/A | Targets: 5 | 5 |
| 2006   | 2007         | ST   |  |      |      |    |              |              |     |              |            |   |
| Results: 3.8   | Results: 3.0 | N/A  |  |      |      |    |              |              |     |              |            |   |
| Targets: N/A   | Targets: 5   | 5  |  |      |      |    |              |              |     |              |            |   |
|  |              | <p>The purpose of the TSGLI program is to provide rapid financial assistance to traumatically injured servicemembers so that their families can be with them during the often extensive recovery and rehabilitation process. For example, families use this financial assistance to make up for lost earnings, continue making home loan payments, and provide child care.</p> <p>This program is important because a number of studies have shown that the presence or close proximity of family members aids the rehabilitation process.</p> |  |      |      |    |              |              |     |              |            |   |
|  |              | <p><b>How VA Uses the Results Data</b></p> <p>VA monitors TSGLI receipts to ensure that claims are processed in a timely manner. When VA experiences an increase in TSGLI claims, staffing adjustments are made to ensure timely processing.</p>   |  |      |      |    |              |              |     |              |            |   |

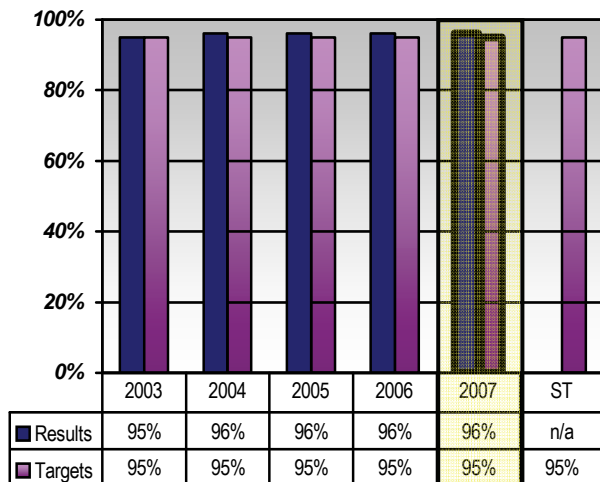
ST = Strategic Target



**Supporting Measure**

**HIGH VETERANS' SATISFACTION RATINGS ON SERVICES DELIVERED**

**Performance Trends**



ST = Strategic Target

**Impact on the Veteran**

VA's insurance program maintains high levels of customer satisfaction by providing quality service and implementing and administering insurance programs that meet the needs and lifestyles of veterans and their beneficiaries. Results over the past several years indicate that veterans' insurance needs are being met.

**How VA Uses the Results Data**

VA analyzes the results of the monthly surveys for 11 services and addresses any problems identified. In particular, one question in VA's insurance program customer satisfaction survey asks, "What could we do better?" VA takes action on these comments.

For example, previous comments from survey respondents indicated that policyholders found some forms and letters confusing. As a result, VA prioritized the application of Reader-Focused Writing principles to those items to make them easier to understand. VA also follows up on surveys where the respondent indicates a need for further assistance.

**Additional Performance Information Related to Strategic Objective 3.3**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Insurance program during CY 2005, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 82 for more information.

**Program Evaluations**

A program evaluation of the Insurance program was completed by ORC Macro; Economic Systems, Incorporated; the Hay Group; and Systems Flow, Incorporated in May 2001. The evaluation concluded the program was effective in meeting its Congressional intent. However, there were several recommendations for improvement, many of which have been implemented.

The evaluation recommended that VA work with DoD to more fully publicize the conversion features of Servicemembers' Group Life Insurance (SGLI) to Veterans' Group Life Insurance (VGLI) in order to increase participation in VGLI. In 2007 VA enhanced outreach efforts to recently separated servicemembers who received a military disability rating of 50 percent or higher. The purpose of the outreach is to inform these



veterans that they may be eligible for a free 2-year extension of the SGLI coverage they held while in service, as well as to offer them the opportunity to convert their SGLI coverage to VGLI without having to meet good health requirements.

#### **New Policies, Procedures, or Process Improvements**

Policyholders who have been rated Individually Unemployable by VA are eligible for waiver of premiums on Service-Disabled Veterans Insurance (S-DVI) policies. In 2007 VA identified over 3,000 policyholders who were paying premiums but who were potentially eligible for waiver. VA invited these policyholders to apply for waiver of premiums via personalized mailings.

#### **Data Quality**

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 192.

#### **Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 214.





## STRATEGIC OBJECTIVE 3.4

### Meeting Burial Needs

Ensure that the burial needs of veterans and eligible family members are met.

## Making a Difference for the Veteran

### Increasing Access to Burial Options

VA's 124<sup>th</sup> national cemetery, Sacramento Valley VA National Cemetery, was dedicated on April 22, 2007. In his remarks to nearly 2,000 veterans, family members and local citizens gathered in Dixon, California, Under Secretary for Memorial Affairs William Tuerk said, "For VA, the opportunity to provide resting places for veterans and to maintain memorials to their service is a sacred trust. VA continues to honor a veteran's service even after death by establishing national shrines like the one rising in the Sacramento Valley area."



Sacramento Valley VA National Cemetery Director Dean Moline, Rep. Ellen Tausher, VA Under Secretary for Memorial Affairs William Tuerk, and California Department of Veterans Affairs Secretary Tom Johnson (from left to right) participate in unveiling the dedication plaque.

Among those paying respects after the ceremony was the Hayman family. VA bought the land for the Sacramento Valley VA National Cemetery from Alvin Hayman, owner of the then 561-acre farm known as Hayman Ranch. A proud Marine and World War II

veteran, Hayman passed away 5 days after the land deal closed. He was the first burial at the cemetery.

The Sacramento Valley VA National Cemetery is located in Solano County, approximately 27 miles southwest of Sacramento between Dixon and Vacaville. Nearly 346,000 veterans and their families live within the local service area of the new national cemetery. Burials began in October 2006. More than 1,400 burials have taken place since then. Although the cemetery is open for burials, construction will continue until July 2009.

VA's 125<sup>th</sup> national cemetery, South Florida VA National Cemetery, opened on April 16, 2007. The 313-acre cemetery, located in Palm Beach County approximately 19 miles northwest of Boca Raton, will provide a burial option to more than 400,000 veterans and their families within the cemetery's local service area.

VA is in the midst of the largest national cemetery expansion since the Civil War and operates 125 national cemeteries in 39 states and Puerto Rico and 33 soldiers' lots and monument sites. More than 3 million Americans, including veterans of every war and conflict, are buried in VA's national cemeteries.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure   |       |       |       |                       |       |       |
|---|-------|-------|-------|-----------------------|-------|-------|
| PERCENT OF VETERANS SERVED BY A BURIAL OPTION WITHIN A REASONABLE DISTANCE (75 MILES) OF THEIR RESIDENCE  |       |       |       |                       |       |       |
| Performance Trends  |       |       |       | Impact on the Veteran |       |       |
| 100.0%  |       |       |       |                       |       |       |
| 80.0%   |       |       |       |                       |       |       |
| 60.0%   |       |       |       |                       |       |       |
| 40.0%   |       |       |       |                       |       |       |
| 20.0%   |       |       |       |                       |       |       |
| 0.0%  | 2003  | 2004  | 2005  | 2006                  | 2007  | ST    |
| ■ Results   | 75.2% | 75.3% | 77.1% | 80.2%                 | 83.4% | N/A   |
| ■ Targets   | 74.4% | 75.3% | 78.3% | 81.6%                 | 83.8% | 90.0% |
| ST = Strategic Target   |       |       |       |                       |       |       |
| How VA Uses the Results Data  |       |       |       |                       |       |       |
| <p>VA analyzes census data to determine areas of the country that have the greatest unmet need for service by a burial option. This information is used in planning for new national cemeteries and for gravesite expansion projects to extend the service lives of existing national cemeteries, as well as in prioritizing funding requests for state veterans cemetery grants.</p> |       |       |       |                       |       |       |

| Key Measure   |      |      |      |                       |      |      |
|---|------|------|------|-----------------------|------|------|
| PERCENT OF RESPONDENTS WHO RATE THE QUALITY OF SERVICE PROVIDED BY THE NATIONAL CEMETERIES AS EXCELLENT   |      |      |      |                       |      |      |
| Performance Trends  |      |      |      | Impact on the Veteran |      |      |
| 100%  |      |      |      |                       |      |      |
| 80%   |      |      |      |                       |      |      |
| 60%   |      |      |      |                       |      |      |
| 40%   |      |      |      |                       |      |      |
| 20%   |      |      |      |                       |      |      |
| 0%  | 2003 | 2004 | 2005 | 2006                  | 2007 | ST   |
| ■ Results   | 94%  | 94%  | 94%  | 94%                   | 94%  | N/A  |
| ■ Targets   | 95%  | 95%  | 95%  | 96%                   | 97%  | 100% |
| ST = Strategic Target   |      |      |      |                       |      |      |
| How VA Uses the Results Data  |      |      |      |                       |      |      |
| <p>VA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at the Central Office, Memorial Service Network, and national cemetery levels who use the data to improve the quality of service provided at national cemeteries.</p> |      |      |      |                       |      |      |



## Additional Performance Information Related to Strategic Objective 3.4

### OIG Major Management Challenges and GAO High-Risk Areas

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

### Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during CY 2002, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 84 for more information.

### Program Evaluations

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA to contract for an independent demographic study to identify those areas of the country where veterans do not have reasonable access to a burial option in a national or state veterans cemetery, and identify the number of additional cemeteries required through 2020. Volume 1: Future Burial Needs, published in May 2002, identified those areas having the greatest need for burial space for veterans. VA continues to use this report as a valuable tool for planning new national cemeteries.

In 2007 VA continued a comprehensive program evaluation of the full array of burial benefits and services that the Department provides to veterans and their families. The program evaluation will assess, develop, and update program outcomes, goals, and objectives and compare actual program results with established goals.

### New Policies, Procedures, or Process Improvements

From 2007 through 2009, NCA will establish eight new national cemeteries (two have already opened in Sacramento, California and South

Florida). The development of these cemeteries is consistent with current policy to locate national cemeteries in areas with the largest concentration of veterans. Each location will provide a burial option to at least 170,000 veterans not currently served.

In January 2007, the new National Cemetery Scheduling Office (NCSO) began operations. In its first year, the NCSO provided centralized interment scheduling 7 days a week for 27 existing national cemeteries in 9 Midwestern states and VA's two newly opened national cemeteries in Sacramento, California and South Florida. The NCSO delivers more consistent eligibility determination in standard eligibility requests and quicker eligibility determination when eligibility cannot be immediately established. The NCSO also provides a vehicle for NCA to capitalize on new technologies that support paperless, secure recordkeeping, and future enhancements such as online interment scheduling for funeral homes.

### Other Important Results

In 2007 Sacramento Valley VA and South Florida VA National Cemeteries began interment operations. These two new cemeteries will provide reasonable access to a burial option to approximately 700,000 veterans.

As directed by the National Cemetery Expansion Act of 2003, Public-Law 108-109, action is underway to establish six new national cemeteries to serve veterans in the areas of Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Sarasota County, Florida and Southeastern Pennsylvania. These cemeteries are expected to begin operations by 2009 and will provide service to about 1 million veterans.

VA also completed construction projects to extend burial operations at two currently operational national cemeteries.



In addition to building, operating, and maintaining national cemeteries, VA also administers the State Cemetery Grants program, which provides grants to states for up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries. Increasing the availability of state veterans cemeteries is a means to provide a burial option to those veterans who may not have reasonable access to a national cemetery.

In 2007, three states opened new veterans cemeteries in Fort Knox, Kentucky; Shreveport, Louisiana; and Mission, Texas. A new veterans cemetery was also opened in Saipan, Commonwealth of the Northern Mariana Islands. In 2007, 66 operating state veterans cemeteries performed more than 23,000 interments of veterans and eligible family members, and grants were obligated to establish, expand, or improve state veterans cemeteries in 10 states. Also in 2007, state veterans cemeteries provided a burial option to more than 2 million veterans and their families.

**Data Verification and Measure Validation**

Verification and validation information for the two key measures that support this objective is provided in the Key Measures Data Table on page 214-217.



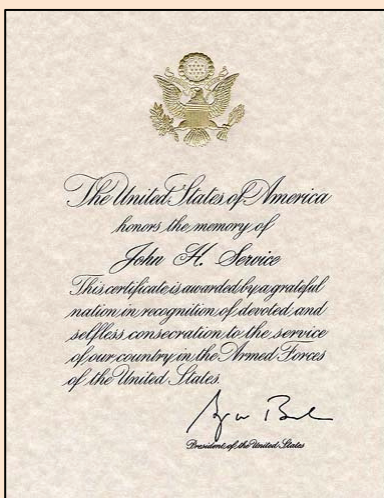
## STRATEGIC OBJECTIVE 3.5

### *Symbolic Expressions of Remembrance*

*Provide veterans and their families with timely and accurate symbolic expressions of remembrance.*

## Making a Difference for the Veteran

### Presidential Memorial Certificates



NCA processes more than 400,000 certificate requests each year. To date, more than 11 million certificates have been issued since the program began in 1962.

VA has made it easier for next of kin and loved ones of honorably discharged deceased veterans to request Presidential Memorial Certificates. The certificates bear the President's signature and express the country's grateful recognition of the veteran's service in the United States Armed Forces. A request form can be accessed online at <http://www.va.gov/vaforms/va/pdf/VA40-0247.pdf>.

The Presidential Memorial Certificate program was initiated in March 1962 by President John F. Kennedy and has been continued by all subsequent presidents. More than one certificate may be provided if requested. VA's National Cemetery Administration processes more than 400,000 certificate requests each year. More than 11 million Presidential Memorial Certificates have been issued since the program began. More information about the program may be found at <http://www.cem.va.gov/cem/pmc.asp> or by calling 202-565-4964.



**Significant Trends, Impacts, and VA’s Use of FY 2007 Results**

| Key Measure   |      |      |      |  |      |     |
|---|------|------|------|--|------|-----|
| PERCENT OF GRAVES IN NATIONAL CEMETERIES MARKED WITHIN 60 DAYS OF INTERMENT |      |      |      |  |      |     |
| Performance Trends  |      |      |      | Impact on the Veteran  |      |     |
|   |      |      |      | <p>The amount of time it takes to mark the grave after an interment is extremely important to veterans and their families. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors, but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked.</p>   |      |     |
|   |      |      |      | <p><b>How VA Uses the Results Data</b></p>   |      |     |
|   |      |      |      | <p>NCA field and Central Office employees have online access to monthly and fiscal year-to-date tracking reports on timeliness of marking graves in national cemeteries. Increasing the visibility and access of this information reinforces the importance of marking graves in a timely manner. This information is also used to drive process improvements, such as the development of NCA’s local inscription program, which further improves NCA’s ability to provide veterans and their families with these symbolic expressions of remembrance.</p> |      |     |
|   | 2003 | 2004 | 2005 | 2006   | 2007 | ST  |
| ■ Results   | 72%  | 87%  | 94%  | 95%  | 94%  | N/A |
| ■ Targets   | 70%  | 78%  | 88%  | 90%  | 90%  | 92% |

ST = Strategic Target

**Additional Performance Information Related to Strategic Objective 3.5**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Burial program during CY 2002, which resulted in a rating of “Moderately Effective.” Please see OMB PART reviews on page 84 for more information.

**Program Evaluations**

In 2007, VA continued a comprehensive program evaluation of the full array of burial benefits and services that the Department provides to veterans and their families. The program evaluation will assess, develop, and update program outcomes, goals, and objectives and compare actual program results with established goals.

**New Policies, Procedures, or Process Improvements**

The Veterans Education and Benefits Expansion Act of 2001, Public Law 107-103, as amended by the Veterans Benefits Improvement Act of 2002, Public Law 107-330, allows VA to furnish an appropriate marker for the graves of eligible veterans buried in private cemeteries, whose deaths occur on or after September 11, 2001, regardless of whether the grave is already marked with a non-government marker.



Authority provided under this legislation was originally due to expire on December 31, 2006.

In February 2006, VA submitted a report to Congress recommending the extension of the authority. Congress has approved VA's recommendation and has granted authority to VA to continue the provision of this benefit until December 31, 2007. VA also recommended that it be granted permanent authority to furnish headstones and markers for graves in private cemeteries previously marked with a non-government marker, and that the date of death clause under the authority be changed to November 1, 1990.

Legislation proposed by VA was enacted into law expanding NCA's ability to honor the memory of family members of eligible veterans. Public Law 109-461, *The Veterans Benefits, Health Care, and Information Technology Act of 2006*, grants NCA the authority to furnish memorial markers in national and State veterans cemeteries for veterans' eligible deceased children whose remains are unavailable for burial. Under Section 2306 of Title 38 of the United States Code (U.S.C.), NCA previously had the authority to furnish memorial markers only for veterans and eligible spouses. Section 2402 of Title 38 U.S.C grants VA the authority to bury the remains of veterans' eligible dependent children in VA national cemeteries. When remains are unavailable, this new law enables VA to honor the memory of dependent children in a manner consistent with burial eligibility in national cemeteries of these individuals.

#### **Other Important Results**

In addition to VA national cemeteries, VA also furnishes headstones and markers for national cemeteries administered by the Department of the Army and the Department of the Interior and contracts for all columbaria niche inscriptions at Arlington National Cemetery. In 2007 VA processed more than 359,000 applications for headstones and markers for placement in national, state, other public, or private cemeteries. Since 1973 VA has furnished

almost 10 million headstones and markers for the graves of veterans and other eligible persons.

VA is committed to ensuring that timely and accurate symbolic expressions of remembrance are provided for veterans who are not buried in national cemeteries. In 2007 VA processed 38 percent of the applications for headstones and markers for such veterans within 20 days of receipt. VA's long-range performance goal is to process 90 percent of the applications within 20 days of receipt.

Headstones and markers must be replaced when either the government or the contractor makes errors in the inscription, or if the headstone or marker is damaged during installation. When headstones and markers must be replaced, it further delays the final portion of the interment process, the placing of the headstone or marker at the gravesite. NCA continues to improve accuracy and operational processes in order to reduce the number of inaccurate or damaged headstones and markers delivered to the gravesite. In 2007, 96 percent of headstones and markers were delivered undamaged and correctly inscribed. In 2007, inscription data for 99 percent of headstones and markers ordered by national cemeteries were accurate and complete. VA will continue to focus on business process reengineering, including improving accuracy and operational processes, in order to reduce delays in marking graves caused by inaccurate or damaged headstones and markers.

In 2007 VA issued more than 423,000 Presidential Memorial Certificates, bearing the President's signature, to convey to the family of the veteran the gratitude of the Nation for the veteran's service. To convey this gratitude, it is essential that the certificate be accurately inscribed. The accuracy rate for inscription of Presidential Memorial Certificates provided by VA is consistently 98 percent or better.



**Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 216.





## STRATEGIC OBJECTIVE 3.6

### *Home Purchase and Retention*

*Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.*

## Making a Difference for the Veteran

### VA Continues to Provide Home Ownership Opportunities for Veterans

From the inception of the VA-guaranteed home loan program, VA has backed approximately 18.2 million home loans for veterans, servicemembers, and eligible reservists who have earned this benefit. VA makes it possible for veterans to compete in the marketplace for credit with persons who did not serve in the military.

Since 1944 when President Franklin Roosevelt signed the Servicemen's Readjustment Act into law, the GI Bill, as it is popularly known, has secured more than \$927 billion of financing for veterans' and servicemembers' home loans. In 2007 alone, VA guaranteed more than 133,300 loans valued at more than \$24.8 billion.

"The no-downpayment VA program has been a cornerstone of the Nation's housing finance system for more than 60 years," said National Association of Home Builders Immediate Past President David Pressly. "It has opened the door to homeownership for millions of veterans who have, in turn, been able to build equity and household wealth, put down roots in the communities where they live, and enjoy the many benefits of owning a home."

VA-guaranteed home loans are made by banks and mortgage companies. VA guarantees lenders against loss up to a certain amount. In 2007, this guarantee means veterans can obtain a no-downpayment loan for up to \$417,000 (\$625,500 in Hawaii, Alaska, Guam and U.S. Virgin Islands). However, loans above this amount will likely require a downpayment.



#### ***1<sup>st</sup> VA Loan***

This Washington, DC home purchased in 1944 was the first home purchased using the VA Home Loan Program. Since that time, VA has guaranteed nearly 18.2 million home loans.



**Significant Trends, Impacts, and Use of FY 2007 Results**

| Key Measure  |         |         |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
|--|---------|---------|--|--|---------|---------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|-------|----|-----|-------|--|--|--|
| FORECLOSURE AVOIDANCE THROUGH SERVICING (FATS) RATIO   |         |         |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| Performance Trends   |         |         |  | Impact on the Veteran  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| <table border="1"> <thead> <tr> <th>Year</th> <th>Results</th> <th>Targets</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>45.0%</td> <td>44.0%</td> </tr> <tr> <td>2004</td> <td>44.0%</td> <td>47.0%</td> </tr> <tr> <td>2005</td> <td>48.0%</td> <td>47.0%</td> </tr> <tr> <td>2006</td> <td>54.0%</td> <td>47.0%</td> </tr> <tr> <td>2007</td> <td>57.0%</td> <td>51.0%</td> </tr> <tr> <td>ST</td> <td>N/A</td> <td>51.0%</td> </tr> </tbody> </table> |         |         |  | Year   | Results | Targets | 2003 | 45.0% | 44.0% | 2004 | 44.0% | 47.0% | 2005 | 48.0% | 47.0% | 2006 | 54.0% | 47.0% | 2007 | 57.0% | 51.0% | ST | N/A | 51.0% | <p>The 2007 FATS ratio means that 57.0 percent of veterans who otherwise could have lost their homes through foreclosure were able to retain ownership with VA assistance, or at least had the impact of loss lessened by either tendering a deed in lieu of foreclosure or arranging a private sale with VA claim payment to help close the sale. VA avoided claim payments in most of the FATS cases or else paid smaller claims than if foreclosure had occurred.</p> |  |  |
| Year   | Results | Targets |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| 2003   | 45.0%   | 44.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| 2004   | 44.0%   | 47.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| 2005   | 48.0%   | 47.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| 2006   | 54.0%   | 47.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| 2007   | 57.0%   | 51.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
| ST   | N/A     | 51.0%   |  |  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
|  |         |         |  | How VA Uses the Results Data   |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
|  |         |         |  | <p>VA uses the data to measure the effectiveness of field station efforts to assist veterans in avoiding foreclosure.</p>  |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |
|  |         |         |  | <p>Since veterans benefit substantially from foreclosure avoidance, and at the same time VA realizes cost savings, VA has begun to redesign the program to promote greater loss mitigation efforts by primary servicers.</p> |         |         |      |       |       |      |       |       |      |       |       |      |       |       |      |       |       |    |     |       |  |  |  |

ST = Strategic Target

**Additional Performance Information Related to Strategic Objective 3.6**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Housing program during CY 2004, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 81 for more information.

**Program Evaluations**

No independent program evaluations have been conducted recently that specifically address this objective.

**New Policies, Procedures, or Process Improvements**

In 2007 VA experienced increased inquiries and usage of the Specially Adapted Housing (SAH) grants and the Native American Direct Loan (NADL) program. Legislation passed in June 2006 changed the one-time-only usage of SAH grant benefits to a total of three times, not to exceed the maximum amounts established. This legislation also made the NADL program permanent and removed the \$80,000 maximum loan amount. The new law changed the NADL limits to the Freddie Mac single-family conventional conforming loan limit. That limit is currently \$417,000 for loans in the 48 contiguous states and \$625,500 for loans in Alaska, Hawaii, and the South Pacific.



### **Other Important Results**

During 2007 VA continued the implementation of new processes and procedures associated with the redesign of our guaranteed loan default servicing. Full implementation will occur in 2008. This will bring VA very close to performance and operational standards used by large private sector servicers and lenders. The emphasis will be on providing financial incentives and greater flexibility to primary servicers.

### **Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 216.



## Strategic Goal Four

### *Contributing to the Nation's Well-Being*

#### **STRATEGIC OBJECTIVE 4.1**

##### ***Emergency Preparedness***

*Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans, as well as to support national, state, and local emergency management and homeland security efforts.*

#### **Making a Difference for the Veteran**

### **VA Workers Demonstrate Emergency Preparedness**



Despite the ice storm that created heavy ice build-up on trees, walkways, and roads, medical center employees voluntarily worked around the clock in shifts to ensure patient care.

A devastating ice storm in January tested the effectiveness of the emergency preparedness plan of the Jack C. Montgomery VA Medical Center in Muskogee, Oklahoma. When the National Weather Service issued the severe warning for all of Oklahoma, medical center workers quickly activated the Incident Command and Emergency Operations Center. They immediately prepared staffing plans for wards and snow crews and ran checklists for supplies. The storm, which hit the afternoon of January 13, created heavy ice build-up on trees, walkways, and roads, leaving many employees unable to get home. An inpatient rehabilitation unit that had not yet opened was used to house employees and their immediate families.

VA's Nutrition and Food Services provided meals to employees over the weekend, and Canteen Service extended operating hours throughout the week.

When the City of Muskogee needed a shelter, the medical center director authorized the use of the auditorium for veterans and their immediate families without electricity, and for non-veterans with special medical needs. Medical center employees voluntarily worked around the clock in shifts during the entire time the shelter was open. The facility, which was never without either generator or commercial power, had sufficient nursing staff for the 55 to 65 inpatients each day, and both the medical center and its Tulsa Outpatient Clinic saw about 350 patients each day. By January 17, with electricity restored to the majority of the area, most workers were able to return to work, and a few days later, the last veteran left the shelter.



**Significant Trends, Impacts, and VA's Use of FY 2007 Results**

| Supporting Measure  |      |      |                       |      |
|---|------|------|-----------------------|------|
| PERCENT OF VA LEADERSHIP WHO SELF-CERTIFY THEIR TEAMS "READY TO DEPLOY" TO THEIR COOP SITE  |      |      |                       |      |
| Performance Trends  |      |      | Impact on the Veteran |      |
| <p>Ninety percent of VA leadership has certified that their respective teams are ready to deploy to their Continuity of Operations Plan (COOP) site. Those who have not done so are in offices undergoing significant reorganizations. However, these organizations still routinely exercise deployment to their COOP site and demonstrate their ability to perform essential functions. In case of a national disaster, veterans can be assured of continuity of operations.</p> |      |      |                       |      |
| <p><b>How VA Uses the Results Data</b></p> <p>VA uses the data to determine the need for additional exercises and leadership training. VA requires its leaders to be cognizant of COOP requirements and to gain hands-on experience.</p>  |      |      |                       |      |
|   |      |      |                       |      |
|   | 2005 | 2006 | 2007                  | ST   |
| ■ Results   | 85%  | 85%  | 90%                   | N/A  |
| ■ Targets   | N/A  | 100% | 100%                  | 100% |

ST = Strategic Target

**Additional Performance Information Related to Strategic Objective 4.1**

**OIG Major Management Challenges**

VA's Office of Inspector General did not identify any major management challenges related to this objective.

**GAO High-Risk Areas**

- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area (see page 299 for more details)

**Program Assessment Rating Tool (PART) Evaluation**

No PART evaluations have been completed that specifically address this objective.

**Other Important Results**

VA developed three valuable new assets -- as a result of lessons learned during Hurricane Katrina -- for deployment during a catastrophe:

- Deployable Medical Unit (DMU)
- Deployable Pharmacy Unit (DPU)
- Response Support Unit (RSU)

The DMU is a self-contained medical unit that can be on site of an emergency within 24-48 hours. It has examination rooms and emergency power generation capability and is able to withstand Category 3 hurricane-force winds.

The DPU permits VA pharmacists to fill commonly prescribed medications during an emergency. The unit is able to obtain patient prescription data via satellite communications with the VA prescription database.

The RSU serves as a platform to assist a VISN to manage an emergency or to support VA personnel deployed as part of a federal response under the Stafford Act.



### **Data Quality**

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.



## STRATEGIC OBJECTIVE 4.2

### **Medical Research and Development**

*Advance VA medical research and develop programs that address veterans' needs – with an emphasis on service-connected injuries and illnesses – and contribute to the Nation's knowledge of disease and disability.*

### **Making a Difference for the Veteran**

## **VA, MIT, and Brown University Collaborate to Create New Prosthetic Ankle**



This ankle foot prosthetic is the first in a new family of artificial limbs that will replicate natural motion by propelling people forward using tendon like springs powered by an electric motor.

Veterans with lower-leg amputations can look forward to having a prosthetic ankle-foot that matches their natural ease of motion, thanks to research funded by the Department of Veterans Affairs (VA) and conducted by researchers from VA and two of the Nation's top universities.

"Veterans are entitled to the best this Nation has to offer and, at VA, we're constantly redefining the meaning of *best*," said former Secretary of Veterans Affairs Jim Nicholson. "This new ankle-foot prosthetic is another example of VA's medical innovations for veterans that will benefit all Americans."

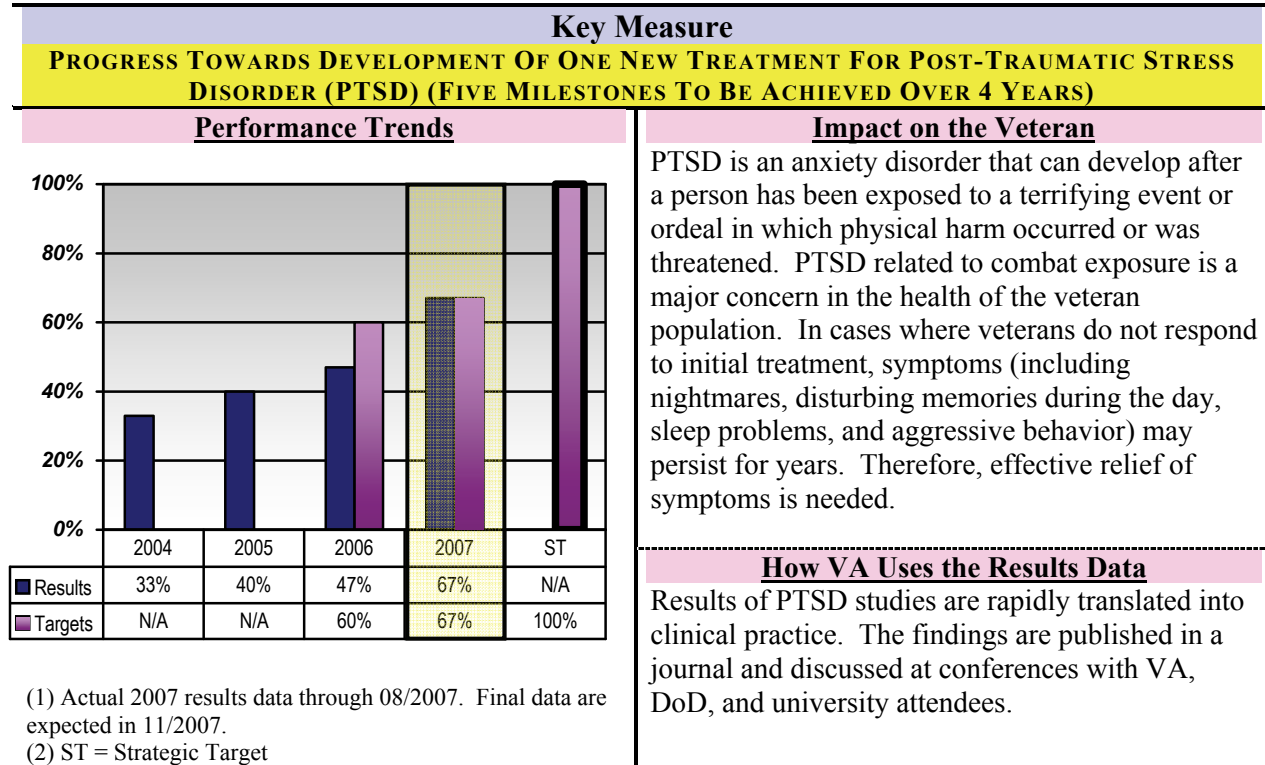
Researchers say the new ankle-foot prosthetic is the first in a new family of artificial limbs. It will replicate natural motion by propelling people forward using tendon-like springs powered by an electric motor.

Through VA-funded research, the Center for Restorative and Regenerative Medicine, a partnership of the Providence VA Medical Center in Rhode Island, the Massachusetts Institute of Technology, and

Brown University, developed the new prosthesis. The Center's goal is to restore natural function to amputees.



**Significant Trends, Impacts, and Use of FY 2007 Results**



**Additional Performance Information Related to Strategic Objective 4.2**

**OIG Major Management Challenges**

- Medical Research (see page 263 for more details)

**GAO High-Risk Areas**

The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Medical Research and Development program during CY 2005, which resulted in a rating of “Moderately Effective.” Please see OMB PART reviews on page 84 for more information.

**Program Evaluations**

The National Research Advisory Council (NRAC), a federal advisory committee, completed an independent evaluation in September 2007. The NRAC was instructed to consider the appropriateness of the research to the VA healthcare mission; the balance of this research in terms of the burden of disease; and the special responsibilities of VA in the areas of mental health, central nervous system injury, and deployment health. As a result of the review, the NRAC gave the VA Research program an evaluation of “fully successful.”

**New Policies, Procedures, or Process Improvements**

VA produced and published Web site checklists for human research protections and research privacy; these are available for use by the VA research community in meeting requirements for regulatory and policy compliance.





VA also developed a checklist for research information security to help ensure compliance with VA regulations and policies.

VA implemented new procedures to boost data security. They include a new annual training requirement and annual completion of a data security checklist for each research project by the principal investigator.

**Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 218.



## STRATEGIC OBJECTIVE 4.3

### *Academic Partnerships*

*Enhance the quality of care to veterans and provide high-quality educational experiences for health profession trainees, created internally in VA and via partnerships with the academic community.*

## Making a Difference for the Veteran

### **Graduate Medical Education (GME) Enhancement Initiative** *Expanding the number of VA Physician Resident Positions to Meet the Needs of VA and the Nation*



The GME Initiative is projected to add approximately 2,000 new physician resident positions over a 5-year period.

Based upon the recommendations of a Federally-chartered advisory committee, VA began an expansion of physician resident positions from 8.5 percent of the U.S. total in 2005-2006 to a target of 10-11 percent by 2011. The overall goals of this ambitious initiative include:

- Expand physician resident positions in specialties of greatest need to veterans.
- Address uneven geographic distribution of residents and improve veterans' access to care.
- Foster innovative models of resident education.
- Propel VA to a greater leadership role in national GME.
- Begin to address physician workforce shortages for VA and the Nation.

This far-reaching plan will add approximately 2,000 positions over a 5-year period. Positions will be awarded competitively. The application

process takes into account the **quality** of existing educational programs and infrastructure, the **needs of new sites of VA care** (e.g., community-based outpatient clinics and new or rapidly-growing facilities in under-served areas), the ability of a site to offer **innovative and transformational educational experiences** to residents, and the **capacity to provide clinical training** to residents (as assessed by a consideration of workload and resources available to a facility).

The first phase of expansion began in July 2007, with yearly increases expected thereafter. Approximately 350 additional positions will be awarded in the second application cycle, which featured an increased emphasis on the development of innovative programs.

Further information about the GME Enhancement Initiative can be obtained from VA's Office of Academic Affiliations Web site at [www.va.gov/oa](http://www.va.gov/oa).



**Significant Trends, Impacts, and Use of FY 2007 Results**

**Supporting Measure**  
**MEDICAL RESIDENTS' AND OTHER TRAINEES' SCORES ON A VHA SURVEY ASSESSING THEIR CLINICAL TRAINING EXPERIENCE**

|           |  | <u>Performance Trends</u> |      |      |      |      | <u>Impact on the Veteran</u>   |
|-----------|--|---------------------------|------|------|------|------|--|
|           |  | 2003                      | 2004 | 2005 | 2006 | 2007 | <p>In general, for all types of businesses, there is considerable evidence that employee satisfaction positively impacts customer satisfaction.</p> <p>The VA clinical training survey measures the satisfaction of VA clinical trainees who come in contact with veteran patients -- VA's customers. VA is striving to ensure that clinical trainees are satisfied with their VA training as it impacts how veterans view their care.</p> |
| ■ Results |  | 83                        | 84   | 84   | 85   | 86   |  |
| ■ Targets |  | 82                        | 82   | 85   | 85   | 86   |  |
|           |  | ST                        |      |      |      |      | 89   |

ST = Strategic Target

**How VA Uses the Results Data**

The survey results are used by VA medical facilities, Veterans Integrated Service Networks (VISNs), and senior leadership to assess the clinical training program.

At the facility level, the survey data are available in enough detail that VA program officials are able to identify areas of strength and opportunities for improvement in clinical training programs. The survey reports on the perceptions of the trainees concerning specific domains (quality of the faculty, learning environment, working environment, physical environment, and personal experience) and provides trend data so that program officials can monitor changes in specific areas over time. In order to maintain VA as a preferred training site for future health care professionals, it is important to know how trainees view VA training versus training in non-VA settings.

**Additional Performance Information Related to Strategic Objective 4.3**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

The Administration conducted a PART evaluation of VA's Medical Care program during CY 2003. However, the evaluation did not specifically cover any aspects of the medical education program.



### **New Policies, Procedures, or Process Improvements**

To address a shortage of nurses across the Nation and ensure that veterans continue to receive personalized, world-class care in VA facilities, VA created a new multi-campus Nursing Academy.

A 5-year pilot program will establish partnerships with 12 nursing schools across the country during the next 3 years, beginning with 4 for the 2007-2008 academic year. The VA nursing academy is a virtual organization with central administration in Washington and teaching at competitively selected nursing schools across the country who partner with VA.

Despite the nationwide shortage of nurses, the American Association of Colleges of Nursing has reported that more than 42,000 qualified applicants were turned away from nursing schools in 2006 because of insufficient numbers of faculty, clinical sites, classroom space, and clinical mentors.

“The new partnerships will reinvigorate VA’s nursing academic affiliations and ensure continued quality in clinical education,” said Dr. Michael J. Kussman, VA’s Under Secretary for Health.

Further information about the pilot program can be obtained from VA’s Office of Academic Affiliations Web site at [www.va.gov/oaa](http://www.va.gov/oaa).

### **Data Quality**

VA’s data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.



## STRATEGIC OBJECTIVE 4.4

### *Socioeconomic Well-Being of Veterans*

*Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veterans benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.*

## Making a Difference for the Veteran

### Accelerating Veteran Entrepreneurial Programs



Deputy Secretary Mansfield (left) and OSDBU Director Scott Denniston (right) present Wayne Gatewood, President and CEO of Quality Support, Inc. (center), with the VetBiz Volunteer of the Year Award.

VA continues to be a leader in contracting with veteran entrepreneurs, having exceeded the statutory Service-Disabled Veteran-Owned Small Business Goal in FY 2006. Accomplishments through August 31, 2007 show VA on target to exceed this goal in FY 2007. A critical component of VA's success is outreach to the veteran business community and working with other federal partners.

In June 2007, VA and the U.S. Army Small Business Office, along with other federal partners, co-hosted the 3<sup>rd</sup> National Veterans Business Conference. This event set a record for attendance with over 1,300 participants. The conference provided participants with multiple forums to come together to discuss and tackle issues affecting the veteran business community.

Also in June 2007, VA, along with the Veterans Entrepreneurship Task Force, conducted the First Veterans' Business Program Accountability Conference to measure federal agency progress in implementing Executive Order 13360, *Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting*. Key officials from six large federal agencies

addressed business owners and advocates about their progress and future plans for improving opportunities for service-disabled veteran-owned small businesses. During the conference the Chief of Staff for the U.S. Small Business Administration announced details of the agency's new Patriot Express Loan Program, an initiative for veterans and members of the military community wanting to establish a new business or expand an existing business. Representatives from four major federal contractors addressed corporate buying practices and offered veteran entrepreneurs marketing advice. Work group sessions focused on federal prime contracting procedures, subcontracting barriers, the status of Executive Order 13360 implementation plans, and the need to educate federal officials and business owners.

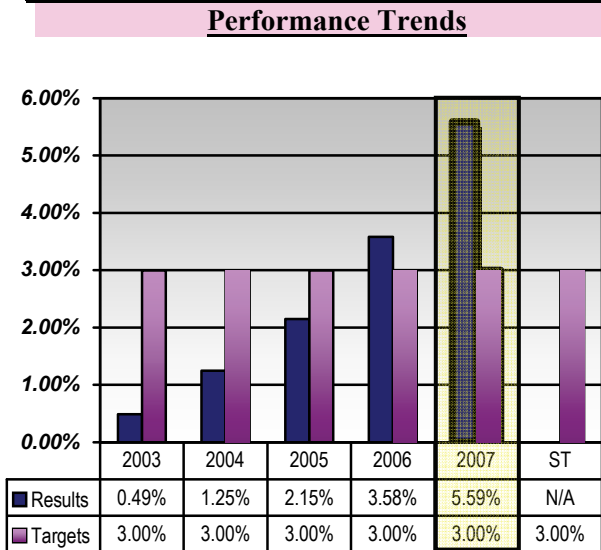
VA held its 6<sup>th</sup> annual Champion of Veterans Enterprise Awards Program ceremony to honor individuals and organizations that put veterans and service-disabled veterans first. The most prestigious honor is the Enterprising Veteran Award, which recognizes veterans whose quality performance provides advocates with specific success stories, a critical tool in promoting veteran entrepreneurial programs nationwide. This year's awards were presented by VA Deputy Secretary Gordon H. Mansfield.

VA also implemented the "Veterans First Contracting Program" based on the extraordinary authorities contained in Sections 502 and 503 of Public Law 109-461, the Veterans Benefits, Healthcare and Information Technology Act of 2006. This program will enhance contracting opportunities for service-disabled veteran-owned and veteran-owned small businesses in VA acquisitions.



**Significant Trends, Impacts, and VA’s Use of FY 2007 Results**

| Supporting Measure   |  |  |  |                       |  |  |
|--|--|--|--|-----------------------|--|--|
| ATTAINMENT OF STATUTORY MINIMUM GOALS FOR SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES EXPRESSED AS A PERCENT OF TOTAL PROCUREMENT DOLLARS  |  |  |  |                       |  |  |
| Performance Trends   |  |  |  | Impact on the Veteran |  |  |
| <p>VA continues to be a leader in contracting with veteran-owned and service-disabled veteran-owned small businesses, having exceeded the statutory goal in FY 2006 for contracting with service-disabled veteran-owned small businesses. Accomplishments through August 31, 2007 show VA on target to exceed this goal in FY 2007. Contracting with these firms is a logical extension of the VA mission and contributes to the economic vitality of this important business community. Increased spending also makes entrepreneurship a viable and attractive career option for America’s veterans.</p>  |  |  |  |                       |  |  |
| <p><b>How VA Uses the Results Data</b></p> <p>These data assist VA leadership, the Congress, the veteran entrepreneurial community, and other stakeholders in gauging the extent of VA compliance and success in implementing the Veterans Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50); the Veterans Benefits, Healthcare and Information Technology Act of 2006 (P.L. 109-461); and Executive Order 13360, <i>Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting</i>, issued in October 2004.</p> <p>The results also help VA program management identify areas for improvement and assist in targeting training and vendor outreach.</p> |  |  |  |                       |  |  |
| <p>(1) Actual 2007 results data through 08/2007. Final data are expected in 06/2008.<br/>                 (2) ST = Strategic Target</p>  |  |  |  |                       |  |  |



**Additional Performance Information Related to Strategic Objective 4.4**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government

Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

No PART evaluations have been completed that specifically address this objective.

**Program Evaluations**

No independent program evaluations have been conducted recently that specifically address this objective.



### **New Policies, Procedures, or Process Improvements**

VA implemented Sections 502 and 503 of Public Law (P.L.) 109-461, the Veterans Benefits, Healthcare and Information Technology Act of 2006, effective June 20, 2007. This program is known in VA as the “Veterans First Contracting Program.” The law establishes a small business program hierarchy within VA that places service-disabled veteran-owned small businesses (SDVOSBs) and veteran-owned small businesses (VOSBs), first and second respectively, in VA open market acquisitions. P.L. 109-461 provides VA with unprecedented authorities in contracting with veteran businesses. In addition to authority to set aside acquisitions for SDVOSBs, the law also provides VA acquisition professionals with authority to set aside requirements for VOSBs, and under certain circumstances make sole-source contract awards to SDVOSBs and VOSBs up to \$5 million.

The Department participates extensively in procurement conferences, training sessions and one-on-one counseling sessions to train small businesses on VA’s acquisition processes, operations, and opportunities. VA continues to make personnel aware of the Department’s responsibilities to support small business programs through VA’s acquisition program.

### **Other Important Results**

VA’s Center for Veterans Enterprise (CVE) maintains the VetBiz.Gov ([www.vetbiz.gov](http://www.vetbiz.gov)) Web portal for veterans in business, which is a primary resource for exchanging information with veteran business owners, buyers, large prime contractors, and other stakeholders.

CVE also provides assistance to veteran entrepreneurs seeking to expand an existing business or to start a new business. Services available through the CVE include the Vendor Information Pages (VIP) database and verification of veteran business eligibility, business coaching, video marketing, bid

matching, market research reports, and topical news and information. CVE connects veterans with community resources who will help them with their business development needs. In September 2006, the publication *Veterans Business Journal* conducted its first readers' survey. CVE was voted the organization that provides the best support to veterans in business.

### **Data Quality**

VA’s data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.



## STRATEGIC OBJECTIVE 4.5

### *Maintaining National Cemeteries as Shrines*

*Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.*

## Making a Difference for the Veteran

### **NCA Inaugurates a New Leadership Institute**

The National Cemetery Administration (NCA) established a new Leadership Institute in 2007. This leadership development program is available to GS 9-12 employees, Wage Grade System Supervisors, and Wage Grade System Team Leaders identified as high potential employees with the motivation to succeed in a leadership position within NCA. Seventeen participants from across NCA, competitively selected for the inaugural class, are demonstrating that they have the desire to learn, work hard, and take on leadership roles; are high performers in their current jobs; and have demonstrated evidence of eight core competencies: Personal Mastery, Interpersonal Effectiveness, Technical Skills, Customer Service, Creative Thinking, Flexibility/Adaptability, Systems Thinking, and Organizational Stewardship.



NCA's Training Center in St. Louis, Missouri, provides traditional and computer training facilities.

The NCA Leadership Institute is the most recent development in NCA's commitment to providing professional training and career development opportunities. NCA's training program is a key component to ensuring the consistent application of NCA's uniform standards for cemetery operations throughout VA's 125 national cemeteries. These standards serve as the basis for NCA's commitment to maintain national cemeteries as national shrines.





**Significant Trends, Impacts, and VA's Use of FY 2007 Results**

| Key Measure   |      |      |      |  |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
|---|------|------|------|--|------|------|--|------|------|------|------|------|----|-----------|-----|-----|-----|-----|-----|-----|-----------|-----|-----|-----|-----|-----|------|
| PERCENT OF RESPONDENTS WHO RATE NATIONAL CEMETERY APPEARANCE AS EXCELLENT   |      |      |      |  |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| Performance Trends  |      |      |      | Impact on the Veteran  |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
|   |      |      |      | <p>National cemeteries carry expectations of appearance that set them apart from private cemeteries. The 2007 score reflects VA's strong commitment to maintaining national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies – VA's cemeteries reflect this appreciation and respect.</p> |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| <table border="1"> <thead> <tr> <th></th> <th>2003</th> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>ST</th> </tr> </thead> <tbody> <tr> <td>■ Results</td> <td>97%</td> <td>98%</td> <td>98%</td> <td>97%</td> <td>97%</td> <td>N/A</td> </tr> <tr> <td>■ Targets</td> <td>98%</td> <td>98%</td> <td>98%</td> <td>99%</td> <td>99%</td> <td>100%</td> </tr> </tbody> </table>   |      |      |      |  |      |      |  | 2003 | 2004 | 2005 | 2006 | 2007 | ST | ■ Results | 97% | 98% | 98% | 97% | 97% | N/A | ■ Targets | 98% | 98% | 98% | 99% | 99% | 100% |
|   | 2003 | 2004 | 2005 | 2006   | 2007 | ST   |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| ■ Results   | 97%  | 98%  | 98%  | 97%  | 97%  | N/A  |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| ■ Targets   | 98%  | 98%  | 98%  | 99%  | 99%  | 100% |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| <p>ST = Strategic Target</p>  |      |      |      |  |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |
| <p><b>How VA Uses the Results Data</b></p> <p>VA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at the Central Office, Memorial Service Network (MSN), and National Cemetery levels who use the data to improve the appearance of national cemeteries.</p> |      |      |      |  |      |      |  |      |      |      |      |      |    |           |     |     |     |     |     |     |           |     |     |     |     |     |      |

**Additional Performance Information Related to Strategic Objective 4.5**

**OIG Major Management Challenges and GAO High-Risk Areas**

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during CY 2002, which resulted in a rating of "Moderately Effective."

Please see OMB PART reviews on page 84 for more information.

**Program Evaluations**

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA to contract for an independent study to look at various issues related to the National Shrine Commitment and its focus on cemetery appearance. Volume 3: Cemetery Standards of Appearance was published in March 2002. This report served as a planning tool and reference guide in the task of reviewing and refining VA's operational standards and measures.

In August 2002, Volume 2: National Shrine Commitment was completed. This report identified the one-time repairs needed to ensure a dignified and respectful setting appropriate for each national cemetery.



NCA is using the information in this report to address repair and maintenance needs at national cemeteries. Through 2007 NCA has addressed approximately 30 percent of the total repairs identified in this report.

#### **New Policies, Procedures, or Process Improvements**

In order to ensure a high-performing, well-trained workforce, VA established the National Cemetery Administration Training Center in 2004. Initially focused on training cemetery directors and assistant directors, the new facility has expanded its classes to train supervisors, foremen, gardeners, cemetery representatives, and contracting officer technical representatives. As the facility continues to expand its classes, training for other employees, such as equipment operators, will be added to the curriculum. As six more new national cemeteries become operational by the end of this decade, the Center's efforts will help ensure consistency in operations throughout the national cemetery system as well as a high-performing workforce and well-trained staff for key positions.

In 2007 NCA established its Leadership Institute for high potential GS 9-12 employees, Wage Grade System Supervisors, and Wage Grade System Team Leaders. For more information, please see page 175.

NCA is continuing its partnership with the National Center for Preservation Technology and Training (NCPTT), an office of the National Park Service (NPS), to conduct a materials conservation and treatment analysis of government-issued marble veteran headstones issued from the 1870s through 1973. Second to VA, NPS has the largest number of national cemeteries, including Gettysburg National Cemetery, under its jurisdiction. Through an interagency agreement, NCPTT will identify alternatives for cleaning historic headstones based upon criteria such as cost effectiveness and environmentally and historic-resource friendly chemicals.

In 2007 NCA implemented a Facility Condition Assessment program as part of its continuing commitment to maintain the appearance of national cemeteries as national shrines. Each national cemetery regularly assesses whether the condition of each building and structure at the cemetery is considered acceptable according to system-wide standard definitions within VA and within federal guidelines identified by the Federal Real Property Council. This information is used both to provide additional focus to NCA management on the condition of cemetery facilities and for the allocation of funds for construction projects. Cemetery facilities are among the most highly visible components of national cemeteries. Maintaining the safety and appearance of cemetery facilities is an important component of maintaining national cemeteries as national shrines.

#### **Other Important Results**

The willingness to recommend the national cemetery to veteran families during their time of need is an expression of loyalty toward that national cemetery. In 2007, 98 percent of survey respondents (family members and funeral directors who recently received services from a national cemetery) indicated they would recommend the national cemetery to veteran families in their time of need.

To ensure the appearance of national cemeteries meets the standards our Nation expects of its national shrines, VA performed a wide variety of grounds management functions including raising, realigning, and cleaning headstones to ensure uniform height and spacing and to improve appearance. The rows of pristine, white headstones that are set at the proper height and correct alignment provide the vista that is the hallmark of many VA national cemeteries. In 2007 VA collected data that showed that 69 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 75 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 83 percent of gravesites in national cemeteries had grades that were level and blended with adjacent grade



levels. In 2007 National Shrine Commitment projects were initiated at 17 national cemeteries. These projects will raise, realign, and clean more than 147,000 headstones and markers and renovate gravesites in more than 60 acres.

While attending to these highly visible aspects of our national shrines, VA also maintained roads, drives, parking lots, and walks; painted buildings, fences, and gates; and repaired roofs, walls, and irrigation and electrical systems.

In 2007 more than 97 percent of survey respondents (family members and funeral directors combined) agreed that the overall appearance of national cemeteries was excellent. This result demonstrates VA's continued commitment to maintaining national cemeteries as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

NCA also established an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability by providing managers and staff at all levels with one "NCA scorecard." As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting. NCA schedules 12 visits each year to a representative group of national cemeteries from each MSN that illustrates the diversity of our system in terms of age, size, workload, and climate. To date NCA has completed 35 site visits assessing 59 national cemeteries. Ten visits assessing 15 national cemeteries were conducted in 2007.

VA continued its partnerships with various civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries. For example, an interagency agreement with the Bureau of Prisons provides for the use of selected prisoners to perform work at national cemeteries. Under a joint venture with The Veterans Health Administration, national cemeteries provide

therapeutic work opportunities to veterans receiving treatment in the Compensated Work Therapy/Veterans Industries program. The national cemeteries are provided a supplemental workforce while giving veterans the opportunity to work for pay, regain lost work habits, and learn new work skills.

#### **Data Verification and Measure Validation**

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 218.



## Enabling Goal

### *Applying Sound Business Principles*

#### **ENABLING OBJECTIVE E-1**

##### ***Development and Retention of a Competent Workforce***

*Recruit, develop, and retain a competent, committed, and diverse workforce that provides high-quality service to veterans and their families.*

### **Making a Difference for the Veteran**

## **Letter From National Commander, Disabled American Veterans**



Bradley S. Barton, National Commander, Disabled American Veterans, salutes VA's health care system.

Dear Veterans Health Administration Employee:

The news media recently uncovered a serious situation at the Walter Reed Army Medical Center in Washington... While media reports of the Walter Reed scandal have cast a shadow on military and veterans' medicine, I want to assure you that DAV is very proud of you and the Department of Veterans Affairs (VA) health care system. Problems arise from time to time in any system that provides for the needs of large populations, but, at its root, VA health care is a constant and shining emblem of how to reform a system for excellence.

Over the past two or three years we have seen mounting evidence that VA is a source of dependable, safe and efficient health care for veterans. The system provides a wonderful resource for sick and disabled veterans that, in so many ways, is unique to our experience. You offer veterans the best quality at the least cost, and the lowest error rates of any health care system to which you might be compared. Your medication safety program, electronic health record and prevention programs are the envy of American medicine. VA serves the Nation's veterans well, while supporting and developing new generations of health care professionals and advancing the standard of care through its renowned biomedical research and development programs.

We, the members of DAV, want you to know that we consider VA to be a national treasure. While we may have experienced a momentary controversy brought about because one military medical treatment facility let down our disabled service members, we hold the Veterans Health Administration -- and the work each of you do every day for sick and disabled veterans -- in the highest regard. On behalf of DAV, I salute you.

Sincerely,

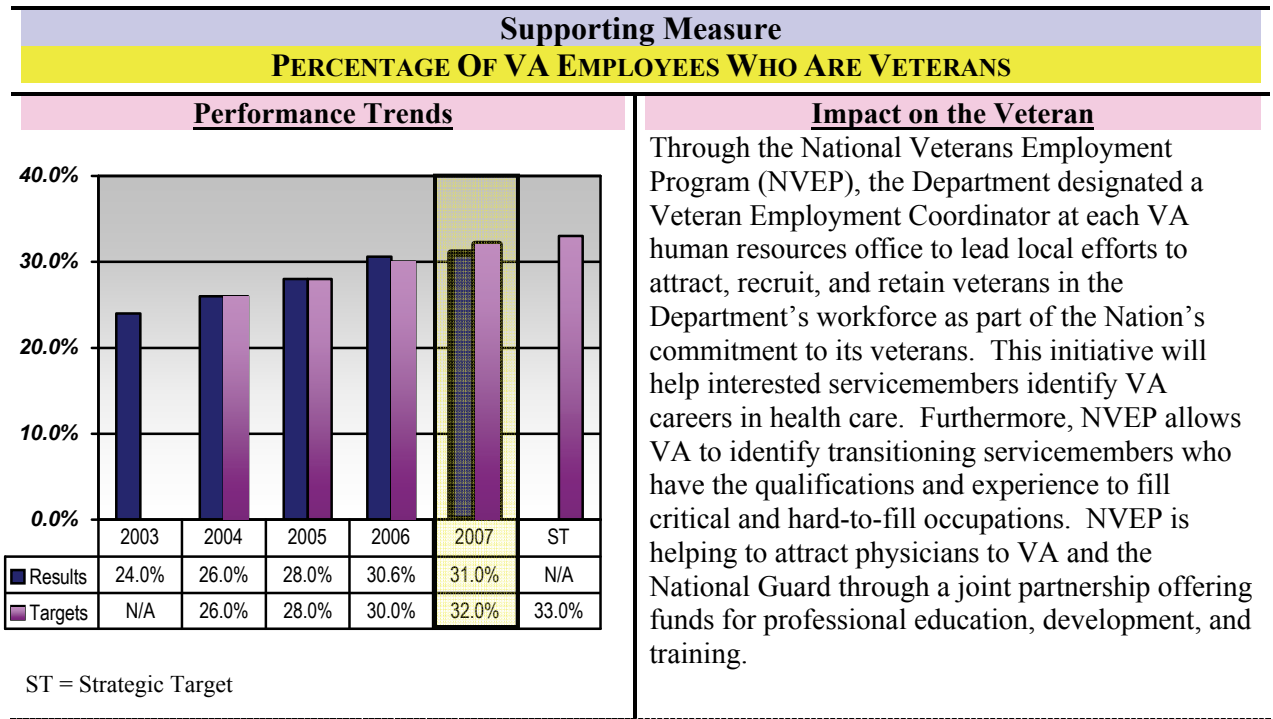
*Bradley S. Barton*

National Commander, Disabled American Veterans

(The full text of the letter may be found on the VA Web at <http://www1.va.gov/opa/vafeature/DAV-Letter.asp>)



**Significant Trends, Impacts, and VA's Use of FY 2007 Results**



**How VA Uses the Results Data**

**Background:** A 2006 report submitted to Congress cited a "lack of knowledge of special appointing authorities" as a key barrier to the hiring of veterans in the federal sector. Establishing Veterans Employment Coordinators at multiple localities throughout the Nation will help facilitate the hiring of veterans.

**Use:** This measure is a critical success indicator. Continual results monitoring will become increasingly important as the pace of retirements of Vietnam-era veterans quickens and thus makes it more difficult for VA to maintain its veteran employment level.

**Additional Performance Information Related to Enabling Goal E-1**

**OIG Major Management Challenges**  
VA's Office of Inspector General did not identify any major management challenges related to this objective.

- GAO High-Risk Areas**
- Strategic Human Capital Management: A Governmentwide High-Risk Area (see page 292 for more details)

**Program Assessment Rating Tool (PART) Evaluation**

No PART evaluations have been completed that specifically address this objective.

**New Policies, Procedures, or Process Improvements**

The VA Secretary signed two dual compensation waiver proposals to allow rehiring of retirees without their forfeiture of retirement pay. One waiver is designated for the prime purpose of knowledge transfer; the second involved the creation of an Emergency Response Corps.

**Data Quality**

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.



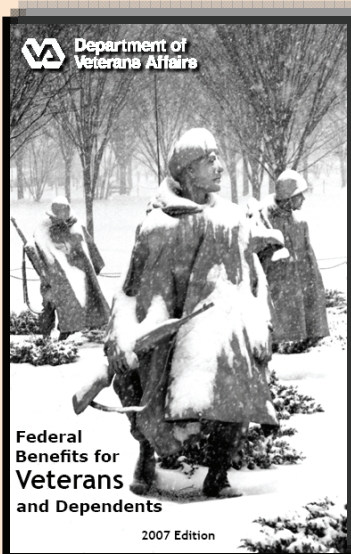
## ENABLING OBJECTIVE E-2

### *Outreach and Communications*

*Improve communication with veterans, employees, and stakeholders about VA's mission, goals, and current performance, as well as benefits and services that the Department provides.*

## Making a Difference for the Veteran

### Informing Veterans About Their Benefits Through Varied Outreach Efforts



As it manages the Department's work with news and mass media and coordinates veterans' service programs with government agencies at national, regional, and local levels, the Office of Public and Intergovernmental Affairs plays a lead role in VA outreach efforts to inform and update veterans on VA activities, policies, and benefits. Many of its products are designed for that purpose, such as the **Federal Benefits for Veterans and Dependents** booklet. This handy, 150-page desk reference to VA programs and those of other federal agencies for veterans is updated annually by the Office of Public Affairs. It is distributed throughout VA and to state, county, and veterans service organization officers, as well as at transition counseling points within the military services.

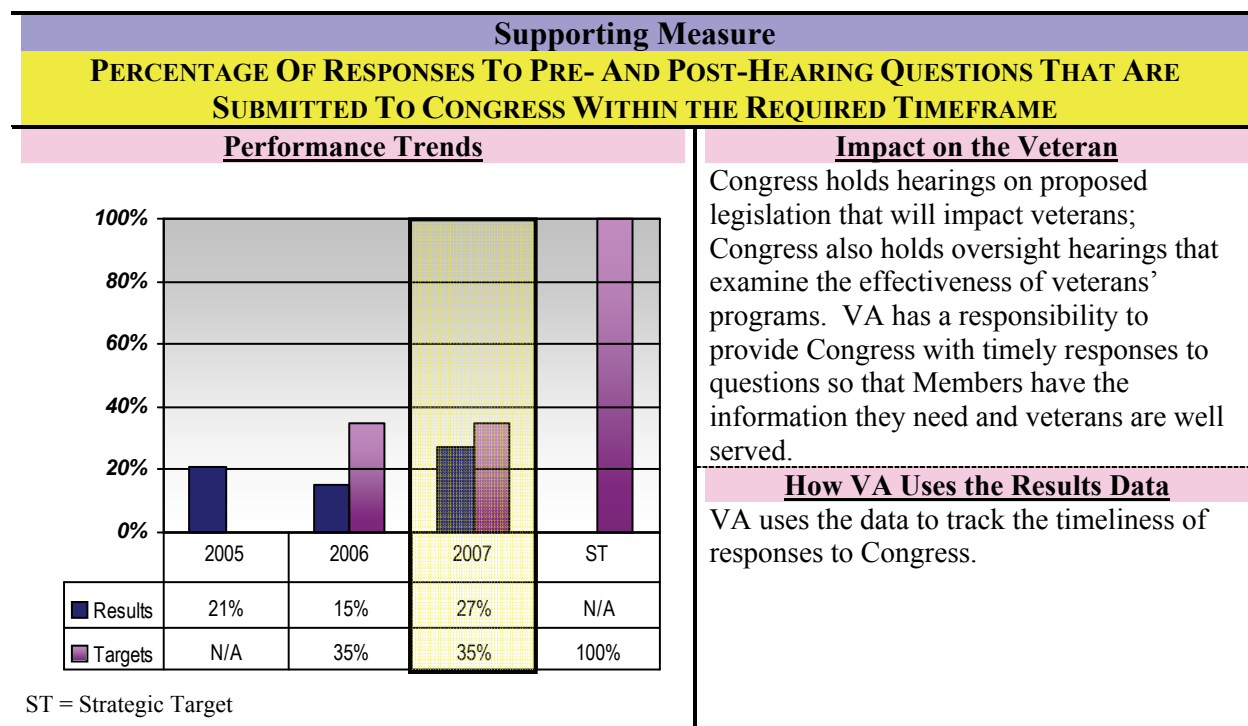
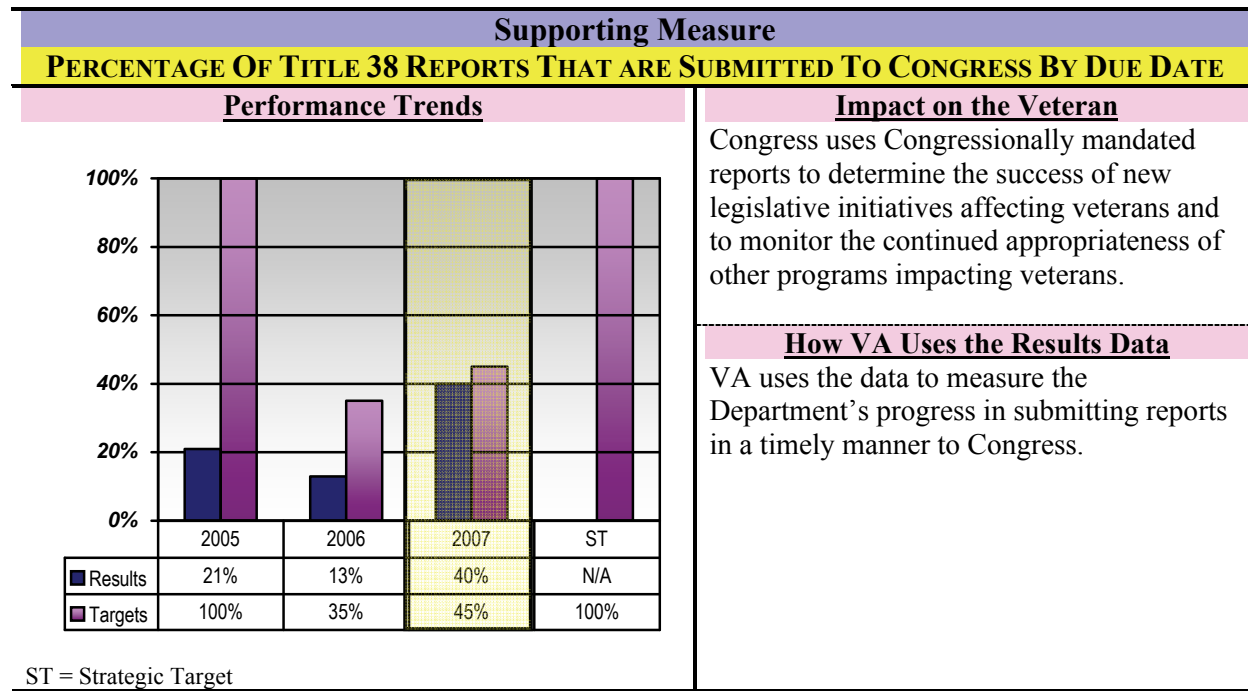
The Office of Public Affairs also produces **The American Veteran**, a monthly video news magazine that highlights

benefits available to veterans. The program is available to military members and their families around the world on the Pentagon Channel and shown on many U.S. local cable outlets. The Office of Public and Intergovernmental Affairs also supports VA outreach efforts to veterans through national news releases and special events.





**Significant Trends, Impacts, and VA's Use of FY 2007 Results**





## Additional Performance Information Related to Enabling Goal E-2

### OIG Major Management Challenges and GAO High-Risk Areas

VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

### Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

### Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

### New Policies, Procedures, or Process Improvements

OCLA implemented and maintained a Congressionally Mandated Reports Web site to provide information to all VA offices on what reports are coming due.

### Other Important Results

VA continues to strive to submit mandatory reports to Congress in a more timely manner -- closer to the actual due dates. While measuring alone does not improve performance, the measures do provide benchmarks and inform the Department as to its performance on this critical factor.

### Data Quality

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.





## ENABLING OBJECTIVE E-3

### *Reliable and Secure Information Technology*

*Implement a One-VA information technology framework that enables the consolidation of IT solutions and the creation of cross-cutting common services to support the integration of information across business lines and provides secure, consistent, reliable, and accurate information to all interested parties.*

## Making a Difference for the Veteran

### My HealthVet



My HealthVet is the gateway to veterans health benefits and services. It provides access to trusted health information, links to federal and VA benefits and resources, the Personal Health Journal, and online VA prescription refill.

The Industry Advisory Council, a non-profit educational organization established to assist government in acquiring and using information technology resources effectively and efficiently, selected the VA health care and benefits Web portal My HealthVet as one of the top five winners of its Excellence.Gov award for using innovative technology to more effectively achieve mission objectives.

A 23-judge panel made its selection after reviewing 115 entries and evaluating each on the following criteria: a) clearly articulated means of collaboration enabled by technology; b) use of innovative information technology to support the objectives of collaborating organizations and federal strategic goals and objectives; c) demonstrable efficiency gains, d) cost advantages, or superiority over previous methods of collaboration, supported by metrics; and e) a sound approach to addressing security and privacy of data.

An example of the benefits provided by My HealthVet is the secure online prescription refill service. Tens of thousands of veterans are now using this service to get their prescription drug refills from VA with greater convenience, speed, and security.

When a veteran orders a prescription refill, the request is routed to VA's computer system to be filled by one of the Department's outpatient mail pharmacies. The refill is then sent directly to the veteran, eliminating the need for a trip to the pharmacy.

For more information, see the following link: <http://www.myhealth.va.gov>



**Significant Trends, Impacts, and VA’s Use of FY 2007 Results**

| Supporting Measure                                   |        |         |                       |         |
|--|--------|---------|-----------------------|---------|
| NUMBER OF DISTINCT DATA EXCHANGES BETWEEN VA AND DoD |        |         |                       |         |
| Performance Trends                                   |        |         | Impact on the Veteran |         |
|  | 2006   |         | 2007                  |         |
|  | Target | Result* | Target                | Result* |
| From VA to DoD                                       | 10     | 8       | 1                     | 6       |
| From DoD to VA                                       | 20     | 20      | 8                     | 11      |

\* Fewer distinct data exchanges represent better performance.

The gradual reduction in data exchanges between VA and DoD systems will eliminate data inconsistencies between the two agencies. This is critical, particularly in areas such as separation data and medical records. Our long-term effort will focus on establishing a central One VA data service that provides one-stop access to all data required in the processing of VA benefits.

Results for 2007 did not meet the targets, largely due to the challenges of coordinating very sensitive personal data between two different Cabinet-level agencies and the need to conform with stringent federal laws, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

**How VA Uses the Results Data**

The degree to which VA and DoD are successful in the consolidation of the many distinct data exchanges is an indication of the progress being made towards adapting legacy applications to a more modern enterprise data service-oriented architecture. In the long-term, this will have the following impact:

- Less architecture complexity.
- Fewer redundant systems.
- Streamlined change request processes.
- Improved data quality.
- Greater potential for automation of data processing.

**Additional Performance Information Related to Enabling Goal E-3**

**OIG Major Management Challenges**

- Confusion of Rules and Guidance (see page 278 for more details)
- Material Weakness in IT Security Controls (see page 280 for more details)
- VA Information Security Program Reviews (see page 281 for more details)

**GAO High-Risk Areas**

- Protecting the Federal Government’s Information Systems and the Nation’s Critical Infrastructures: A Governmentwide High-Risk Area (see page 297 for more details)
- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area (see page 299 for more details)



### **Program Assessment Rating Tool (PART) Evaluation**

No PART evaluations have been completed that specifically address this objective.

### **New Policies, Procedures, or Process Improvements**

The VA Office of Information Protection and Risk Management released the following policies and procedures to further strengthen information security and protect sensitive information at VA:

- Directive 6601: Removable Storage Media, establishing VA policy regarding use of removable storage media.
- Directive 6600: Responsibility of Employees and Others Supporting VA in Protecting Personally Identifiable Information, establishing VA requirements for protecting personally identifiable and sensitive information on veterans, their family members, and employees.
- VA Handbook 6500: Information Security Program Handbook, implementing procedures for VA Directive 6500, Information Security Program.
- Interim Standard Operating Procedures for data breach mitigation incident resolution.
- Interim Standard Operating Procedures for notifying veterans of incidents involving compromised personal information.

There are a number of directives and handbooks in draft or in departmental concurrence that are scheduled to be issued in FY 2008 that will further strengthen controls over information security at VA.

### **Data Quality**

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 192.



## ENABLING OBJECTIVE E-4

### Sound Business Principles

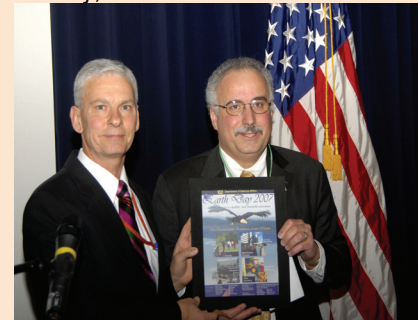
*Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting and performance.*

## Making a Difference for the Veteran

### VA Mechanic Named a Winner in the White House Closing the Circle Awards Program

Timothy Trittschuh, automotive mechanic at Fort Custer VA National Cemetery, has been named a winner in the prestigious White House Closing the Circle (CTC) Awards Program for 2007. Trittschuh earned the federal government's top environmental award in the Green Purchasing category for testing and using bio-based lubricants, oils, and other fluids as environmentally-preferable alternatives to petroleum-based products. Out of nearly 200 nominations submitted by federal employees and facilities nationwide, only 17 winners and 13 honorable mentions were selected in the areas of environmental management systems, pollution prevention, recycling, green purchasing, alternative fuels, sustainable design/green buildings, and electronics stewardship.

The White House awards ceremony was held in June. VA employees and facilities have made significant strides toward ensuring a healthier, more sustainable environment, and continue to demonstrate strong environmental stewardship as exemplified by Mr. Trittschuh.



Robert McKenna, Director, Logistics Policy (left), presents Timothy Trittschuh (right) with the prestigious White House Closing the Circle Award for testing and using bio-based lubricants, oils, and other fluids as environmentally-preferable alternatives to petroleum based products.

### Putting Energy From the Sun to Work for VA

It is the ideal fuel: it is free, there are no harmful environmental effects, and the supply is virtually endless. VA is pursuing the use of energy from the sun – along with wind, geothermal, and other types of renewable energy – to meet VA building energy needs while significantly reducing operating costs. In 2007, VA launched its renewable energy pilot program by putting agreements into place for construction of solar photovoltaic systems at the Loma Linda, California and Dallas, Texas VA medical centers. These rooftop installations will turn sunshine into electricity, avoiding consumption of fossil fuels, offering a cleaner environment, and reducing the medical centers' energy bills. At the same time, VA is scheduling repair and recommissioning of two existing solar energy installations that turn sunshine into hot water, one at the West Los Angeles VAMC and the other at the Dallas VAMC. Finally, VA is conducting studies of high potential sites around the country for installing wind energy systems on rooftops and geothermal energy systems underground. Successful pilot efforts with these renewable energy technologies will serve as models for other VA facilities, with resulting cost savings that can then be targeted towards meeting veterans' needs.





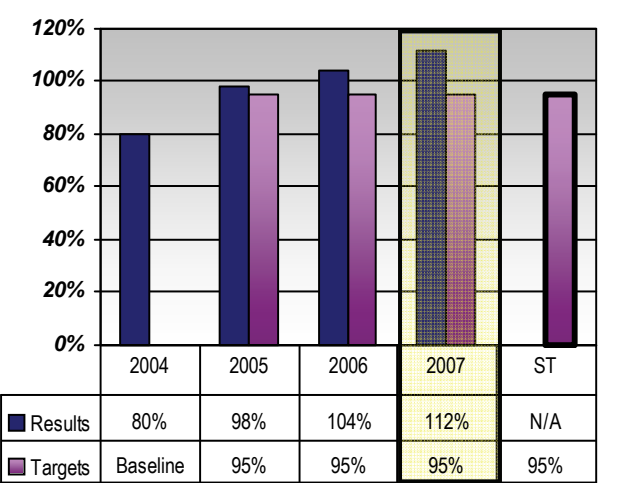
**Significant Trends, Impacts, and Use of FY 2007 Results**

| Supporting Measure  |          |  |       |   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
|---|----------|--|-------|---|------|------|------|----|-----------|----------|-------|-------|-----|-----------|----------|-------|-------|-------|--|
| TOTAL ANNUAL VALUE OF JOINT VA/DoD PROCUREMENT CONTRACTS FOR HIGH-COST MEDICAL EQUIPMENT AND SUPPLIES (DOLLARS IN MILLIONS) |          |  |       |   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
|   |          | Performance Trends   |       | Impact on the Veteran   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
|   |          |  |       | <p>VA/DoD use of joint contracting saves money when compared to using individual contracting methods. Money thus saved can be devoted to the care of veterans. Currently, the savings in high-tech medical equipment are generated for consolidated equipment orders.</p> <p>Savings based on recent equipment consolidations (shown as total savings and a percentage against the total buy during the consolidation period) are as follows:</p> <p>Three month period ending,</p> <ul style="list-style-type: none"> <li>• June 2006 had savings of \$7,462,649 (9% of total procurements)</li> <li>• September 2006 had savings of \$25,144,336 (12% of total procurements)</li> <li>• December 2006 had savings of \$2,028,625 (21% of total procurements)</li> <li>• March 2007 had savings of \$1,633,863 (9% of total procurements)</li> </ul> |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
|   |          | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007</th> <th>ST</th> </tr> </thead> <tbody> <tr> <td style="background-color: #000080; color: white;">■ Results</td> <td>Baseline</td> <td>\$152</td> <td>\$180</td> <td>N/A</td> </tr> <tr> <td style="background-color: #800080; color: white;">■ Targets</td> <td>Baseline</td> <td>\$150</td> <td>\$170</td> <td>\$220</td> </tr> </tbody> </table> |       |   | 2005 | 2006 | 2007 | ST | ■ Results | Baseline | \$152 | \$180 | N/A | ■ Targets | Baseline | \$150 | \$170 | \$220 | <p style="text-align: center;"><b>How VA Uses the Results Data</b></p> <p>VA uses the results data to verify that joint contracting vehicles are being used to the maximum extent possible by VA's medical facilities.</p> |
|   | 2005     | 2006   | 2007  | ST  |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
| ■ Results   | Baseline | \$152  | \$180 | N/A   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
| ■ Targets   | Baseline | \$150  | \$170 | \$220   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |
|   |          | <p>(1) 2006 result is corrected.<br/>                     (2) Beginning in 2007, medical supplies were added to this measure.<br/>                     (3) ST = Strategic Target</p>   |       |   |      |      |      |    |           |          |       |       |     |           |          |       |       |       |  |



**Supporting Measure**  
**PERCENT OF SPACE UTILIZATION AS COMPARED TO OVERALL SPACE**  
**(OWNED AND DIRECT-LEASED)**

**Performance Trends**



- (1) Actual 2007 results data through 08/2007. Final data are expected in 11/2007.
- (2) 2006 result is corrected.
- (3) ST=Strategic Target

**Impact on the Veteran**

VA seeks to dispose of assets in the most cost effective and efficient manner. Asset disposal can sometimes involve partnering with the private sector so that the assets can be leveraged to expand or enhance services to veterans.

**How VA Uses the Results Data**

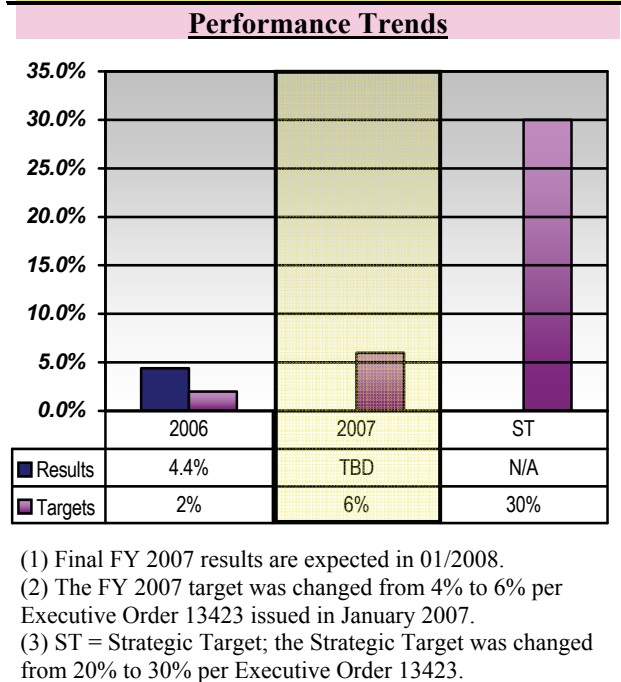
This measure is used to determine VA's space utilization (i.e., identifying where space is over-utilized or where space is underutilized). Since this is tracked on a hospital-by-hospital basis, the measure pinpoints where more space is needed, or where there is excess space thereby allowing VA's asset managers to direct resources appropriately.

Where space is underutilized and/or vacant, VA develops and executes asset disposal plans that may involve demolition, enhanced use lease, transfers to State Homes, outlease, or reuse by other VA entities.

More recently, space over-utilization has been caused by changes in patient care, technology, and patient gender. In the past, VA capped space utilization statistics at 100 percent, but due to the aforementioned changes, utilization rates above 100 percent have become more common as is evidenced by the 2007 results.



**Supporting Measure**  
**CUMULATIVE PERCENTAGE DECREASE IN FACILITY TRADITIONAL ENERGY CONSUMPTION PER GROSS SQUARE FOOT FROM THE 2003 BASELINE**



**Impact on the Veteran**

Increased savings in energy-related costs can be devoted to providing improved veteran services.

**How VA Uses the Results Data**

VA uses the data to monitor and report energy efficiency at facilities. The data help identify good energy performance practices for possible nationwide replication. Conversely, management also uses the data to identify where energy efficiency improvements may be needed.

For example, several facilities with high-end consumption were selected to implement efficiencies through on-site renewable technologies and energy conservation measures (e.g., steam trap replacements, lighting retrofits) to reduce consumption and improve energy efficiency.

**Additional Performance Information Related to Enabling Goal E-4**

**OIG Major Management Challenges**

- Lack of an Integrated Financial Management System (see page 269 for more details)
- Operational Oversight (see page 271 or more details)
- Procurement Failures (see page 274 for more details)
- Lack of Corporate Knowledge (see page 276 for more details)

**GAO High-Risk Areas**

- Federal Real Property: A Governmentwide High-Risk Area (see page 294 for more details)
- Management of Interagency Contracting: A Governmentwide High-Risk Area (see page 300 for more details)

**Program Assessment Rating Tool (PART) Evaluation**

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care program during CY 2003, which resulted in a rating of "Adequate." The Administration also conducted a PART evaluation of VA's General Administration program during CY 2004, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 81 and 85 for more information.

**New Policies, Procedures, or Process Improvements**

The Non-Health Care Guidebook was developed by the National Leadership Board's Business Performance Improvement Committee (BPIC) to mitigate material weaknesses identified in FY 2005 and FY 2006 audit reviews. The guidebook will be sent to all networks and facilities and will be followed up with training in FY 2008.



In addition to the above-cited Non-Health Care Guidebook, other guidebooks pertaining to first and third-party accounts receivable will be revised and training provided via national conference calls. The training will be focused on the following areas: discussion of changes and additions from the last version of the guidebooks, as well as concepts related to proper and timely follow-up of outstanding medical care accounts receivable and accounts receivable management.

The VHA Chief Business Office has been conducting Revenue Activities Reviews at selected lower-performing sites since FY 2006

VHA Directive 2005-038, Refund Policy, will be revised to provide updated guidance on refunds management.

Additional staff will be assigned to review and work with facilities on their end of fiscal year annual close certifications. This will improve VHA's timeliness of providing its financial statement adjustments to the VA Office of Management.

### **Other Important Results**

The VHA Chief Business Office (CBO) worked closely with the Chief Financial Officer (CFO), Office of Compliance and Business Integrity (CBI), and Health Information Management to develop strategies to assist medical center staff in understanding guidance and to provide training related to the Medical Care Collections Fund (MCCF) accounts receivable follow-up procedures for the medical center staff. This collaboration has identified opportunities to strengthen the guidance related to follow-up and ensure that field staff receives appropriate training.

### **Data Quality**

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 192.





## Assessment of Data Quality

VA's ability to accomplish its mission is dependent on the quality of its data. Each day, VA employees use data to make decisions that affect America's veterans. Data accuracy and reliability are paramount in delivering medical care, processing benefits, and providing burial services.

Each program office has initiated specific actions to improve data quality to better support business planning and day-to-day decision-making. In addition, the Office of the Inspector General (OIG) has conducted audits to determine the accuracy of our data. We consider OIG reviews to be independent and objective. The following discussion describes in detail the actions each VA administration has taken to improve its data quality.

### **Veterans Health Administration**

VHA consistently focuses on data reliability, accuracy, and consistency. The principles of data quality are integral to VHA's efforts to provide excellence in health care. In 2001 the Under Secretary for Health commissioned a high-level, cross-cutting task force on data quality and standardization whose membership includes the Chief Officer from VHA's Office of Quality and Performance, the Assistant Deputy Under Secretary for Health, and officials from the Chief Network Office and the Office of Information. This task force focused on strategic planning to provide consistent definitions of clinical and business data for more effective clinical and organizational decision support. The members continue to seek collaboration with other parties including DoD, Indian Health Service (IHS), private sector health care providers, and standards organizations. Through collaborations both within the federal government and in conjunction with health standards organizations, VHA and DoD were able to exchange computable pharmacy and allergy data in 2007.

This exchange enables clinical decision support on data from different VA and DoD locations and greatly expands the ability to avoid drug-drug and drug-allergy complications.

VHA's commitment to quality data was confirmed by the results of an OIG audit of the validity of data collection of the quality measures that VHA tracks – Clinical Practice Guidelines Index and Prevention Index II. The report, released in April 2003, acknowledged a high degree of accuracy. The OIG made no recommendations. VHA continuously monitors data accuracy to ensure these high standards are maintained.

Office of Inspector General (OIG) reports dated July 2005 and September 2007 found reported outpatient waiting times to be unreliable because of data integrity concerns associated with VHA's scheduling system. The Under Secretary for Health non-concurred with this one OIG finding in the September 2007 report due to disagreements with the OIG's methodology. VHA has obtained the services of an expert consultant to perform a thorough analysis and assessment of its scheduling and wait times reporting system.

VHA has long been recognized as a leader in documenting credentials and privileges of VA health-care professionals. In 2001, VHA implemented an electronic data bank, VetPro. This database dramatically improved VHA's ability to ensure timely and appropriate credentialing of health-care professionals. In December 2006, VetPro was expanded to include all licensed, registered, and certified health care professionals. VetPro promotes and demonstrates to other federal and private agencies the value of a secure, easily accessible, valid data bank of health professionals' credentials. VetPro improves the process of credentialing and privileging by:



- Establishing a secure, accessible, valid electronic database.
- Ensuring appropriate credentials for clinical roles of practitioners.
- Allowing verification of practitioners' track records.

The VHA Data Consortium addresses organizational issues and basic data quality assumptions. The consortium works collaboratively to improve information reliability and customer access for the purposes of quality measurement, planning, policy analyses, and financial management. The ongoing initiatives and strategies address data quality infrastructure, training and education, personnel issues, policy guidance, and data systems.

The VHA data quality coordinator and data quality workgroups provide guidance on data quality policies and practices as follows:

- Develop policy and guidance for field and other staff that provide standard information related to the data content, context, and meaning of specific data elements in VHA databases.
- Participate in VHA's data standardization activities that involve the standardization of VHA's clinical and administrative data in support of critical activities including VA's Health Data Repository program and the Clinical and Health Data Repository data sharing and interoperability project (a collaborative effort between VA and DoD).
- Develop of coding resources for field facilities, including the centralized purchase of enhanced QuadraMed products to support coding and billing. The use of these products is mandatory at all VA sites. The software products and services enable the hospitals to more efficiently manage their revenue cycle.
- Participate in various workgroups providing stewardship of and expertise on VHA data that provide increased data quality for future efforts such as HealthVet VistA.

- Modify the registration software to support the accurate collection of more complete patient identification data in support of the Joint Commission patient safety goal.

This past year, the VHA data quality coordinator helped effectuate changes to software designed to do the following:

- Prevent terminated providers from reading or entering clinical information (VistA).
- Eliminate dual data entry and add clarification to procedures used to delineate workload locations and providers (VistA).

Other software changes included the following:

- Enhancements to prevent the editing of signed documents within VHA's electronic health record.
- Developed codes for Traumatic Brain Injury to provide better tracking of brain injured veterans and to more specifically identify and describe the types of brain injuries.
- Integrated the national external peer review process into local review processes of coding of specifically identified coding supporting indicators such as Acute Myocardial Infarction, Unstable Angina, Heart Failure, and Pneumonia.

To support the need for guidance in medical coding, VHA established the Health Information Management (HIM) Coding Council, comprised of credentialed expert coders with support from VHA HIM Central Office staff to provide research and response to coding questions within 24 hours. The council completes regular updates to the national coding handbook, which provides expert guidance to field facilities. Additional initiatives designed to improve overall data quality of VHA's administrative and clinical data include:

- "Close Encounters" and "Data Quality Highlights" newsletters for field staff guidance and information.
- Ongoing, periodic training programs on such topics as national standard code set updates



- and refresher training in specific areas such as orthopedic coding.
- Standardization of electronic encounter forms including documentation templates.
  - Creation of a policy document to address patient identity issues when erroneous edits to a patient's identity data have patient safety implications.
  - Providing training-materials development and publication for field and other staff related to data quality topics such as the Registration process, Register Once process, software enhancements, and processes and procedures related to the identification and correction of data quality issues.

Currently VHA is enhancing the VistA platform by completing the Decision Support System and implementing VistA Imaging. Given funding availability, mid/long-term efforts will include development of a comprehensive health database that will be timely and universally accessible across the full continuum of care settings. This platform will provide the basis for enhancements to eligibility/enrollment processing packages leading to attainment of One VA goals, the reengineering of the VistA Scheduling Package, and enhancements/improvements to the billing and fee basis systems.

VHA established a data standardization program to implement a common language for all VHA providers and facilities. The program enables sharing of commensurate data among VHA, DoD, and other health care providers. The availability of commensurate data will increase patient safety by ensuring that all clinical decisions are based on the patient's complete medical record; reduce costs and minimize the likelihood that duplicate tests and procedures will be performed; and improve data quality, aggregation, and reporting by ensuring the consistent interpretation of data across all VHA facilities.

VHA's My HealthVet-VistA project is focused on replacing the existing VistA legacy health-care information system by rehosting,

enhancing, and/or reengineering current health information applications on a modern robust technology platform. This effort will enrich the functionality currently available, benefiting veterans, clinical care providers, and the general public by expanding the availability and use of health-care information. When fully implemented, HealthVet-VistA will provide veterans access to their personal health record through the My HealthVet component. This will enable veterans and veterans' health care providers to access and share the health record, trusted health information, and key supportive services including viewing appointments and communicating with their providers through secure messaging. HealthVet-VistA will provide the transition to a veteran-centered health care system that will establish longitudinal electronic health records and track veteran visit history including their problems, orders, results, and treatments, and documentation across all visits enabling VA clinical care providers to have immediate access to critical information regardless of which facility the veteran visited.

VHA's Administrative Data Quality Council was formed in 2004 and is a collaboration between the Chief Business Office and the Office of Information's Health Data and Informatics. This group was formed to provide guidance, direction, and collaboration across VHA to address administrative data, which is fundamental to the patient's health record, and VHA's business processes that support patient care. The Council has issued policy directives and developed and provided training to the field.

VHA is examining its current data quality strategy and proposing the establishment of a formal Data Stewardship program that specifically outlines business roles and responsibilities for data as well as governance and other key aspects of a Data Stewardship program.



### Veterans Benefits Administration

VBA continues to focus on data reliability and validity in all facets of its operations from claims processing to FTE hiring patterns. Whether data are collected and housed in legacy systems or an enterprise data warehouse environment, the output must be accurate and consistent to be effective. Managing the accuracy of these data requires an ongoing commitment to data quality methods and strategies across all business lines. In 2007 VBA again invested resources in support of this commitment.

The Office of Performance Analysis and Integrity (OPA&I), which reports directly to the Under Secretary for Benefits, assesses data for completeness, validity, consistency, timeliness, accuracy, and appropriateness of use as indicators. These data are extracted from VBA's systems of record (for example, Benefits Delivery Network) and are imported into an enterprise data warehouse. All reports emanating from the enterprise data warehouse are developed using business rules provided by the respective VBA business lines.

Prior to release, each report is subject to a validation process to ensure accuracy and adherence to the business rules. Specific data validation reviews are conducted throughout the year, and data anomalies are routinely investigated and brought to resolution. VBA's ongoing efforts to maintain data accuracy include reviews of definitions and the associated data related to those definitions. Below are several of the projects and approaches used by the business lines and OPA&I as part of VBA's data quality practices.

- VBA continues to use an online application, which allows all field offices to download timely and consistent information useful to the operations of that office. The enterprise data warehouse integrates the ability to convert large quantities of select information into a spreadsheet format for further

analysis. This eliminates the need to develop and maintain individual databases or data marts, which negatively impact centralized data quality measures.

- The Gulf War Veteran Information System affords trend data on population growth for policy and legislation purposes, including those dealing with post-traumatic stress disorder and amyotrophic lateral sclerosis. Both VBA and VHA use these data routinely for operations and analysis. Data are analyzed for variations within the sub-cohorts as well as consistency across the entire population from a longitudinal perspective.
- The VETSNET Operations Reports (VOR) were deployed beginning in May 2007. This new suite of reports allows employees, coaches, and Veterans Service Center managers to be proactive in workload management through timely and accurate access to integrated information. In order to continually improve VOR, VBA regularly reviews the system for accuracy.
- The Fiduciary-Beneficiary System (FBS) provides Fiduciary program personnel and their managers with a database and diary system for the records of incompetent beneficiaries. It also generates field examination requests and accounting-due letters, as well as maintains workload and timeliness data. Through a series of standard listings and reports, as well as specialized query requests to the database, it allows for systematic workload and inventory management. FBS can generate monthly random samples of claims for local review, and the completed work products for the prior month are used to select cases for national review. This random sample approach allows managers and field staff to review claims systematically, saving both time and resources. A review of the methodology used in calculating the completed and pending cases in this system



determined that all data and reports were complete and valid.

- Corporate WINRS is a comprehensive case management system used to maintain complete case histories, generate forms and letters, control payments, and assist in scheduling and tracking appointments for the Vocational Rehabilitation and Employment (VR&E) program. VR&E Intranet reports are continuously refined for regional offices and Central Office to monitor and track this workload data. These reports and other data are released to the regional offices and provide a mechanism to validate the information for accuracy and discrepancies.
- The Insurance Payment System ensures all employee-generated transactions that result in disbursement (e.g., death award, loan, cash surrender) and all changes to bank data used for direct deposit are second-party verified by an independent staff. This system maintains daily counts of receipts and disbursements by the Insurance fund. Each week, random system payments are sampled for accuracy, and quarterly reports are reviewed to resolve questionable conditions, such as payments to two veterans at the same address.

In addition, OPA&I conducts workload and performance reviews on a regular basis. This information is reported at the Deputy Secretary's monthly performance reviews.

#### **National Cemetery Administration**

Experience and recent historical data show that about 80 percent of those interred in national cemeteries resided within 75 miles of the cemetery at the time of death. From this experience, NCA considers eligible veterans to have reasonable access if a burial option (whether for casketed or cremated remains) is available within 75 miles of the veteran's place of residence. NCA determines the percent of veterans served by existing national and state

veterans cemeteries within a reasonable distance of their residence by analyzing census data on the veteran population. Arlington National Cemetery, operated by the Department of the Army, and Andrew Johnson National Cemetery and Andersonville National Cemetery, operated by the Department of the Interior, are included in this analysis. For 2003 through 2005, actual performance was based on a revised VetPop2000 model using 2000 census data. Actual performance for 2006 and 2007 and target levels of performance for 2007 were based on the VetPop2004 version 1.0 model using 2000 census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries are also considered in determining the veteran population served. (Multiple counts of the same veteran population are avoided in cases of service-area overlap.) In 1999 the OIG performed an audit assessing the accuracy of the data used for this measure. Audit results showed that NCA personnel generally made sound decisions and accurate calculations in determining the percent of veterans served by a burial option. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.

NCA collects data monthly on the timeliness of marking graves through field station input to the Burial Operations Support System. After reviewing the data for general conformance with previous report periods, headquarters staff validates any irregularities through contact with the reporting station.

Since 2001 NCA has used an annual nationwide mail survey to measure the quality of service provided by national cemeteries as well as the appearance of national cemeteries. The survey provides statistically valid performance information at the national and regional (Memorial Service Network) levels and at the cemetery level for cemeteries having at least 400 interments per year.



The survey collects data annually from family members and funeral directors who recently received services from a national cemetery. To ensure sensitivity to the grieving process, NCA allows a minimum of 3 months after an interment before including a respondent in the sample population. VA headquarters staff oversees the data collection process and provides an annual report at the national level.

NCA has established an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability by providing managers and staff at all levels with one NCA “scorecard.” As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting.



## Veterans Benefits Administration

### Quality Assurance Program (Millennium Act)

VBA maintains a quality assurance program independent of the field stations responsible for processing claims and delivering benefits. The following information about our programs—

including compensation and pension, education, vocational rehabilitation and employment, housing, and insurance—is provided in accordance with title 38, section 7734.

| <b>Cases Reviewed and Employees Assigned by Program</b> |                       |                           |
|---|-----------------------|---------------------------|
|   | <b>Cases Reviewed</b> | <b>Employees Assigned</b> |
| Compensation and Pension (C&P)                          | 15,240                | 18                        |
| Education   | 1,587                 | 4                         |
| Vocational Rehabilitation and Employment                | 5,386                 | 7                         |
| Loan Guaranty (Housing)                                 | 1,014                 | 5                         |
| Insurance   | 11,040                | 4                         |

VBA administers a multi-faceted quality assurance program in an effort to ensure compensation and pension benefits are provided in a timely, accurate, and consistent manner. This comprehensive program includes four tiers. The first tier consists of the established accuracy measures of the quality products within the compensation and pension benefits processing arena. The Systematic Technical Accuracy Review (STAR) program measures accuracy of claims processing decisions made in all regional offices. Monthly quality reviews of VHA examination requests and reports accuracy are conducted in collaboration with the Compensation and Pension Examination Program (CPEP) office.

The second tier of the C&P quality assurance program consists of regional office compliance oversight visits conducted by central office site survey teams. In addition to these regional office visits, the Office of Field Operations also performs regular oversight reviews.

The third tier of the accuracy performance case reviews consists of special ad-hoc reviews. The quality assurance staff completes special ad-hoc reviews as needed in support of the agency mission and needs. These reviews are generally

one-time case or examination reviews conducted for a specified purpose.

VBA recently added a fourth tier to its national quality assurance program by establishing a rating consistency review program. This review assesses recently completed rating decisions across all regional offices, identifies the disabilities by diagnostic code rated most often, and plots both the grant/denial rate and evaluation mode assigned across all regional offices. Stations that fall outside of two standard deviations are considered statistical outliers. Focused case reviews will be conducted by the C&P STAR staff on a random sampling of cases completed by identified outliers to determine root causes of inconsistency. This consistency review methodology was piloted in FY 2007 and will be fully implemented in FY 2008.

#### **Summary of Findings and Trends – Compensation and Pension (C&P)**

STAR accuracy reports are based on the month that a case was completed, not when reviewed. Cases are submitted for review no later than the end of the following month.

The STAR system includes review of work in three areas: claims that usually require a rating



decision, authorization work (claims that generally do not require a rating decision), and fiduciary work.

Reviews of rating-related decisions and authorization-related actions have a specific focus:

- The benefit entitlement review ensures all issues were addressed, claims assistance was provided (under the Veterans Claims Assistance Act), and the resulting decision was correct, including effective dates.

Accuracy performance measures are calculated based on the results of the benefit entitlement review.

- The decision documentation/notification review ensures adequate and correct decision documentation and proper decision notification.

Results for C&P rating and authorization reviews for the 12-month period ending May 31, 2007, are as follows:

|                                       | Rating Reviews |          | Authorization Reviews |          |
|---------------------------------------|----------------|----------|-----------------------|----------|
|                                       | Reviewed       | Accuracy | Reviewed              | Accuracy |
| Benefit Entitlement                   | 7,075          | 89%      | 6,498                 | 92%      |
| Decision Documentation & Notification | 7,075          | 92%      | 6,498                 | 88%      |

The fiduciary work review focuses on the appointment of fiduciaries, the conduct of field examinations, and the accountings by fiduciaries. The fiduciary review through May 2007 was based on 3,805 cases with an accuracy rate of 82 percent. Most of the errors were found in the area of protection. "Protection" includes oversight of the fiduciary/beneficiary arrangement, analysis of accounting, adequacy of protective measures for the residual estate, and any measures taken to ensure that VA funds are used for the welfare and needs of the beneficiary and recognized dependents. If any of the individual components is in error, the entire case is in error.

**Actions Taken to Improve Quality – Compensation and Pension**

Regional offices are required to certify corrective actions taken quarterly for errors documented by STAR. Reports on the corrective actions are submitted to VBA Headquarters, where they are reviewed to

determine the adequacy of such actions. Reliability of the reports is monitored during cyclical management site visits. Area offices continue to provide oversight for regional offices, directing the development and implementation of wellness plans as needs arise.

The fiduciary STAR team uses a philosophy of consistency in review and a policy of assigning a dedicated STAR reviewer to specific field stations. Common STAR error findings are used for discussion and training during scheduled site visits and as agenda items for quarterly fiduciary program teleconference calls.

Training remains a priority and is conducted using a variety of mediums including satellite broadcasts, training letters, and computer-assisted training. C&P Training and STAR staffs collaborate on training based on error trend analysis. Particular effort is made to ensure high-quality centralized training for new Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs). VBA implemented national individual performance review plans with





standardized review categories, sample size, and performance standards for all VSRs and RVSRs.

VBA continues to work closely with VHA to improve the quality of examination requests and reports. Efforts include measuring request and report accuracy, developing CD-ROM and Web-based training materials, and sponsoring quality improvement training sessions for key medical center and regional office staff. The STAR staff, out-based/hospital liaison RVSRs, and C&P Examination Program employees perform examination quality reviews. Another collaborative VBA/VHA initiative in the examination improvement process is the creation of standardized computerized templates for all 57 VBA examination worksheets. Improvements continued to be made in these templates to enhance usability and report generation.

**Summary of Findings and Trends – Education**

Education Service reviewed 1,587 cases in 2007. From 2006 to 2007, payment accuracy improved slightly from 94.3 to 94.8 percent. Errors in determining training time (part or full time), errors in determining the correct date for reduction or termination of payment, and failure to process enrollment certifications each constituted 16.7 percent, and incorrect payment for intervals between terms constituted 13.3 percent. These four causes accounted for 63.4 percent of all payment errors in 2007, slightly

less than the 64.5 percent of payment errors that they constituted in 2006.

**Actions Taken to Improve Quality – Education**

As in previous years, the 2007 quarterly quality results identified error trends and causes. Errors in the areas identified then became topics for refresher training in regional processing offices. In addition, annual appraisal and assistance visits provided recommendations for improving specific quality areas.

Education Service is continuing to develop standardized training and certification for employees. The project is expected to have a significant impact in raising quality scores and maintaining them at high levels as the initiative is fully implemented over the next few years.

**Summary of Findings and Trends – Vocational Rehabilitation and Employment (VR&E)**

For 2007, VR&E completed quality assurance (QA) reviews on 5,386 cases. The national QA reviews were conducted over a 12-month period, with each regional office having been reviewed twice during the fiscal year. The goal was to review at least 80 cases from each regional office.

Two reviews were added during this fiscal year: the Independent Living case reviews and the Maximum Rehabilitation Gain reviews.

| <b>Accuracy Elements (As of July 2007)</b>                    | <b>Target Score 2007</b> | <b>Actual Score 2007</b> |
|---|--------------------------|--------------------------|
| Accuracy of Entitlement Determinations                        | 96%                      | 96.9%                    |
| Accuracy of Evaluation, Planning, and Rehabilitation Services | 87%                      | 77%                      |
| Accuracy of Fiscal Decisions                                  | 94%                      | 80.3%                    |
| Accuracy of Outcome Decisions                                 | 92%                      | 92.6%                    |

In addition to review of cases from each regional office, the QA & Field Survey Team conducts

site visits of regional offices. There were 13 offices surveyed this fiscal year.



### **Actions Taken to Improve Quality – Vocational Rehabilitation and Employment**

The VR&E accuracy scores met or exceeded the target scores for FY 2006 in the following two elements: Accuracy of Entitlement Decisions and Accuracy of Outcome Decisions. These scores are attributed to the following initiatives implemented over the last 3 years:

- Local QA reviews continue to be implemented in all regional offices. Each regional office conducts a review of 10 percent of its caseload each year. This ensures consistency in the QA review process and office procedures.
- The QA Reconsideration Review Board continues to provide resolutions on any regional office's request for reconsideration of decisions made during a review. This auxiliary review process clarifies implementation of VR&E policies and regulatory guidelines.
- The QA review results for national and local reviews have been made available through the VA Intranet Web site. These data enable regional offices to assess individual quality and to identify training needs.
- The revision of the Site Visit Protocol now includes the review of contracting activities.
- The QA Review Team currently works with the Training Team to assist in providing further clarifications on administration of Chapter 31 benefits.

### **Summary of Findings and Trends – Loan Guaranty (Housing)**

The Loan Guaranty housing program reviewed 12,800 cases under its statistical quality control program during 2007. The defect rate equaled 1.0 percent, with the current national accuracy index being 99.0 percent. This is an improvement from 2006.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 42 on-site audits and 35 in-house audits of lenders participating in VA's home loan program. VA audits of lenders during 2007 amounted to approximately \$3,250,000 in liability avoidance via indemnification agreements. VA has also collected \$1,024,844 in 2007 as a result of having indemnification agreements in place.

The Portfolio Loan Oversight Unit (PLOU) conducts two types of reviews: in-house and on-site. PLOU reviewed 124 billing invoices and completed 9,750 associated invoice reviews of the portfolio services contractor, as well as 7,790 non-invoice reviews related to contract compliance. PLOU also conducted special detailed analyses and research on 182 portfolio loans and Real Estate Owned properties, with a total of \$89,251 in associated dollar adjustments. Additionally, PLOU conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA. The amount traced and recovered for VA in 2007 is \$1,644,109.

Loan Guaranty staff conducted 6 on-site reviews of VA Regional Loan Centers and an on-site review of the Winston-Salem Eligibility Center. On-site performance reviews are conducted by VA Quality Control Staff.

In 2007 the reviews by Loan Management/PLOU recovered excessive contractor charges in the amount of \$29,867. PLOU also discovered approximately \$19,001 of potentially recoverable amounts from GI lenders in connection with title issues.

### **Actions Taken to Improve Quality – Loan Guaranty (Housing)**

The Loan Guaranty Service disseminates the results of statistical quality control (SQC) reviews to field offices on a monthly basis. The Service prepares and releases trend reports that



identify negative trends and action items found during surveys. The reports are published to assist field personnel in identifying frequent problems facing loan guaranty management. Additionally, summaries of best practices employed by individual field stations are disseminated to all field stations with loan guaranty activity.

National training is provided to enhance the quality of service provided to veterans and to increase lender compliance with VA policies. Lenders who significantly fail to comply with policies are either required to enter into indemnification agreements with VA or immediately repay the agency for its losses.

VA awarded a property management services contract to Ocwen Loan Servicing, LLC (Ocwen) in August 2003. Under this contract, Ocwen manages and sells all VA-acquired properties as a result of foreclosure or termination of GI and portfolio loans. These assets are currently worth approximately \$600 million. VA began transitioning properties to Ocwen in early December 2003. Loan Guaranty established the Property Management Oversight Unit (PMOU) in 2004 to monitor the management and marketing of the properties by Ocwen. The PMOU monitors Ocwen's performance by inspecting properties nationwide to ensure compliance with the contract requirements and performs on-site case reviews at Ocwen's operations center on a quarterly basis. The PMOU is also responsible for reviewing and certifying all payments made to Ocwen, including reimbursement of out-of-pocket expenses on VA properties as well as the service provider fee due when the property is sold. This requires quality assurance checks to ensure that Ocwen is entitled to the claimed reimbursement.

#### **Summary of Findings and Trends – Insurance**

The Insurance program's principal quality assurance tool is the SQC review. It assesses the

ongoing quality and timeliness of work products by reviewing a random sample of completed or pending work products. These work products are generally grouped into two broad categories based on the operating divisions in which they are performed – Policyholders Services or Insurance Claims Divisions.

Policyholders Services, whose work products deal with the maintenance of active insurance policies, had an overall accuracy rate of 97.5 percent for 2006. Work products included correspondence, applications, disbursements, record maintenance, refunds, and telephone inquiries. Insurance Claims Divisions are responsible for the payment of death and disability awards, the issuance of new coverage, and the processing of beneficiary designations. The accuracy rate for Insurance Claims work products was 99 percent. Work products included death claims, awards maintenance, beneficiary and option changes, disability claims, and medical applications. In total, 98.2 percent of all 2006 insurance work products were accurate.

Over 98 percent of the work measured in Policyholders Services and 97.5 percent in Insurance Claims was within accepted timeliness standards. In all, 97.8 percent of 2006 insurance work products were timely.

The insurance quality assurance program also includes internal control reviews and individual employee performance reviews. The internal control staff reviews 100 percent of all employee-prepared disbursements and also reviews insurance operations for fraud through a variety of reports. Reports are generated daily and identify death claims based on specific criteria that indicate possible fraud. Primary end products processed by employees in the operating divisions are evaluated based on the elements identified in the Individual Employee Performance Requirements. As a result of these controls, insurance disbursements are 98.4 percent accurate.



### **Actions Taken to Improve Quality – Insurance**

The Insurance Service uses SQC and employee performance review programs to measure quality and timeliness on an overall and individual basis. Both programs are valuable as training tools because they identify trends and problem areas. When a reviewer finds an error or discrepancy during a review, he or she prepares an exception sheet that clearly describes how the item was processed incorrectly. The noted item is then reviewed with the person who incorrectly processed the form.

SQC reviews are based on random samples of key work products and evaluate how well these work products are processed in terms of both quality and timeliness. Exceptions are brought to the attention of the insurance operations division chiefs, unit supervisors, and employees who worked the case.

VBA's Insurance Service evaluates the SQC programs periodically to determine if they are functioning as intended. The Insurance Service recently updated error and discrepancy codes to correspond with changing processes.

Individual performance reviews are conducted monthly. The performance levels – critical and non-critical elements – are identified in the Individual Employee Performance Requirements. These reviews are based on a random sampling of the primary end products turned out by employees in the operating divisions. Those items found to have errors are returned to the employee for correction. At the end of the month, supervisors inform employees of their error rates and timeliness percentages as compared to acceptable standards.

The Insurance program has successfully implemented a dozen job aids under the initiative called "Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems." This program captures "best practices" for processing various work items and makes them available on each employee's desktop. It is expected that the job aids will further reduce error rates and improve timeliness.

In addition to the actions above, the Internal Control Staff records and returns work with any errors detected while conducting reviews. The records are continuously analyzed, and corrective training and other steps are taken to reduce/eliminate such errors.



## Key Measures Data Table

*Sorted by Owner, by Strategic Objective*

| <b>Key Performance Measure</b><br>Sorted by<br><i>Strategic Objective</i>   | <b>Definition</b>  | <b>Data Source</b>  |
|---|--|---|
| <p><b><u>Objective 1.2</u></b><br/> <b>Compensation:</b><br/> <b>National accuracy rate</b><br/> <b>(core rating work)</b></p>        | <p>Processing accuracy for compensation claims that normally require a disability or death rating determination. Review criteria include: addressing all issues, Veterans Claims Assistance Act (VCAA)-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.</p>   | <p>Findings from Compensation and Pension (C&amp;P) Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the Performance Analysis and Integrity (PA&amp;I) information storage database.</p> |
| <p><b><u>Objective 1.2</u></b><br/> <b>Compensation and Pension:</b><br/> <b>Rating-related actions - average days to process</b></p> | <p>The average elapsed time (in days) it takes to complete compensation and pension claims that require a rating decision is measured from the date the claim is received by VA to the date the decision is completed. Includes the end products (EPs): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.</p> | <p>Data source is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&amp;P Service owns the data and is therefore responsible for validation of data accuracy.</p>                           |
| <p><b><u>Objective 1.2</u></b><br/> <b>Compensation:</b><br/> <b>Rating-related actions - average days pending</b></p>                | <p>The measure is calculated by counting the number of days for all pending compensation claims that require a rating decision from the date each claim is received through the current reporting date. The total number of days is divided by the total number of pending claims. Includes the end products (EPs): EP110, EP010, EP140, EP020, EP310, and EP320.</p>  | <p>BDN</p>  |



| Frequency  | Data Limitations | Data Verification and Measure Validation   |
|--|------------------|--|
| <p>Case reviews are conducted daily. The review results are tabulated monthly on a 12-month rolling basis.</p>       | <p>None</p>      | <p><b>Verification:</b> C&amp;P STAR quality reviews by individual reviewers are routinely validated by C&amp;P managers as part of individual performance. Additionally, when a regional office (RO) disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director.</p> <p><b>Validation:</b> This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.</p> |
| <p>Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.</p> | <p>None</p>      | <p><b>Verification:</b> Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based C&amp;P Service, which performs quality and consistency reviews on cases from the ROs.</p> <p><b>Validation:</b> This measure improves the focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>  |
| <p>The element is a snapshot of the age of the inventory at the end of each processing day.</p>                      | <p>None</p>      | <p><b>Verification:</b> Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based C&amp;P Service, which performs quality and consistency reviews on cases from the ROs.</p> <p><b>Validation:</b> This measure improves the focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>  |



| <b>Key Performance Measure Sorted by Strategic Measure</b>   | <b>Definition</b>  | <b>Data Source</b>   |
|--|--|--|
| <p><b><u>Objective 1.3</u></b><br/> <b>Vocational Rehabilitation and Employment (VR&amp;E) Rehabilitation rate</b></p> | <p>The rehabilitation rate calculation is as follows: (a) the number of disabled veterans who successfully complete VA's vocational rehabilitation program and acquire and maintain suitable employment and veterans with disabilities for which employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (b) the total number leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program and have been classified under one of three "maximum rehabilitation gain" categories: (1) the veteran accepted an employment position incompatible with disability limitations, (2) the veteran is employable but has informed VA that he/she is not interested in seeking employment, or (3) the veteran is not employed and not employable for medical or psychological reasons.</p> | <p>VR&amp;E management reports</p>   |
| <p><b><u>Objective 1.4</u></b><br/> <b>Compensation: Average days to process - DIC actions</b></p>                     | <p>The average length of time (in days) it takes to process a Dependency and Indemnity Compensation (DIC) claim from the date the claim is received by VA to the date the claim is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of claims completed. DIC actions are all Original Service Connected Death Claims (EP140) processed.</p>   | <p>BDN</p>   |
| <p><b><u>Objective 2.2</u></b><br/> <b>Average days to complete original and supplemental education claims</b></p>     | <p>Elapsed time, in days, from receipt of a claim in the regional processing office (RPO) to closure of the case by issuing a decision. Original claims are those for first-time use of this benefit. Any subsequent school enrollment is considered a supplemental claim.</p>   | <p>Education claims processing timeliness is measured by using data captured automatically through VBA's BDN. This information is reported through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system.</p> |



| Frequency  | Data Limitations | Data Verification and Measure Validation  |
|--|------------------|---|
| <p>Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.</p>      | <p>None</p>      | <p><b>Verification:</b> QA reviews are completed by each station and VR&amp;E Service. The QA program was set up to review samples of cases for accuracy and to provide scoring at the RO level. The VR&amp;E service reviews 76 cases per station each year, and all field stations conduct local QA Reviews on 10 percent of their caseload.</p> <p><b>Validation:</b> The primary goal of the VR&amp;E program is to assist service-disabled veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success in meeting this goal, as it illustrates the number of veterans successfully reentering the workforce following completion of their VR&amp;E program.</p>   |
| <p>Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.</p> | <p>None</p>      | <p><b>Verification:</b> Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based C&amp;P Service, which performs quality and consistency reviews on cases from the ROs.</p> <p><b>Validation:</b> This measure improves the focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>   |
| <p>Monthly</p>   | <p>None</p>      | <p><b>Verification:</b> The Education Service staff in VA Central Office confirms reported data through ongoing quality assurance reviews conducted on a statistically valid sample of cases. Dates of claims are reviewed in the sample cases to ensure they are reported accurately. Each year, Central Office staff reviews a sample of cases from each of the four RPOs. Samples are selected randomly from a database of all quarterly end products. The results are valid at the 95 percent confidence level.</p> <p><b>Validation:</b> Timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which the work can be completed, and is thus the best quantifying measure for education processing.</p> |





| <b>Key Performance Measure Sorted by Strategic Objective</b>   | <b>Definition</b>   | <b>Data Source</b>                              |
|--|---|---|
| <p><b><u>Objective 3.1</u></b><br/> <b>Percent of patients rating VA health care service as very good or excellent: Inpatient and Outpatient</b></p> | <p>Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your quality of care?" The numerator is the number of patients who respond 'very good' or 'excellent.'</p>  | <p>Survey of Health Experiences of Patients</p> |
| <p><b><u>Objective 3.1</u></b><br/> <b>Percent of primary care appointments scheduled within 30 days of desired date</b></p>                         | <p>This measure tracks the time between when the primary care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. The percent is calculated using the numerator, which is all appointments scheduled within 30 days of desired date (includes both new and established patient experiences), and the denominator, which is all appointments in primary care clinics posted in the scheduling software during the review period.</p>                                 | <p>VistA scheduling software</p>                |
| <p><b><u>Objective 3.1</u></b><br/> <b>Percent of specialty care appointments scheduled within 30 days of desired date</b></p>                       | <p>This measure tracks the time between when the specialty care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. This includes both new and established specialty care patients. The percent is calculated using the numerator, which is all appointments scheduled within 30 days of desired date, and the denominator, which is all appointments posted in the scheduling software during the review period in selected high volume/key specialty clinics.</p> | <p>VistA scheduling software</p>                |



| Frequency  | Data Limitations | Data Verification and Measure Validation  |
|--|------------------|---|
| <p>Surveys are conducted as follows:</p> <p>Inpatient - Semi-annually</p> <p>Outpatient - Quarterly.</p> | <p>None</p>      | <p><b>Verification:</b> Routine statistical analyses are performed to evaluate the data quality, survey methodology, and sampling processes. Responses to questions are routinely analyzed to determine which areas of VA's health care delivery system should be focused upon in order to positively impact the quality of health care delivered by VA.</p> <p><b>Validation:</b> Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.</p> |
| <p>Monthly</p>   | <p>None</p>      | <p><b>Verification:</b> The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected.</p> <p><b>Validation:</b> Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.</p>   |
| <p>Monthly</p>   | <p>None</p>      | <p><b>Verification:</b> The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected.</p> <p><b>Validation:</b> Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.</p>   |



| Key Performance Measure<br>Sorted by Strategic Objective                            | Definition   | Data Source   |
|---|--|---|
| <p><b><u>Objective 3.1</u></b><br/><b>Clinical Practice Guidelines Index II</b></p> | <p>The Clinical Practice Guidelines Index is a composite measure comprised of the evidence and outcomes-based measures for high-prevalence and high-risk diseases that have significant impact on overall health status. The indicators within the Index are comprised of several clinical practice guidelines in the areas of ischemic heart disease, hypertension, diabetes mellitus, major depressive disorder, schizophrenia, and tobacco use cessation. The percent compliance is an average of the separate indicators. As clinical indicators become high performers, they are replaced with more challenging indicators. The Index is now in Phase II.</p>   | <p>VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.</p> |
| <p><b><u>Objective 3.1</u></b><br/><b>Prevention Index III</b></p>                  | <p>The Prevention Index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes. The nine diseases or health factors include: rate of immunizations for Influenza and Pneumococcal pneumonia; screening for tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, and cholesterol levels; and prostate cancer education. Each disease has an indicator. Each indicator's numerator is the number of patients in the random sample who actually received the intervention they were eligible to receive. The denominator is the number of patients in the random sample who were eligible to receive the intervention. As prevention indicators become high performers, they are replaced with more challenging indicators. This Index is now in Phase III.</p> | <p>VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.</p> |



| Frequency   | Data Limitations | Data Verification and Measure Validation   |
|---|------------------|--|
| <p>Data are reported quarterly with a cumulative average determined annually.</p> | <p>None</p>      | <p><b>Verification:</b> Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter.</p> <p><b>Validation:</b> The CPGI II demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking care in VA. The measure targets elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses.</p> |
| <p>Data are reported quarterly with a cumulative average determined annually.</p> | <p>None</p>      | <p><b>Verification:</b> Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter.</p> <p><b>Validation:</b> The Prevention Index III demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients.</p>              |



| Key Performance Measure<br>Sorted by Strategic Objective  | Definition   | Data Source   |
|---|--|---|
| <p><b><u>Objective 3.1</u></b><br/> <b>Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline</b></p> | <p>The percentage increase is based on the Average Daily Census (ADC) of veterans enrolled in Home and Community-Based Care programs (e.g., Home-Based Primary Care, Contract Home Health Care, Adult Day Health Care (VA and Contract), and Homemaker/Home Health Aide Services). The percentage increase is also based on the number of veterans being cared for under the Care Coordination/Home Telehealth settings.</p>   | <p>The ADC data are obtained from VHA workload reporting databases designed to capture both VHA-provided care and VHA-paid (fee-based or contracted) care.</p>  |
| <p><b><u>Objective 3.2</u></b><br/> <b>Compensation and Pension: Rating-related actions - average days to process</b></p>                                   | <p>The average elapsed time (in days) it takes to complete compensation and pension claims that require a rating decision is measured from the date the claim is received by VA to the date the decision is completed. Includes the end products (EPs): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.</p> | <p>Data source is the BDN. The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&amp;P Service owns the data and is therefore responsible for validation of data accuracy.</p> |
| <p><b><u>Objective 3.2</u></b><br/> <b>Pension: Non-rating actions - average days to process</b></p>  | <p>The average length of time (in days) it takes to process a pension claim that does not require a rating decision from the date the claim is received by VA to the date the claim is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of claims completed. Includes the end products (EPs): Disability and Death Dependency Claims (EP 130); Income, Estate and Election Issues (EP 150); Income Verification Match Cases (EP 154); Eligibility Verification Report Referrals (EP 155); and Original Death Pension Claims (EP 190).</p>   | <p>Data source is the BDN. The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&amp;P Service owns the data and is therefore responsible for validation of data accuracy.</p> |



| Frequency   | Data Limitations | Data Verification and Measure Validation  |
|---|------------------|---|
| Quarterly   | None             | <p><b>Verification:</b> VHA data quality/accuracy standards are applied, and data undergo audits and ongoing verification to ensure accuracy. This is critical as data are used for budgeting, workload planning, etc.</p> <p><b>Validation:</b> The measure captures the expansion of access to non-institutional care within VHA programs and/or contracted services. Non-institutional care is deemed to be more desirable and cost efficient for those veterans that are appropriate for this level of care. The measure drives both expansion of the variety of services and expansion of geographic access.</p> |
| <p>Data are collected daily as awards are processed.</p> <p>Results are tabulated at the end of the month and annually.</p> | None             | <p><b>Verification:</b> Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based C&amp;P Service, which performs quality and consistency reviews on cases from the ROs.</p> <p><b>Validation:</b> This measure improves the focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>   |
| <p>Data are collected daily as awards are processed.</p> <p>Results are tabulated at the end of the month and annually.</p> | None             | <p><b>Verification:</b> Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based C&amp;P Service, which performs quality and consistency reviews on cases from the ROs.</p> <p><b>Validation:</b> This measure improves the focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>   |



| <p><b>Key Performance Measure</b><br/>Sorted by Strategic Objective</p>  | <p><b>Definition</b></p>   | <p><b>Data Source</b></p>  |
|--|--|--|
| <p><b><u>Objective 3.2</u></b><br/><b>Pension: National accuracy rate (authorization work)</b></p>   | <p>Processing accuracy for pension claims that normally do not require rating decisions (i.e., determinations and verifications of income as well as dependency and relationship matters). Review criteria include: correct decision, correct effective date, and correct payment date when applicable and Veterans Claims Assistance Act (VCAA)-compliant development. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.</p> | <p>Findings from C&amp;P Service STAR are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&amp;I information storage database.</p>   |
| <p><b><u>Objective 3.3</u></b><br/><b>Average number of days to process TSGLI disbursements</b></p>  | <p>TSGLI is a disability rider to the SGLI program that provides automatic traumatic injury coverage to all servicemembers covered under the SGLI program who suffer losses due to traumatic injuries. TSGLI payments range from \$25,000 to a maximum of \$100,000 depending on the type and severity of injury. Processing time, calculated as days, begins when the veteran's claim is complete and ends when the internal controls staff approves the disbursement.</p>  | <p>Data on processing time are collected and stored through the Life Claims Management System (LCMS) maintained by the Office of Servicemembers' Group Life Insurance (OSGLI).</p>   |
| <p><b><u>Objective 3.4</u></b><br/><b>Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence</b></p> | <p>The measure is the number of veterans served by a burial option divided by the total number of veterans, expressed as a percentage. A burial option is defined as a first family member interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery that is available within 75 miles of the veteran's place of residence.</p>  | <p>For 2003 through 2005, the number of veterans and the number of veterans served were extracted from a revised VetPop2000 model using 2000 census data. For 2006, 2007, and projected targets, the number of veterans and the number of veterans served were extracted from the VetPop2004 version 1.0 model using 2000 census data.</p> |



| Frequency  | Data Limitations  | Data Verification and Measure Validation  |
|--|---|---|
| <p>Case reviews are conducted daily.</p> <p>The review results are tabulated monthly and annually</p>  | <p>None</p>   | <p><b>Verification:</b> C&amp;P STAR quality reviews by individual reviewers are routinely validated by C&amp;P managers as part of individual performance. Additionally, when an RO disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director.</p> <p><b>Validation:</b> This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.</p>   |
| <p>Monthly</p>   | <p>None</p>   | <p><b>Verification:</b> The Insurance Service will periodically evaluate the calculation of average processing time for TSGLI disbursements made by OSGLI.</p> <p><b>Validation:</b> The purpose of TSGLI is to provide rapid financial assistance to traumatically injured servicemembers so that their families can be with them during an often extensive recovery and rehabilitation process. The timeliness of disbursements is the primary reflection of this purpose and provides a clear indication of the ability to process the workload in a quality, timely manner.</p>   |
| <p>Recalculated annually or as required by the availability of updated veteran population census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries also determine the veteran population served.</p> | <p>Provides performance data at specific points in time as veteran demographics change.</p> | <p><b>Verification:</b> In 1999, the OIG performed an audit assessing the accuracy of the data used for this measure. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.</p> <p><b>Validation:</b> Reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery is available within 75 miles of the veteran's place of residence. VA established a 75-mile service area standard because NCA data show that more than 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at the time of death.</p> |





| <b>Key Performance Measure<br/>Sorted by Strategic Objective</b>   | <b>Definition</b>  | <b>Data Source</b>   |
|--|--|--|
| <p><b><u>Objective 3.4</u></b><br/> <b>Percent of respondents who rate the quality of service provided by the national cemeteries as excellent</b></p> | <p>The number of survey respondents who agree or strongly agree that the quality of service received from national cemetery staff is excellent divided by the total number of survey respondents, expressed as a percentage.</p>               | <p>NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.</p> |
| <p><b><u>Objective 3.5</u></b><br/> <b>Percent of graves in national cemeteries marked within 60 days of interment</b></p>                             | <p>The number of graves in national cemeteries for which a permanent marker has been set at the grave or the reverse inscription completed within 60 days of the interment divided by the number of interments, expressed as a percentage.</p> | <p>NCA'S Burial Operations Support System (BOSS) as input by field stations.</p>   |
| <p><b><u>Objective 3.6</u></b><br/> <b>Foreclosure avoidance through servicing (FATS) ratio</b></p>  | <p>The FATS ratio measures the effectiveness of VA supplemental servicing of defaulted guaranteed loans. The ratio measures the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure.</p>       | <p>Data are extracted from the Loan Service and Claims (LS&amp;C) System. This system is used to manage defaults and foreclosures of VA-guaranteed loans.</p>                                  |



| Frequency                              | Data Limitations  | Data Verification and Measure Validation  |
|--|---|---|
| Annually                               | The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.  | <p><b>Verification:</b> VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level reports are provided to NCA management.</p> <p><b>Validation:</b> NCA strives to provide high-quality, courteous, and responsive service in all of its contacts with veterans and their families and friends. These contacts include scheduling the committal service, arranging for and conducting interments, and providing information about the cemetery and the location of specific graves.</p> |
| Monthly                                | None  | <p><b>Verification:</b> VA Headquarters staff oversees the data collection process to validate its accuracy and integrity. Monthly and fiscal-year-to-date reports are provided at the national, MSN, and cemetery levels.</p> <p><b>Validation:</b> The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. The amount of time it takes to mark the grave after an interment is important to veterans and their family members.</p>                 |
| Data are collected on a monthly basis. | There are five components that make up the FATS ratio. The four involving financial transactions are auditable. The fifth component, successful interventions, is based on employee interpretation of established criteria. | <p><b>Verification:</b> Data for the FATS ratio are validated on a monthly basis by the Regional Loan Center field review of all components of the ratio, followed by Central Office review of a percentage of successful interventions.</p> <p><b>Validation:</b> The primary goal of Loan Guaranty Service is to assist veterans in obtaining home ownership. The FATS ratio measures VA's ability to assist veterans in maintaining home ownership during periods of personal financial hardship.</p>  |



| <b>Key Performance Measure<br/>Sorted by Strategic Objective</b>   | <b>Definition</b>  | <b>Data Source</b>  |
|--|--|---|
| <p><b><u>Objective 4.2</u><br/>Progress towards development of one new treatment for PTSD (Five milestones to be achieved over four years)</b></p> | <p>PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened, as in the example of combat. PTSD related to combat exposure is a major concern in the health of the veteran population. The long-term goal of this research is to develop at least one new effective treatment for PTSD and publish the results by 2011.</p> | <p>Data are obtained from (1) the written annual research progress reports, which are submitted electronically through the Office of Research and Development's ePROMISE system; (2) personal communications with the investigator in relation to this performance goal, which will be noted and filed; and (3) submission of an application for VA research funding by the Principal Investigator, which will include a summary of progress.</p> |
| <p><b><u>Objective 4.5</u><br/>Percent of respondents who rate national cemetery appearance as excellent</b></p>                                   | <p>The number of survey respondents who agree or strongly agree that the overall appearance of the national cemetery is excellent divided by the total number of survey respondents, expressed as a percentage.</p>  | <p>NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.</p>  |



| Frequency | Data Limitations  | Data Verification and Measure Validation  |
|-----------|---|---|
| Annually  | None  | <p><b>Verification:</b> Milestones for completing four clinical trials and publishing findings have been identified and published as part of the VHA Performance Plan.</p> <p><b>Validation:</b> The results from the clinical trials will be published in peer-reviewed scientific journals, providing an evidence base for clinical practice generally and for Clinical Practice Guidelines specifically.</p>   |
| Annually  | <p>The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.</p> | <p><b>Verification:</b> VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level reports are provided to NCA management.</p> <p><b>Validation:</b> NCA will continue to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places to which veterans and their families are drawn for dignified burials and lasting memorials.</p> |



## Performance Measures Tables

### *By Strategic Goal and by Program*

The following tables display our key and supporting measures both by strategic goal and objective (see [Table 1](#)), and by organization and program (see [Table 2](#)).

For each measure, we show available trend data for 5 years. **The actual 2007 result as compared to the 2007 target is designated as follows:**

- **Green or G:** Target was met or exceeded.
- **Yellow or Y:** Target was not met, but the deviation did not significantly impact program performance.
- **Red or R:** Target was not met, but the deviation did significantly impact program performance.

For measure coded “red”, we provide a brief explanation of why there was a significant deviation between the actual and planned performance level and briefly identify the steps being taken to ensure goal achievement in the future. Please see the Performance Shortfalls tables beginning on page 86 for this information.

For those measures where 2007 results are partial or estimated, we will publish final data in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.

The table showing measures by organization and program includes the total amount of resources (FTE and obligations) for each program. The GPRA program activity structure is somewhat different from the program activity structure shown in the program and financing (P&F) schedules of the President’s budget. However, all of the P&F schedules have been aligned with one

or more of our programs to ensure all VA program activities are covered.

The program costs (obligations) represent the estimated total resources available for each of the programs, regardless of which organizational element has operational control of the resources. The performance measures and associated data for each major program apply to the entire group of schedules listed for that program.

VA uses the balanced measures concept to monitor program and organizational performance. We examine and regularly monitor several different types of measures to provide a more comprehensive and balanced view of how well we are performing. Taken together, the measures demonstrate the balanced view of performance we use to assess how well we are doing in meeting our strategic goals, objectives, and performance targets.

VA continues working to ensure the quality and integrity of our data. The Key Measures Data Table starting on page 204 provides the definition, data source, frequency of collection, any data limitations, and data verification and measure validation for each of VA’s 23 key measures. The Assessment of Data Quality beginning on page 191 provides an overall view of how our programs verify and validate data for all of the measures. Definitions for the key as well as supporting measures are located in Part IV.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

**Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.**

Objective 1.1: Maximize the physical, mental, and social functioning of veterans with disabilities and be a leader in providing specialized health care services.

|  |     |     |     |                    |     |       |       |
|--|-----|-----|-----|--------------------|-----|-------|-------|
| Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence<br>(1) New measure; first year that Housing survey data are reported for this measure. | N/A | N/A | N/A | (1) Avail. 11/2007 | TBD | 98.0% | 99.0% |
|--|-----|-----|-----|--------------------|-----|-------|-------|

Objective 1.2: Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.

|  |       |       |       |         |         |        |       |
|--|-------|-------|-------|---------|---------|--------|-------|
| <b>National accuracy rate (core rating work) % (Compensation) (through July)</b>   | 86%   | 87%   | 84%   | 88%     | * 88% Y | 89%    | 98%   |
| <b>Rating-related compensation actions - average days pending</b>  | 114   | 120   | 122   | 130     | 135 R   | 127    | 100   |
| <b>Compensation &amp; Pension rating-related actions - average days to process</b>   | 182   | 166   | 167   | 177     | 183 R   | 160    | 125   |
| Overall satisfaction rate % (Compensation)<br>(1) No customer satisfaction survey was performed for 2006.  | 58%   | 59%   | 58%   | (1) N/A | TBD     | 63%    | 90%   |
| National accuracy rate % (compensation authorization work) (through July)  | 88%   | 90%   | 90%   | 91%     | * 91% Y | 93%    | 98%   |
| Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans  | N/A   | N/A   | N/A   | N/A     | TBD**   | TBD ** | 50%   |
| Percent of compensation recipients who were kept informed of the full range of available benefits<br>(1) No customer satisfaction survey was performed for 2006. | 42%   | 43%   | 44%   | (1) N/A | TBD     | 49%    | 60%   |
| Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life     | N/A   | N/A   | N/A   | N/A     | TBD**   | TBD ** | 70%   |
| National accuracy rate (fiduciary work) % (Compensation & Pension) (through July)  | 77%   | 81%   | 85%   | 83%     | * 83% Y | 87%    | 98%   |
| Productivity Index % (Compensation and Pension)  | N/A   | N/A   | N/A   | 90%     | 88% Y   | 94%    | 100%  |
| Deficiency-free decision rate (BVA)  | 89.0% | 93.0% | 89.0% | 93.0%   | 94.0% G | 92.0%  | 92.0% |
| Appeals resolution time (Number of Days) (Joint BVA-VBA Compensation and Pension measure)  | 633   | 529   | 622   | 657     | 660 G   | 685    | 675   |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)   | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| BVA Cycle Time (Days)  | 135     | 98      | 104     | 148     | 136 R          | 105            | 104              |
| Appeals decided per Veterans Law Judge (BVA)   | 604     | 691     | 621     | 698     | 721 G          | 630            | 752              |
| Cost per case (BVA time only)  | \$1,493 | \$1,302 | \$1,453 | \$1,381 | \$1,337 G      | \$1,580        | \$1,627          |
| ** Pending review of the Veterans' Disability Benefits Commission's recommendations of October 2007 to determine whether a program outcome study is necessary. |         |         |         |         |                |                |                  |

Objective 1.3: Provide eligible service-connected disabled veterans with the opportunity to become employable and obtain and maintain employment, while delivering special support to veterans with serious employment handicaps.

|   |         |     |         |         |           |         |         |
|---|---------|-----|---------|---------|-----------|---------|---------|
| <b>Rehabilitation rate % (VR&amp;E)</b>   | 59%     | 62% | 63%     | 73%     | 73% G     | 73%     | 80%     |
| Speed of entitlement decisions in average days (VR&E) (1) Corrected   | 63      | 57  | 62      | (1) 54  | 54 Y      | 53      | 40      |
| Accuracy of decisions (Services) % (VR&E)   | 82%     | 86% | 87%     | 82%     | 77% Y     | 85%     | 96%     |
| Customer satisfaction (Survey) % (VR&E)<br>(1) No customer satisfaction survey was performed for 2003, 2005, 2006, or 2007.   | (1) N/A | 79% | (1) N/A | (1) N/A | (1) N/A   | 82%     | 92%     |
| Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)   | 81%     | 94% | 97%     | 95%     | 93% Y     | 97%     | 99%     |
| Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E)  | 58%     | N/A | N/A     | 73%     | 73% Y     | 74%     | 80%     |
| <b>Common Measures**</b>  |         |     |         |         |           |         |         |
| Percent of participants employed first quarter after program exit (VR&E)  | N/A     | N/A | N/A     | TBD     | N/A       | 70%     | 80%     |
| Percent of participants still employed three quarters after program exit (VR&E)   | N/A     | N/A | N/A     | TBD     | N/A       | 70%     | 85%     |
| Percent change in earnings from pre-application to post-program employment (VR&E)   | N/A     | N/A | N/A     | TBD     | N/A       | TBD     | TBD     |
| Average cost of placing participant in employment (VR&E)  | N/A     | N/A | N/A     | TBD     | \$8,856 Y | \$8,000 | \$6,500 |
| ** These are designated as "common measures" because they are also used by other agencies that manage vocational rehabilitation programs. They also support the Performance Improvement Initiative of the President's Management Agenda. Targets shown above are estimates and may change. First set of data is projected to be received in January 2008. |         |     |         |         |           |         |         |

Objective 1.4: Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

|  |     |     |      |      |        |       |      |
|--|-----|-----|------|------|--------|-------|------|
| <b>Average days to process - DIC actions (Compensation)</b>  | 153 | 125 | 124  | 136  | 132 R  | 125   | 90   |
| Percent of DIC recipients above the poverty level (Compensation)   | N/A | 99% | 100% | 100% | 100% G | 100%  | 100% |
| Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)  | N/A | 80% | N/A  | N/A  | TBD**  | TBD** | 90%  |
| ** Pending review of the Veterans' Disability Benefits Commission's recommendations of October 2007 to determine whether a program outcome study is necessary. |     |     |      |      |        |       |      |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

**Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.**

Objective 2.1: Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.

|   |     |     |     |          |         |         |         |
|---|-----|-----|-----|----------|---------|---------|---------|
| Percent of severely-injured or ill OEF/OIF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient (through August)   | N/A | N/A | N/A | Baseline | * 90% G | 90%     | 95%     |
| Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider  | N/A | N/A | N/A | Baseline | TBD     | 68%     | 72%     |
| Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone  | N/A | N/A | N/A | Baseline | TBD     | 90%     | 94%     |
| Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a servicemember's discharge (Compensation) (1) The 2006 result was recalculated to capture workload not included in the initial calculation. This result is a more accurate depiction of BDD participation as VBA moved to a new automated data collection methodology in 2006. | N/A | N/A | 55% | (1) 46%  | TBD     | 48%     | 65%     |
| Number of outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year)  | N/A | N/A | N/A | 121,229  | TBD     | 123,654 | 133,845 |

Objective 2.2: Enhance the ability of veterans and servicemembers to achieve educational and career goals by providing timely and accurate decisions on education claims and continuing payments at appropriate levels.

|   |     |     |         |         |         |     |     |
|---|-----|-----|---------|---------|---------|-----|-----|
| <b>Average days to complete original education claims</b>   | 23  | 26  | 33      | 40      | 32.4 G  | 35  | 10  |
| <b>Average days to complete supplemental education claims</b>   | 12  | 13  | 19      | 20      | 13.2 G  | 15  | 7   |
| Montgomery GI Bill usage rate (%): All program participants (through July) (1) Corrected  | 58% | 65% | (1) 66% | (1) 67% | * 68% G | 68% | 75% |
| Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (through July) (1) Corrected           | 66% | 71% | (1) 71% | (1) 70% | * 72% G | 72% | 80% |
| Percent of Montgomery GI Bill participants who successfully completed an education or training program<br>Measure under development | N/A | N/A | N/A     | TBD     | TBD     | TBD | TBD |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.





**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal<br>Measure under development | N/A     | N/A     | N/A     | TBD     | TBD            | TBD            | TBD              |
| Customer satisfaction-high rating (Education)<br>(1) No customer satisfaction survey was performed for 2005, 2006, or 2007.   | 89%     | 86%     | (1) N/A | (1) N/A | (1) N/A        | 88%            | 95%              |
| Telephone Activities - Blocked call rate (Education) %<br>(1) Corrected   | 13%     | 20%     | 38%     | (1) 43% | 32% Y          | 25%            | 10%              |
| Telephone Activities - Abandoned call rate (Education) %<br>(1) Corrected   | 7%      | 10%     | 17%     | (1) 20% | 11% G          | 15%            | 5%               |
| Payment accuracy rate (Education) %<br>(1) Corrected  | 94%     | 94%     | 96%     | (1) 94% | 95% Y          | 96%            | 97%              |

**Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.**

Objective 3.1: Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status of enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the costs, and those statutorily eligible for care.

|   |         |         |     |              |           |       |                |
|---|---------|---------|-----|--------------|-----------|-------|----------------|
| <b>Percent of patients rating VA health care service as very good or excellent:</b>   |         |         |     |              |           |       |                |
| <b>Inpatient (through May)</b>  | 74%     | 74%     | 77% | 78%          | * 77% Y   | 78%   | 80%            |
| <b>Outpatient (through May)</b>   | 73%     | 72%     | 77% | 78%          | * 77% Y   | 78%   | 80%            |
| <b>Percent of primary care appointments scheduled within 30 days of desired date (through August)</b>   | 93%     | 94%     | 96% | 96%          | * 97.2% G | 96%   | 96%            |
| <b>Percent of specialty care appointments scheduled within 30 days of desired date (1) reflects cum. for year, (2) henceforth, eight clinical areas included instead of five (through August)</b> | (1) 89% | (2) 93% | 93% | 94%          | * 95% G   | 95%   | 95%            |
| <b>Clinical Practice Guidelines Index II (through May)</b>  | N/A     | N/A     | N/A | 83%          | * 83% Y   | 84%   | 87%            |
| <b>Prevention Index III (through May)</b>   | N/A     | N/A     | N/A | 88%          | * 87% Y   | 88%   | 88%            |
| <b>Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline (1) Baseline = 43,325 (2) through June</b>  | N/A     | N/A     | N/A | (1) Baseline | * 6.5% R  | 26.3% | 9.5%           |
| <b>Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list) (through August)</b>   | N/A     | N/A     | N/A | 10,000       | * 117 G   | 7,500 | fewer than 500 |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)   | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities | 67%     | 69%     | 73%     | 74%     | TBD            | 76%            | 90%              |
| Percent of admission notes by residents that have a note from attending physician within one day of admission:     |         |         |         |         |                |                |                  |
| Surgery  | N/A     | N/A     | 75%     | 86%     | TBD            | 88%            | 95%              |

Objective 3.2: Provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity by processing pension claims in a timely and accurate manner.

|   |     |     |     |         |         |     |     |
|---|-----|-----|-----|---------|---------|-----|-----|
| <b>Non-rating pension actions - average days to process</b>   | 67  | 58  | 68  | 92      | 104 R   | 96  | 60  |
| <b>National accuracy rate (authorization pension work) % (through July)</b>   | 81% | 84% | 86% | 88%     | * 91% G | 89% | 98% |
| <b>Compensation &amp; Pension rating-related actions - average days to process</b>  | 182 | 166 | 167 | 177     | 183 R   | 160 | 125 |
| National accuracy rate (core rating-related pension work) % (through July)  | 91% | 93% | 90% | 90%     | * 91% Y | 92% | 98% |
| Rating-related pension actions - average days pending   | 98  | 77  | 83  | 90      | 89 Y    | 85  | 65  |
| Overall satisfaction rate % (Pension)<br>(1) No customer satisfaction survey was performed for 2006.  | 66% | 66% | 65% | (1) N/A | TBD     | 71% | 90% |
| Percent of pension recipients who were informed of the full range of available benefits<br>(1) No customer satisfaction survey was performed for 2006.  | 39% | 40% | 41% | (1) N/A | TBD     | 43% | 60% |
| Percent of pension recipients who said their claim determination was very or somewhat fair<br>(1) No customer satisfaction survey was performed for 2006.   | 62% | 64% | 65% | (1) N/A | TBD     | 68% | 75% |
| Percent of VA beneficiaries receiving financial assistance for medical expenses**<br>(Pension)  | N/A | N/A | N/A | TBD     | TBD     | TBD | TBD |
| Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran**<br>(1) No customer satisfaction survey was performed for 2006. | N/A | N/A | 78% | (1) N/A | TBD     | 80% | 95% |
| National accuracy rate (fiduciary work) %<br>(Compensation & Pension) (through July)  | 77% | 81% | 85% | 83%     | * 83% Y | 87% | 98% |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Appeals resolution time (Number of Days)<br>(Joint Compensation and Pension measure with BVA) | 633     | 529     | 622     | 657     | 660 G          | 685            | 675              |
| Productivity Index % (Compensation and Pension)   | N/A     | N/A     | N/A     | 90%     | 88% Y          | 94%            | 100%             |
| ** New measures added during Pensions PART review.  |         |         |         |         |                |                |                  |

Objective 3.3: Maintain a high level of service to insurance policyholders and their beneficiaries to enhance the financial security of veterans' families.

|   |     |     |       |       |         |       |       |
|---|-----|-----|-------|-------|---------|-------|-------|
| <b>Average number of days to process TSGLI disbursements (Insurance)</b>  | N/A | N/A | N/A   | 3.8   | 3.0 G   | 5     | 5     |
| Percent of servicemembers covered by SGLI (Insurance)   | N/A | N/A | 98%   | 99%   | 99% G   | 98%   | 98%   |
| Conversion rate of disabled SGLI members to VGLI (%) (Insurance)  | N/A | N/A | 35%   | 41%   | 40% Y   | 45%   | 50%   |
| Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted servicemember (Insurance)    | N/A | N/A | 1.9   | 1.8   | 1.8 G   | 1.7   | 1.0   |
| Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)                   | N/A | N/A | 1.0   | 0.9   | 0.9 G   | 0.9   | 1.0   |
| Ratio of premium rates charged per \$1,000 by other organizations compared to the SGLI premium rates charged per \$1,000 by VA for similar coverage (Insurance) | N/A | N/A | 1.4   | 1.3   | 1.2 G   | 1.0   | 1.0   |
| Ratio of premium rates charged per \$1,000 by other organizations compared to the VGLI premium rates charged per \$1,000 by VA for similar coverage (Insurance) | N/A | N/A | 0.9   | 0.9   | 0.9 Y   | 1.0   | 1.0   |
| Rate of high veterans' satisfaction ratings on services delivered % (Insurance)   | 95% | 96% | 96%   | 96%   | 96% G   | 95%   | 95%   |
| Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)  | N/A | N/A | 1,692 | 1,697 | 1,724 G | 1,702 | 1,750 |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         | Target         |                | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

Objective 3.4: Ensure that the burial needs of veterans and eligible family members are met.

|  |       |       |       |       |         |       |       |
|--|-------|-------|-------|-------|---------|-------|-------|
| <b>Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence</b>                  | 75.2% | 75.3% | 77.1% | 80.2% | 83.4% Y | 83.8% | 90.0% |
| <b>Percent of respondents who rate the quality of service provided by the national cemeteries as excellent</b>                   | 94%   | 94%   | 94%   | 94%   | 94% Y   | 97%   | 100%  |
| Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours | 73%   | 73%   | 73%   | 74%   | 72% Y   | 80%   | 93%   |
| Average number of days to process a claim for reimbursement of burial expenses   | 42    | 48    | 57    | 72    | 91 R    | 60    | 21    |
| National Accuracy Rate for burial claims processed % (through July)  | 92%   | 94%   | 93%   | 94%   | * 94% Y | 95%   | 98%   |

Objective 3.5: Provide veterans and their families with timely and accurate symbolic expressions of remembrance.

|  |     |     |     |     |       |     |     |
|--|-----|-----|-----|-----|-------|-----|-----|
| <b>Percent of graves in national cemeteries marked within 60 days of interment</b>   | 72% | 87% | 94% | 95% | 94% G | 90% | 92% |
| Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days | N/A | N/A | 13% | 62% | 38% R | 70% | 90% |
| Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete                            | N/A | 98% | 99% | 99% | 99% G | 99% | 99% |
| Percent of headstones and markers that are undamaged and correctly inscribed   | 97% | 97% | 96% | 96% | 96% Y | 98% | 98% |

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**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

Objective 3.6: Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

|  |       |         |         |                   |         |       |       |
|--|-------|---------|---------|-------------------|---------|-------|-------|
| <b>Foreclosure avoidance through servicing (FATS) ratio % (Housing)</b>  | 45.0% | 44.0%   | 48.0%   | 54.0%             | 57.0% G | 51.0% | 51.0% |
| Veterans satisfaction level % (Housing)<br>(1) No Housing survey was completed for 2004 or 2005.   | 95.0% | (1) N/A | (1) N/A | Avail.<br>11/2007 | TBD     | 95.0% | 97.0% |
| Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program<br>(1) No Housing survey was completed for 2004 or 2005.               | 92.0% | (1) N/A | (1) N/A | Avail.<br>11/2007 | TBD     | 94.0% | 95.0% |
| Statistical quality index % (Housing)  | 98.0% | 98.0%   | 98.0%   | 99.0%             | 99.2% G | 98.0% | 98.0% |
| E-FATS - Ratio of dollars saved through successful loan interventions, to dollars spent by VA on Loan Administration FTE who perform intervention work (Housing) | N/A   | N/A     | N/A     | 7.0:1             | 6.8:1 Y | 8.0:1 | 8.0:1 |

**Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.**

Objective 4.1: Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans, as well as to support national, state, and local emergency management and homeland security efforts.

|   |     |     |     |     |       |      |      |
|---|-----|-----|-----|-----|-------|------|------|
| Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P) | N/A | N/A | 85% | 85% | 90% Y | 100% | 100% |
|---|-----|-----|-----|-----|-------|------|------|

Objective 4.2: Advance VA medical research and develop programs that address veterans' needs - with an emphasis on service-connected injuries and illnesses - and contribute to the Nation's knowledge of disease and disability.

|  |     |     |     |     |         |     |      |
|--|-----|-----|-----|-----|---------|-----|------|
| <b>Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (through August) (Five milestones to be achieved over 4 years)</b>      | N/A | 33% | 40% | 47% | * 67% G | 67% | 100% |
| Progress towards development of a standard clinical practice for pressure ulcers (through August) (Six milestones to be achieved over 5 years)                         | N/A | 43% | 52% | 61% | * 65% Y | 74% | 100% |
| Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study (Measure description changed for clarification purposes only) | N/A | N/A | 29% | 40% | * 33% Y | 35% | 50%  |

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**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

Objective 4.3: Enhance the quality of care to veterans and provide high-quality educational experiences for health profession trainees, created internally in VA and via partnerships with the academic community.

|  |    |    |    |    |      |    |    |
|--|----|----|----|----|------|----|----|
| Medical residents' and other trainees' scores on a VHA survey assessing their clinical training experience | 83 | 84 | 84 | 85 | 86 G | 86 | 89 |
|--|----|----|----|----|------|----|----|

Objective 4.4: Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veterans benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.

|  |       |       |       |       |           |       |       |
|--|-------|-------|-------|-------|-----------|-------|-------|
| Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement dollars (OSDBU) (through August) | 0.49% | 1.25% | 2.15% | 3.58% | * 5.59% G | 3.00% | 3.00% |
|--|-------|-------|-------|-------|-----------|-------|-------|

Objective 4.5: Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

|   |     |     |     |     |       |     |      |
|---|-----|-----|-----|-----|-------|-----|------|
| <b>Percent of respondents who rate national cemetery appearance as excellent</b>                                  | 97% | 98% | 98% | 97% | 97% Y | 99% | 100% |
| Percent of respondents who would recommend the national cemetery to veteran families during their time of need    | 97% | 97% | 98% | 98% | 98% Y | 99% | 100% |
| Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment           | N/A | 64% | 70% | 67% | 69% Y | 70% | 90%  |
| Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations | N/A | 76% | 72% | 77% | 75% Y | 79% | 90%  |
| Percent of gravesites that have grades that are level and blend with adjacent grade levels                        | N/A | 79% | 84% | 86% | 83% Y | 88% | 95%  |

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**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

**Enabling Goal: Deliver world-class service to veterans and their families through effective communication and management of people, technology, business processes, and financial resources.**

Objective E-1: Recruit, develop, and retain a competent, committed, and diverse workforce that provides high-quality service to veterans and their families.

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Percentage of VA employees who are veterans (HR&A) | 24.0% | 26.0% | 28.0% | 30.6% | 31% Y | 32.0% | 33.0% |
|--|-------|-------|-------|-------|-------|-------|-------|

Objective E-2: Improve communication with veterans, employees, and stakeholders about VA's mission, goals, and current performance, as well as benefits and services that the Department provides.

|  |                 |                 |                 |                 |       |                 |      |
|--|-----------------|-----------------|-----------------|-----------------|-------|-----------------|------|
| Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)                             | 70% w/i 30 days | 54% w/i 15 days | 21% by due date | 13% by due date | 40% Y | 45% by due date | 100% |
| Percentage of testimony submitted to Congress within the required timeframe (OCLA)   | N/A             | N/A             | N/A             | N/A             | 75% G | 65%             | 100% |
| Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA) | N/A             | N/A             | 21%             | 15%             | 27% Y | 35%             | 100% |

Objective E-3: Implement a One-VA information technology framework that enables the consolidation of IT solutions and the creation of cross-cutting common services to support the integration of information across business lines and provides secure, consistent, reliable, and accurate information to all interested parties.

|   |     |     |     |  |  |   |   |
|---|-----|-----|-----|--|--|---|---|
| Number of distinct data exchanges between VA and DoD (OI&T)<br>DMDC is Defense Manpower Data Center | N/A | N/A | N/A | 20 from DMDC to VA;<br>8 from VA to DMDC | 11 from DMDC to VA; 6 from VA to DMDC<br>Y | 8 from DMDC to VA;<br>1 from VA to DMDC | 1 from DMDC to VA;<br>1 from VA to DMDC |
|---|-----|-----|-----|--|--|---|---|

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**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

Objective E-4: Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting and performance.

|  |         |                    |                 |            |             |         |         |
|--|---------|--------------------|-----------------|------------|-------------|---------|---------|
| Gross Days Revenue Outstanding (GDRO) for third party collections (VHA)  | N/A     | N/A                | Baseline        | 54         | 59 Y        | 58      | 54      |
| Dollar value of 1st party and 3rd party collections (VHA):   |         |                    |                 |            |             |         |         |
| 1st Party (\$ in millions) (through August)  | \$685   | \$742              | \$772           | \$863      | * \$916 Y   | \$985   | \$1,019 |
| 3rd Party (\$ in millions) (through August)  | \$804   | \$960              | \$1,056         | \$1,096    | * \$1,232 G | \$1,173 | \$1,695 |
| Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies**<br>(1) Corrected<br>**Beginning in 2007, medical supplies were added to this measure.  | N/A     | N/A                | Baseline        | (1) \$152M | \$180M G    | \$170M  | \$220M  |
| Obligations per unique patient user (VHA) (Estimate)   | \$5,202 | \$5,493            | \$5,597         | \$5,799    | * \$6,210 Y | \$5,686 | TBD     |
| Percent of tort claims decided accurately at the administrative stage (OGC)  | 86.0%   | 89.0%              | 88.4%           | 92.2%      | 92.6% G     | 90.0%   | 90.0%   |
| Cumulative % of FTEs (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)   | N/A     | N/A                | 0%              | 0%         | 33% G       | 33%     | 100%    |
| Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)  | 0       | 0                  | 0               | 0          | 0 G         | 0       | 0       |
| Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (a) VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA. | 5       | 4                  | 4               | 3          | (a) 4 Y     | 3       | 0       |
| Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (through August)<br>(1) Corrected   | N/A     | 80%<br>Baseline    | 98%             | (1) 104%   | * 112% G    | 95%     | 95%     |
| Percent Condition Index (owned buildings) (OAEM) (through August)  | N/A     | N/A                | 82%<br>Baseline | 79%        | * 78% Y     | 84%     | 87%     |
| Ratio of non-mission dependent assets to total assets (OAEM) (through August)  | N/A     | N/A                | 22%<br>Baseline | 15%        | * 13% G     | 16%     | 10%     |
| Ratio of operating costs per gross square foot (GSF) (OAEM) (through August) (Targets and results were adjusted to conform with Federal Real Property Council Tier 1 definitions)  | N/A     | \$4.52<br>Baseline | \$4.85          | \$5.59     | * \$5.11 Y  | \$4.52  | \$4.52  |

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**Table 1 – FY 2007 Performance Measures by Strategic Goal and Objective**  
(G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)   | Results  |         |         |          |                | Target         | Strategic Target |
|--|----------|---------|---------|----------|----------------|----------------|------------------|
|  | FY 2003  | FY 2004 | FY 2005 | FY 2006  | FY 2007 Result | FY 2007 Target |                  |
| Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)<br>(1) Corrected<br>(2) Changed per Executive Order 13423 issued in January 2007 | Baseline | N/A     | N/A     | (1) 4.4% | TBD            | (2) 6%         | (2) 30%          |
| Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions   | N/A      | N/A     | N/A     | 2,241    | 2,061 G        | 1,900          | 2,204            |
| Percentage of successful prosecutions  | N/A      | N/A     | N/A     | 96%      | 95% G          | 85%            | 87%              |
| Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action   | N/A      | N/A     | N/A     | 150      | 217 G          | 132            | 164              |
| Number of CAP reports issued that include relevant health care delivery pulse points   | N/A      | N/A     | N/A     | 64       | 45 G           | 45             | 57               |
| Monetary benefits gained from review of VA activities and processes (dollars in millions)  | N/A      | N/A     | N/A     | \$900    | \$670 G        | \$600          | \$1,033          |
| Number of international and domestic benefit reviews conducted to determine the appropriateness of monetary benefits processing for claimants  | N/A      | N/A     | N/A     | 0        | 1 G            | 1              | 3                |
| Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)   | N/A      | N/A     | N/A     | Yes      | Yes G          | Yes            | Yes              |
| Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA (a) Corrected                                 | N/A      | N/A     | N/A     | (a) 93%  | 86% G          | 82%            | 90% <sup>1</sup> |
| Percentage of preaward recommendations sustained during contract negotiations  | N/A      | N/A     | N/A     | 70%      | 66% G          | 61%            | 65%              |

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 (G=Green, Y=Yellow; R=Red)

| Strategic Goal/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report  | N/A     | N/A     | N/A     | 0%      | 19% R          | 90%            | 100%             |
| Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):   |         |         |         |         |                |                |                  |
| Investigations  | N/A     | N/A     | N/A     | 4.9     | 4.9 Y          | 5.0            | 5.0              |
| Audit   | N/A     | N/A     | N/A     | 4.3     | 3.7 R          | 4.8            | 5.0              |
| Healthcare Inspections  | N/A     | N/A     | N/A     | 4.6     | 4.4 Y          | 4.6            | 5.0              |
| CAP Reviews   | N/A     | N/A     | N/A     | 4.7     | 4.7 G          | 4.7            | 5.0              |
| <sup>1</sup> VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan. |         |         |         |         |                |                |                  |

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**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results       |          |                 |                 |                | Target          | Strategic Target |
|---|---------------|----------|-----------------|-----------------|----------------|-----------------|------------------|
|   | FY 2003       | FY 2004  | FY 2005         | FY 2006         | FY 2007 Result | FY 2007 Target  |                  |
| <b>Veterans Health Administration</b>   |               |          |                 |                 |                |                 |                  |
|   | P&F ID Codes: |          | 36-0152-0-1-703 | 36-0160-0-1-703 |                |                 |                  |
|   |               |          | 36-0162-0-1-703 | 36-0181-0-1-703 |                | 36-5358-0-1-703 |                  |
|   |               |          | 36-4014-0-3-705 | 36-8180-0-7-705 |                | 36-0165-0-1-703 |                  |
| <i>Medical Care Programs</i>  |               |          |                 |                 |                |                 |                  |
| <b>Resources</b>  |               |          |                 |                 |                |                 |                  |
| FTE   | 187,049       | 194,055  | 197,650         | 197,900         | 207,615        |                 |                  |
| Total Program Costs (\$ in millions)  | \$27,654      | \$30,772 | \$31,668        | \$33,468        | \$36,433       |                 |                  |
| <b>Performance Measures</b>   |               |          |                 |                 |                |                 |                  |
| <b>Percent of patients rating VA health care service as very good or excellent:</b>   |               |          |                 |                 |                |                 |                  |
| <b>Inpatient (through May)</b>  | 74%           | 74%      | 77%             | 78%             | * 77% Y        | 78%             | 80%              |
| <b>Outpatient (through May)</b>   | 73%           | 72%      | 77%             | 78%             | * 77% Y        | 78%             | 80%              |
| <b>Percent of primary care appointments scheduled within 30 days of desired date (through August)</b>   | 93%           | 94%      | 96%             | 96%             | * 97.2% G      | 96%             | 96%              |
| <b>Percent of specialty care appointments scheduled within 30 days of desired date (1) reflects cum. for year, (2) henceforth, eight clinical areas included instead of five (through August)</b>   | (1) 89%       | (2) 93%  | 93%             | 94%             | * 95% G        | 95%             | 95%              |
| <b>Clinical Practice Guidelines Index II (through May)</b>  | N/A           | N/A      | N/A             | 83%             | * 83% Y        | 84%             | 87%              |
| <b>Prevention Index III (through May)</b>   | N/A           | N/A      | N/A             | 88%             | * 87% Y        | 88%             | 88%              |
| <b>Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list) (through August)</b>   | N/A           | N/A      | N/A             | 10,000          | * 117 G        | 7,500           | fewer than 500   |
| <b>Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities</b>   | 67%           | 69%      | 73%             | 74%             | TBD            | 76%             | 90%              |
| <b>Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider</b> | N/A           | N/A      | N/A             | Baseline        | TBD            | 68%             | 72%              |
| <b>Number of outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year)</b>   | N/A           | N/A      | N/A             | 121,229         | TBD            | 123,654         | 133,845          |

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(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |          |              |                | Target         | Strategic Target |
|---|---------|---------|----------|--------------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005  | FY 2006      | FY 2007 Result | FY 2007 Target |                  |
| Gross Days Revenue Outstanding (GDRO) for third party collections (VHA)   | N/A     | N/A     | Baseline | 54           | 59 Y           | 58             | 54               |
| Dollar value of 1st party and 3rd party collections (VHA):  |         |         |          |              |                |                |                  |
| 1st Party (\$ in millions) (through August)   | \$685   | \$742   | \$772    | \$863        | * \$916 Y      | \$985          | \$1,019          |
| 3rd Party (\$ in millions) (through August)   | \$804   | \$960   | \$1,056  | \$1,096      | * \$1,232 G    | \$1,173        | \$1,695          |
| Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies**<br>(1) Corrected<br>**Beginning in 2007, medical supplies were added to this measure.   | N/A     | N/A     | Baseline | (1) \$152M   | \$180M G       | \$170M         | \$220M           |
| <i>Common Measures</i>  |         |         |          |              |                |                |                  |
| Obligations per unique patient user (VHA) (Estimate)  | \$5,202 | \$5,493 | \$5,597  | \$5,799      | * \$6,210 Y    | \$5,686        | TBD              |
| <i>Special Emphasis Programs</i>  |         |         |          |              |                |                |                  |
| <b>Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline</b><br>(1) Baseline = 43,325 (2) through June   | N/A     | N/A     | N/A      | (1) Baseline | * 6.5% R       | 26.3%          | 9.5%             |
| Percent of severely-injured or ill OEF/OIF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient (through August) | N/A     | N/A     | N/A      | Baseline     | * 90% G        | 90%            | 95%              |
| Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone  | N/A     | N/A     | N/A      | Baseline     | TBD            | 90%            | 94%              |
| Medical residents' and other trainees' scores on a VHA survey assessing their clinical training experience  | 83      | 84      | 84       | 85           | 86 G           | 86             | 89               |
| Percent of admission notes by residents that have a note from attending physician within one day of admission:  |         |         |          |              |                |                |                  |
| Surgery   | N/A     | N/A     | 75%      | 86%          | TBD            | 88%            | 95%              |

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**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| P&F ID Codes: 36-0161-0-1-703 36-0160-0-1-703<br>36-4026-0-3-703  |         |         |         |         |                |                |                  |
| <b>Medical Research</b>   |         |         |         |         |                |                |                  |
| <b>Resources</b>  |         |         |         |         |                |                |                  |
| FTE   | 3,206   | 3,206   | 3,206   | 3,193   | 3,175          |                |                  |
| Total Program Costs (\$ in Millions)  | \$1,022 | \$1,067 | \$851   | \$831   | \$867          |                |                  |
| <b>Performance Measures</b>   |         |         |         |         |                |                |                  |
| <b>Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (through August)</b><br>(Five milestones to be achieved over 4 years)                    | N/A     | 33%     | 40%     | 47%     | * 67% G        | 67%            | 100%             |
| Progress towards development of a standard clinical practice for pressure ulcers (through August)<br>(Six milestones to be achieved over 5 years)                                       | N/A     | 43%     | 52%     | 61%     | * 65% Y        | 74%            | 100%             |
| Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study (through August) (Measure description changed for clarification purposes only) | N/A     | N/A     | 29%     | 40%     | * 33% Y        | 35%            | 50%              |

**Veterans Benefits Administration**

|   |          |          |          |          |          |     |     |
|---|----------|----------|----------|----------|----------|-----|-----|
| P&F ID Codes: 36-0102-0-1-701 36-0151-0-1-705   |          |          |          |          |          |     |     |
| <b>Compensation</b>   |          |          |          |          |          |     |     |
| <b>Resources</b>  |          |          |          |          |          |     |     |
| FTE   | 7,525    | 7,568    | 7,538    | 7,725    | 8,410    |     |     |
| Total Program Costs (\$ in millions)  | \$25,550 | \$27,261 | \$29,626 | \$31,802 | \$35,306 |     |     |
| <b>Performance Measures</b>   |          |          |          |          |          |     |     |
| <b>National accuracy rate (core rating work) % (Compensation) (through July)</b>                          | 86%      | 87%      | 84%      | 88%      | * 88% Y  | 89% | 98% |
| Compensation & Pension rating-related actions - average days to process                                   | 182      | 166      | 167      | 177      | 183 R    | 160 | 125 |
| Rating-related compensation actions - average days pending  | 114      | 120      | 122      | 130      | 135 R    | 127 | 100 |
| Average days to process - DIC actions (Compensation)  | 153      | 125      | 124      | 136      | 132 R    | 125 | 90  |
| Overall satisfaction rate % (Compensation)<br>(1) No customer satisfaction survey was performed for 2006. | 58%      | 59%      | 58%      | (1) N/A  | TBD      | 63% | 90% |
| National accuracy rate % (compensation authorization work) (through July)                                 | 88%      | 90%      | 90%      | 91%      | * 91% Y  | 93% | 98% |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)   | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a servicemember's discharge (Compensation)<br>(1) The 2006 result was recalculated to capture workload not included in the initial calculation. This result is a more accurate depiction of BDD participation as VBA moved to a new automated data collection methodology in 2006. | N/A     | N/A     | 55%     | (1) 46% | TBD            | 48%            | 65%              |
| Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans  | N/A     | N/A     | N/A     | N/A     | TBD**          | TBD **         | 50%              |
| Percent of compensation recipients who were kept informed of the full range of available benefits<br>(1) No customer satisfaction survey was performed for 2006.   | 42%     | 43%     | 44%     | (1) N/A | TBD            | 49%            | 60%              |
| Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life   | N/A     | N/A     | N/A     | N/A     | TBD**          | TBD **         | 70%              |
| Percent of DIC recipients above the poverty level (Compensation)   | N/A     | 99%     | 100%    | 100%    | 100% G         | 100%           | 100%             |
| Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)  | N/A     | 80%     | N/A     | N/A     | TBD**          | TBD **         | 90%              |
| Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA)   | 633     | 529     | 622     | 657     | 660 G          | 685            | 675              |
| Productivity Index % (Compensation and Pension)  | N/A     | N/A     | N/A     | 90%     | 88% Y          | 94%            | 100%             |
| National accuracy rate (fiduciary work) % (Compensation & Pension) (through July)  | 77%     | 81%     | 85%     | 83%     | * 83% Y        | 87%            | 98%              |
| Average number of days to process a claim for reimbursement of burial expenses   | 42      | 48      | 57      | 72      | 91 R           | 60             | 21               |
| National Accuracy Rate for burial claims processed % (through July)  | 92%     | 94%     | 93%     | 94%     | * 94% Y        | 95%            | 98%              |

\*\* Pending review of the Veterans' Disability Benefits Commission's recommendations of October 2007 to determine whether a program outcome study is necessary.

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| <i>Pension</i>  |         |         |         |         |                |                |                  |
| P&F ID Codes: 36-0151-0-1-705 36-0200-0-1-701   |         |         |         |         |                |                |                  |
| <b>Resources</b>  |         |         |         |         |                |                |                  |
| FTE   | 1,827   | 1,535   | 1,540   | 1,561   | 1,515          |                |                  |
| Total Program Costs (\$ in millions)  | \$3,378 | \$3,495 | \$3,569 | \$3,722 | \$3,823        |                |                  |
| <b>Performance Measures</b>   |         |         |         |         |                |                |                  |
| <b>Non-rating pension actions - average days to process</b>   | 67      | 58      | 68      | 92      | 104 R          | 96             | 60               |
| <b>National accuracy rate (authorization pension work) % (through July)</b>   | 81%     | 84%     | 86%     | 88%     | * 91% G        | 89%            | 98%              |
| <b>Compensation &amp; Pension rating-related actions - average days to process</b>  | 182     | 166     | 167     | 177     | 183 R          | 160            | 125              |
| National accuracy rate (core rating-related pension work) % (through July)  | 91%     | 93%     | 90%     | 90%     | * 91% Y        | 92%            | 98%              |
| Rating-related pension actions - average days pending   | 98      | 77      | 83      | 90      | 89 Y           | 85             | 65               |
| Overall satisfaction rate % (Pension)<br>(1) No customer satisfaction survey was performed for 2006.  | 66%     | 66%     | 65%     | (1) N/A | TBD            | 71%            | 90%              |
| Percent of pension recipients who were informed of the full range of available benefits<br>(1) No customer satisfaction survey was performed for 2006.  | 39%     | 40%     | 41%     | (1) N/A | TBD            | 43%            | 60%              |
| Percent of pension recipients who said their claim determination was very or somewhat fair<br>(1) No customer satisfaction survey was performed for 2006.   | 62%     | 64%     | 65%     | (1) N/A | TBD            | 68%            | 75%              |
| Percent of VA beneficiaries receiving financial assistance for medical expenses**<br>(Pension)  | N/A     | N/A     | N/A     | TBD     | TBD            | TBD            | TBD              |
| Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran**<br>(1) No customer satisfaction survey was performed for 2006. | N/A     | N/A     | 78%     | (1) N/A | TBD            | 80%            | 95%              |
| Appeals resolution time (Number of Days)<br>(Joint Compensation and Pension measure with BVA)   | 633     | 529     | 622     | 657     | 660 G          | 685            | 675              |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)                            | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Productivity Index % (Compensation and Pension)                                   | N/A     | N/A     | N/A     | 90%     | 88% Y          | 94%            | 100%             |
| National accuracy rate (fiduciary work) % (Compensation & Pension) (through July) | 77%     | 81%     | 85%     | 83%     | * 83% Y        | 87%            | 98%              |
| ** New measures added during Pensions PART review.                                |         |         |         |         |                |                |                  |

The indicators below are the component end-products for the measure on average days to complete rating-related actions. We do not establish separate performance goals for these indicators. For a detailed discussion of VA's performance regarding timeliness of rating-related actions processing, refer to pages 118-122.

|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Claims Completed in FY 2007 |
|---|---------|---------|---------|---------|---------|-----------------------------|
| <b>Average days to process rating-related actions</b> | 182     | 166     | 167     | 177     | 183     | 824,844                     |
| Initial disability compensation                       | 207     | 186     | 185     | 196     | 208     | 220,795                     |
| Initial death compensation/DIC                        | 153     | 125     | 124     | 136     | 132     | 29,437                      |
| Reopened compensation                                 | 193     | 178     | 179     | 191     | 196     | 441,501                     |
| Initial disability pension                            | 93      | 94      | 98      | 113     | 118     | 35,185                      |
| Reopened pension                                      | 101     | 101     | 103     | 120     | 123     | 52,384                      |
| Reviews, future exams                                 | 95      | 87      | 95      | 79      | 82      | 38,899                      |
| Reviews, hospital                                     | 54      | 54      | 55      | 53      | 56      | 6,643                       |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.





**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| P&F ID Codes: 36-0137-0-1-702 36-8133-0-7-702<br>36-0151-0-1-705  |         |         |         |         |                |                |                  |
| <i>Education</i>  |         |         |         |         |                |                |                  |
| <b>Resources</b>  |         |         |         |         |                |                |                  |
| FTE   | 866     | 841     | 852     | 889     | 958            |                |                  |
| Total Program Costs (\$ in millions)  | \$2,189 | \$2,495 | \$2,690 | \$2,844 | \$3,080        |                |                  |
| <b>Performance Measures</b>   |         |         |         |         |                |                |                  |
| <b>Average days to complete original education claims</b>   | 23      | 26      | 33      | 40      | 32.4 G         | 35             | 10               |
| <b>Average days to complete supplemental education claims</b>   | 12      | 13      | 19      | 20      | 13.2 G         | 15             | 7                |
| Montgomery GI Bill usage rate (%): All program participants (through July)<br>(1) Corrected   | 58%     | 65%     | (1) 66% | (1) 67% | * 68% G        | 68%            | 75%              |
| Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (through July)<br>(1) Corrected  | 66%     | 71%     | (1) 71% | (1) 70% | * 72% G        | 72%            | 80%              |
| Percent of Montgomery GI Bill participants who successfully completed an education or training program<br>Measure under development   | N/A     | N/A     | N/A     | TBD     | TBD            | TBD            | TBD              |
| Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal<br>Measure under development | N/A     | N/A     | N/A     | TBD     | TBD            | TBD            | TBD              |
| Customer satisfaction-high rating (Education)<br>(1) No customer satisfaction survey was performed for 2005, 2006, or 2007.   | 89%     | 86%     | (1) N/A | (1) N/A | (1) N/A        | 88%            | 95%              |
| Telephone Activities - Blocked call rate (Education) %<br>(1) Corrected   | 13%     | 20%     | 38%     | (1) 43% | 32% Y          | 25%            | 10%              |
| Telephone Activities - Abandoned call rate (Education) %<br>(1) Corrected   | 7%      | 10%     | 17%     | (1) 20% | 11% G          | 15%            | 5%               |
| Payment accuracy rate (Education) %<br>(1) Corrected  | 94%     | 94%     | 96%     | (1) 94% | 95% Y          | 96%            | 97%              |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

**Vocational Rehabilitation and Employment**

P&F ID Codes: 36-0135-0-1-702

36-0151-0-1-705

| Resources   |         |       |         |         |           |         |         |
|---|---------|-------|---------|---------|-----------|---------|---------|
| FTE   | 1,091   | 1,105 | 1,115   | 1,110   | 1,187     |         |         |
| Total Program Costs (\$ in millions)  | \$631   | \$676 | \$706   | \$702   | \$771     |         |         |
| Performance Measures  |         |       |         |         |           |         |         |
| Rehabilitation rate % (VR&E)  | 59%     | 62%   | 63%     | 73%     | 73% G     | 73%     | 80%     |
| Speed of entitlement decisions in average days (VR&E) (1) Corrected   | 63      | 57    | 62      | (1) 54  | 54 Y      | 53      | 40      |
| Accuracy of decisions (Services) % (VR&E)   | 82%     | 86%   | 87%     | 82%     | 77% Y     | 85%     | 96%     |
| Customer satisfaction (Survey) % (VR&E)<br>(1) No customer satisfaction survey was performed for 2003, 2005, 2006, or 2007. | (1) N/A | 79%   | (1) N/A | (1) N/A | (1) N/A   | 82%     | 92%     |
| Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)   | 81%     | 94%   | 97%     | 95%     | 93% Y     | 97%     | 99%     |
| Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E)  | 58%     | N/A   | N/A     | 73%     | 73% Y     | 74%     | 80%     |
| Common Measures **  |         |       |         |         |           |         |         |
| Percent of participants employed first quarter after program exit (VR&E)  | N/A     | N/A   | N/A     | TBD     | N/A       | 70%     | 80%     |
| Percent of participants still employed three quarters after program exit (VR&E)   | N/A     | N/A   | N/A     | TBD     | N/A       | 70%     | 85%     |
| Percent change in earnings from pre-application to post-program employment (VR&E)   | N/A     | N/A   | N/A     | TBD     | N/A       | TBD     | TBD     |
| Average cost of placing participant in employment (VR&E)  | N/A     | N/A   | N/A     | TBD     | \$8,856 Y | \$8,000 | \$6,500 |

\*\* These are designated as "common measures" because they are also used by other agencies that manage vocational rehabilitation programs. They also support the Performance Improvement Initiative of the President's Management Agenda. Targets shown above are estimates and may change. First set of data is projected to be received in January 2008.

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold) | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |

**Housing**

P&F ID Codes: 36-1119-0-1-704 36-4025-0-3-704  
 36-0128-0-1-704 36-4127-0-3-704 36-4129-0-3-704  
 36-4130-0-3-704 36-0151-0-1-705

| Resources                            |         |       |                        |                      |       |
|--------------------------------------|---------|-------|------------------------|----------------------|-------|
| FTE                                  | 1,404   | 1,256 | 1,049                  | 1,042                | 983   |
| Total Program Costs (\$ in millions) | \$1,520 | \$389 | \$2,072 <sup>(a)</sup> | \$210 <sup>(b)</sup> | \$240 |

(a) Includes positive subsidy, administrative expenses, and upward reestimates, which are required to comply with Credit Reform Act guidelines.

(b) The total program costs do not include any subsidy costs due to a negative subsidy of the Loan Guaranty program.

| Performance Measures   | FY 2003 | FY 2004 | FY 2005 | FY 2006               | FY 2007 Result | FY 2007 Target | Strategic Target |
|--|---------|---------|---------|-----------------------|----------------|----------------|------------------|
| <b>Foreclosure avoidance through servicing (FATS) ratio % (Housing)</b>  | 45.0%   | 44.0%   | 48.0%   | 54.0%                 | 57.0% G        | 51.0%          | 51.0%            |
| Veterans satisfaction level % (Housing)<br>(1) No Housing survey was completed for 2004 or 2005.   | 95.0%   | (1) N/A | (1) N/A | Avail.<br>11/2007     | TBD            | 95.0%          | 97.0%            |
| Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program<br>(1) No Housing survey was completed for 2004 or 2005.   | 92.0%   | (1) N/A | (1) N/A | Avail.<br>11/2007     | TBD            | 94.0%          | 95.0%            |
| Statistical quality index % (Housing)  | 98.0%   | 98.0%   | 98.0%   | 99.0%                 | 99.2% G        | 98.0%          | 98.0%            |
| Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence<br>(1) New measure; first year that Housing survey data are reported for this measure. | N/A     | N/A     | N/A     | (1) Avail.<br>11/2007 | TBD            | 98.0%          | 99.0%            |
| E-FATS - Ratio of dollars saved through successful loan interventions, to dollars spent by VA on Loan Administration FTE who perform intervention work (Housing)   | N/A     | N/A     | N/A     | 7.0:1                 | 6.8:1 Y        | 8.0:1          | 8.0:1            |

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**Table 2 – FY 2007 Performance Measures by Program**

(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |   |   |                | Target  | Strategic Target |
|---|---------|---------|---|---|----------------|---|------------------|
|   | FY 2003 | FY 2004 | FY 2005   | FY 2006   | FY 2007 Result | FY 2007 Target  |                  |
| <i>Insurance</i>  |         |         | P&F ID Codes:<br>36-4010-0-3-701<br>36-8150-0-7-701 | 36-0120-0-1-701<br>36-4009-0-3-701<br>36-8455-0-8-701 |                | 36-4012-0-3-701<br>36-8132-0-7-701<br>36-0151-0-1-705 |                  |
| <b>Resources</b>  |         |         |   |   |                |   |                  |
| FTE   | 493     | 490     | 488   | 482   | 451            |   |                  |
| Total Program Costs (\$ in millions)  | \$2,695 | \$2,580 | \$2,580   | \$3,344   | \$3,192        |   |                  |
| <b>Performance Measures</b>   |         |         |   |   |                |   |                  |
| <b>Average number of days to process TSGLI disbursements (Insurance)</b>  | N/A     | N/A     | N/A   | 3.8   | 3.0 G          | 5   | 5                |
| Percent of servicemembers covered by SGLI (Insurance)   | N/A     | N/A     | 98%   | 99%   | 99% G          | 98%   | 98%              |
| Conversion rate of disabled SGLI members to VGLI (%) (Insurance)  | N/A     | N/A     | 35%   | 41%   | 40% Y          | 45%   | 50%              |
| Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted servicemember (Insurance)    | N/A     | N/A     | 1.9   | 1.8   | 1.8 G          | 1.7   | 1.0              |
| Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)                   | N/A     | N/A     | 1.0   | 0.9   | 0.9 G          | 0.9   | 1.0              |
| Ratio of premium rates charged per \$1,000 by other organizations compared to the SGLI premium rates charged per \$1,000 by VA for similar coverage (Insurance) | N/A     | N/A     | 1.4   | 1.3   | 1.2 G          | 1.0   | 1.0              |
| Ratio of premium rates charged per \$1,000 by other organizations compared to the VGLI premium rates charged per \$1,000 by VA for similar coverage (Insurance) | N/A     | N/A     | 0.9   | 0.9   | 0.9 Y          | 1.0   | 1.0              |
| Rate of high veterans' satisfaction ratings on services delivered % (Insurance)   | 95%     | 96%     | 96%   | 96%   | 96% G          | 95%   | 95%              |
| Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)  | N/A     | N/A     | 1,692   | 1,697   | 1,724 G        | 1,702   | 1,750            |

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**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)   | Results |         |         |         |                | Target         | Strategic Target |
|--|---------|---------|---------|---------|----------------|----------------|------------------|
|  | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| <b>National Cemetery Administration</b>  |         |         |         |         |                |                |                  |
| <i>Burial Program</i>  |         |         |         |         |                |                |                  |
| P&F Codes: 36-0129-0-1-705 36-0183-0-1-705<br>36-5392-0-1-705 36-0151-0-1-705  |         |         |         |         |                |                |                  |
| <b>Resources</b>   |         |         |         |         |                |                |                  |
| FTE  | 1,476   | 1,492   | 1,523   | 1,527   | 1,541          |                |                  |
| Total Program Costs (\$ in millions)   | \$348   | \$406   | \$403   | \$421   | \$465          |                |                  |
| <b>Performance Measures</b>  |         |         |         |         |                |                |                  |
| <b>Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence</b>                                  | 75.2%   | 75.3%   | 77.1%   | 80.2%   | 83.4% Y        | 83.8%          | 90.0%            |
| <b>Percent of respondents who rate the quality of service provided by the national cemeteries as excellent</b>                                   | 94%     | 94%     | 94%     | 94%     | 94% Y          | 97%            | 100%             |
| <b>Percent of graves in national cemeteries marked within 60 days of interment</b>   | 72%     | 87%     | 94%     | 95%     | 94% G          | 90%            | 92%              |
| <b>Percent of respondents who rate national cemetery appearance as excellent</b>   | 97%     | 98%     | 98%     | 97%     | 97% Y          | 99%            | 100%             |
| Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours                 | 73%     | 73%     | 73%     | 74%     | 72% Y          | 80%            | 93%              |
| Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days | N/A     | N/A     | 13%     | 62%     | 38% R          | 70%            | 90%              |
| Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete                            | N/A     | 98%     | 99%     | 99%     | 99% G          | 99%            | 99%              |
| Percent of headstones and markers that are undamaged and correctly inscribed   | 97%     | 97%     | 96%     | 96%     | 96% Y          | 98%            | 98%              |
| Percent of respondents who would recommend the national cemetery to veteran families during their time of need                                   | 97%     | 97%     | 98%     | 98%     | 98% Y          | 99%            | 100%             |

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**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment           | N/A     | 64%     | 70%     | 67%     | 69% Y          | 70%            | 90%              |
| Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations | N/A     | 76%     | 72%     | 77%     | 75% Y          | 79%            | 90%              |
| Percent of gravesites that have grades that are level and blend with adjacent grade levels                        | N/A     | 79%     | 84%     | 86%     | 83% Y          | 88%            | 95%              |

**Board of Veterans' Appeals**

P&F ID Code: 36-0151-0-1-700

| Resources   |         |         |         |         |           |         |         |
|---|---------|---------|---------|---------|-----------|---------|---------|
| FTE   | 451     | 440     | 433     | 452     | 444       |         |         |
| Administrative costs only (\$ in millions)  | \$47    | \$50    | \$50    | \$54    | \$54      |         |         |
| Performance Measures  |         |         |         |         |           |         |         |
| Deficiency-free decision rate (BVA)   | 89.0%   | 93.0%   | 89.0%   | 93.0%   | 94.0% G   | 92.0%   | 92.0%   |
| Appeals resolution time (Number of Days) (Joint BVA-VBA Compensation and Pension measure) | 633     | 529     | 622     | 657     | 660 G     | 685     | 675     |
| BVA Cycle Time (Days)   | 135     | 98      | 104     | 148     | 136 R     | 105     | 104     |
| Appeals decided per Veterans Law Judge (BVA)  | 604     | 691     | 621     | 698     | 721 G     | 630     | 752     |
| Cost per case (BVA time only)   | \$1,493 | \$1,302 | \$1,453 | \$1,381 | \$1,337 G | \$1,580 | \$1,627 |

**Departmental Management**

P&F ID Codes 36-0151-0-1-705 36-0110-0-1-703  
36-0111-0-1-703 36-4537-0-4-705  
36-4539-0-4-705

| Total FTE and Program Costs (less BVA and OIG FTE and costs, which are identified separately)  |       |       |       |       |           |       |       |
|--|-------|-------|-------|-------|-----------|-------|-------|
| FTE  | 2,597 | 2,697 | 3,167 | 2,162 | 3,626     |       |       |
| Total Program Costs (\$ in millions)   | \$617 | \$718 | \$762 | \$928 | \$1,531   |       |       |
| Performance Measures   |       |       |       |       |           |       |       |
| Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement dollars (OSDBU) (through August) | 0.49% | 1.25% | 2.15% | 3.58% | * 5.59% G | 3.00% | 3.00% |
| Percentage of VA employees who are veterans (HR&A)   | 24.0% | 26.0% | 28.0% | 30.6% | 31% Y     | 32.0% | 33.0% |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)   | Results         |                 |                 |  |   | Target                                  | Strategic Target                        |
|--|-----------------|-----------------|-----------------|--|---|---|---|
|  | FY 2003         | FY 2004         | FY 2005         | FY 2006                                  | FY 2007 Result                          | FY 2007 Target                          |   |
| Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)  | N/A             | N/A             | 85%             | 85%                                      | 90% Y                                   | 100%                                    | 100%                                    |
| Cumulative % of FTEs (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)   | N/A             | N/A             | 0%              | 0%                                       | 33% G                                   | 33%                                     | 100%                                    |
| Percent of tort claims decided accurately at the administrative stage (OGC)  | 86.0%           | 89.0%           | 88.4%           | 92.2%                                    | 92.6% G                                 | 90.0%                                   | 90.0%                                   |
| Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)  | 0               | 0               | 0               | 0  | 0 G                                     | 0                                       | 0                                       |
| Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (a) VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA. | 5               | 4               | 4               | 3  | (a) 4 Y                                 | 3                                       | 0                                       |
| Number of distinct data exchanges between VA and DoD (OI&T)<br>DMDC is Defense Manpower Data Center  | N/A             | N/A             | N/A             | 20 from DMDC to VA;<br>8 from VA to DMDC | 11 from DMDC to VA; 6 from VA to DMDC Y | 8 from DMDC to VA;<br>1 from VA to DMDC | 1 from DMDC to VA;<br>1 from VA to DMDC |
| Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA)   | N/A             | N/A             | 21%             | 15%                                      | 27% Y                                   | 35%                                     | 100%                                    |
| Percentage of testimony submitted to Congress within the required timeframe (OCLA)   | N/A             | N/A             | N/A             | N/A                                      | 75% G                                   | 65%                                     | 100%                                    |
| Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)   | 70% w/i 30 days | 54% w/i 15 days | 21% by due date | 13% by due date                          | 40% Y                                   | 45% by due date                         | 100%                                    |
| Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (through August)<br>(1) Corrected   | N/A             | 80% Baseline    | 98%             | (1) 104%                                 | * 112% G                                | 95%                                     | 95%                                     |
| Percent Condition Index (owned buildings) (OAEM) (through August)  | N/A             | N/A             | 82% Baseline    | 79%                                      | * 78% Y                                 | 84%                                     | 87%                                     |
| Ratio of non-mission dependent assets to total assets (OAEM) (through August)  | N/A             | N/A             | 22% Baseline    | 15%                                      | * 13% G                                 | 16%                                     | 10%                                     |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)   | Results  |                    |         |          |                | Target         | Strategic Target |
|--|----------|--------------------|---------|----------|----------------|----------------|------------------|
|  | FY 2003  | FY 2004            | FY 2005 | FY 2006  | FY 2007 Result | FY 2007 Target |                  |
| Ratio of operating costs per gross square foot (GSF) (OAEM) (through August)<br>(Targets and results were adjusted to conform with Federal Real Property Council Tier 1 definitions)                           | N/A      | \$4.52<br>Baseline | \$4.85  | \$5.59   | * \$5.11 Y     | \$4.52         | \$4.52           |
| Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)<br>(1) Corrected<br>(2) Changed per Executive Order 13423 issued in January 2007 | Baseline | N/A                | N/A     | (1) 4.4% | TBD            | (2) 6%         | (2) 30%          |

**Office of Inspector General**

P&F ID Code: 36-0170-0-1-705

| Resources  |      |      |      |         |         |       |                  |
|--|------|------|------|---------|---------|-------|------------------|
| FTE  | 399  | 434  | 454  | 510     | 470     |       |                  |
| Administrative costs only (\$ in millions)   | \$58 | \$66 | \$70 | \$74    | \$74    |       |                  |
| Performance Measures   |      |      |      |         |         |       |                  |
| Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions   | N/A  | N/A  | N/A  | 2,241   | 2,061 G | 1,900 | 2,204            |
| Percentage of successful prosecutions  | N/A  | N/A  | N/A  | 96%     | 95% G   | 85%   | 87%              |
| Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action   | N/A  | N/A  | N/A  | 150     | 217 G   | 132   | 164              |
| Number of CAP reports issued that include relevant health care delivery pulse points   | N/A  | N/A  | N/A  | 64      | 45 G    | 45    | 57               |
| Monetary benefits gained from review of VA activities and processes (dollars in millions)  | N/A  | N/A  | N/A  | \$900   | \$670 G | \$600 | \$1,033          |
| Number of international and domestic benefit reviews conducted to determine the appropriateness of monetary benefits processing for claimants                                  | N/A  | N/A  | N/A  | 0       | 1 G     | 1     | 3                |
| Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)   | N/A  | N/A  | N/A  | Yes     | Yes G   | Yes   | Yes              |
| Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA (a) Corrected | N/A  | N/A  | N/A  | (a) 93% | 86% G   | 82%   | 90% <sup>1</sup> |
| Percentage of preaward recommendations sustained during contract negotiations  | N/A  | N/A  | N/A  | 70%     | 66% G   | 61%   | 65%              |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.





**Table 2 – FY 2007 Performance Measures by Program**  
(G=Green, Y=Yellow; R=Red)

| Organization/Program/Measure<br>(Key Measures in Bold)  | Results |         |         |         |                | Target         | Strategic Target |
|---|---------|---------|---------|---------|----------------|----------------|------------------|
|   | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 Result | FY 2007 Target |                  |
| Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report  | N/A     | N/A     | N/A     | 0%      | 19% R          | 90%            | 100%             |
| Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):   |         |         |         |         |                |                |                  |
| Investigations  | N/A     | N/A     | N/A     | 4.9     | 4.9 Y          | 5.0            | 5.0              |
| Audit   | N/A     | N/A     | N/A     | 4.3     | 3.7 R          | 4.8            | 5.0              |
| Healthcare Inspections  | N/A     | N/A     | N/A     | 4.6     | 4.4 Y          | 4.6            | 5.0              |
| CAP Reviews   | N/A     | N/A     | N/A     | 4.7     | 4.7 G          | 4.7            | 5.0              |
| <sup>1</sup> VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan. |         |         |         |         |                |                |                  |

\* These are partial or estimated data. Final data will be published in the FY 2009 Congressional Budget and/or the FY 2008 Performance and Accountability Report.



**Dropped Performance Measures Where Final Results  
Were not Reported in the FY 2006 PAR**

| <i>Veterans Health Administration</i>  | FY 2002  | FY 2003 | FY 2004 | FY 2005 | FY 2006<br>Final | FY 2006<br>Target |
|--|----------|---------|---------|---------|------------------|-------------------|
| Clinical Practice Guidelines Index   | Baseline | 70%     | 77%     | 87%     | (1) 83%          | 77%               |
| Prevention Index II  | 82%      | 83%     | 88%     | 90%     | (2) 88%          | 88%               |
| Percent of appointments scheduled within 30 days of desired appointment date                                   | N/A      | N/A     | N/A     | 93.7%   | (3)              | 93.7%             |
| Percent of outpatient encounters that have electronic progress notes signed within 2 days                      | N/A      | N/A     | 84%     | 85%     | 86%              | 86%               |
| Average number of appointments per year per FTE  | 2,719    | 2,856   | 2,356   | 2,533   | (3) 2,573        | 2,678             |
| Number of patients under non-institutional long-term care as expressed by average daily census                 | 24,126   | 24,413  | 25,523  | 27,469  | (4)              | 32,105            |
| Prevention Index II (Special Populations)  | N/A      | 80%     | 86%     | 87%     | (5) 87%          | 86%               |
| Percent of admission notes by residents that have a note from attending physician within one day of admission: |          |         |         |         |                  |                   |
| Medicine   | N/A      | N/A     | N/A     | 95%     | (6) 97%          | 85%               |
| Psychiatry   | N/A      | N/A     | N/A     | 95%     | (6) 97%          | 85%               |
| Number of peer-reviewed publications authored by VA investigators within the fiscal year                       | N/A      | N/A     | 2,557   | 2,793   | (7) 2,824        | 2,655             |

**Footnotes for why measures were dropped:**

- (1) Measure was changed to CPGI II.
- (2) Measure was changed to PI III.
- (3) Measures are now captured as part of other wait time measures.
- (4) Measure was redefined and now includes a different, larger population. Moreover, it is now expressed as the annual percent increase of non-institutional, long-term care average daily census using 2006 as the redefined baseline.
- (5) In FY 2005, this index was composed of 6 measures. By 2006, this index was modified primarily due to changes in the National Center for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Sets (HEDIS) measure definitions and composed of 9 (instead of 6) measures. The old index was "dropped" and revitalized as PI III. The addition of three measures, related to breast and cervical cancer as well as immunizations, made trending PI II no longer applicable.
- (6) Measures for Medicine and Psychiatry were dropped in 2006, but Surgery continues to be monitored.
- (7) Measure was dropped and replaced by the key measure to monitor progress towards development of a new treatment for PTSD.



## Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA.

We reviewed OIG's report and provided responses, which are integrated within the OIG's report. Our responses include the following for each challenge area:

- *Key actions taken* in 2007 in response to the challenges identified by the OIG
- *Key actions planned* for 2008
- *Anticipated impacts* of the key actions
- *Estimated resolution timeframe*

VA is committed to addressing its major management challenges. Using OIG's perspective as a catalyst, we will take whatever steps are necessary to help improve services to our Nation's veterans. We welcome and appreciate OIG's perspective on how the Department can improve its operations to better serve America's veterans.

The table below shows the strategic goal to which each challenge is most closely related, as well as its estimated resolution timeframe.

| Challenge   |   | Estimated Resolution Timeframe (Fiscal Year) | Page #     |
|---|---|--|------------|
| No.   | Description   |  |            |
| <b>Strategic Goal 3: Honoring, Serving, and Memorializing Veterans</b>                  |   |  |            |
| <b>OIG 1</b>  | <b>Health Care Delivery</b>   |  | <b>254</b> |
| 1A  | Quality of Care   | 2008 and beyond                              | 254        |
| 1B  | Electronic Medical Records  | 2008 and beyond                              | 257        |
| 1C  | New and Significantly-Increased Health Problems Associated with OIF/OEF | 2008 and beyond                              | 260        |
| 1D  | Research  | 2008 and beyond                              | 263        |
| <b>Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans</b> |   |  |            |
| <b>OIG 2</b>  | <b>Benefits Processing</b>  |  | <b>264</b> |
| 2A  | Pending Claims and Estimated Receipts                                   | 2008   | 264        |
| 2B  | Appeals   | 2009   | 266        |
| 2C  | Accuracy and Variance   | 2008   | 267        |
| <b>Enabling Goal: Applying Sound Business Principles</b>                                |   |  |            |
| <b>OIG 3</b>  | <b>Financial Management</b>   |  | <b>268</b> |
| 3A  | Lack of an Integrated Financial Management System                       | 2012   | 269        |
| 3B  | Operational Oversight   | 2009   | 271        |
| <b>OIG 4</b>  | <b>Procurement Practices</b>  |  | <b>274</b> |
| 4A  | Procurement Failures  | 2009   | 274        |
| 4B  | Lack of Corporate Knowledge   | 2009   | 276        |
| <b>OIG 5</b>  | <b>Information Management</b>   |  | <b>278</b> |
| 5A  | Confusion of Rules and Guidance   | 2009   | 278        |
| 5B  | Material Weakness in IT Security Controls                               | 2010   | 280        |
| 5C  | VA Information Security Program Reviews                                 | 2010   | 281        |
|   | <b>Appendix</b>   |  | <b>284</b> |



# Memorandum

## Department of Veterans Affairs

Date: July 12, 2007

From: Inspector General (50)

Subj: FY 2007 Performance and Accountability Report

To: Secretary of Veterans Affairs (00)

1. Attached is the Office of Inspector General (OIG) update of the most serious management problems facing VA, for use as part of the FY 2007 Performance and Accountability Report (PAR). Our staff have coordinated this year so that VA may publish the full OIG report on major management challenges in the PAR.
2. The *Reports Consolidation Act of 2000*, Public Law 106-531, requires OIG annually to submit this statement to the Department. The law also states the agency may comment on, but may not modify, the OIG statement. Please ensure that all suggested changes made by the Department are provided to OIG for review prior to incorporating the changes in the PAR.
3. In the past year, the work you, the Deputy Secretary, and I have undertaken to resolve difficult and important problems has forged a strong and cooperative working relationship that has helped us in accomplishing our respective missions. I look forward to working with both of you to complete the implementation of key OIG recommendations in the next year.

A handwritten signature in cursive script that reads "George J. Opfer".

GEORGE J. OPFER  
Inspector General

Attachment



**Department of Veterans Affairs  
Office of Inspector General  
Washington, DC 20420**

**Foreword**

America depends on VA. At the same time that thousands of men and women returning from the war being fought in Afghanistan and Iraq are turning to VA for health care and benefits to help them get on with their lives, nearly two-thirds of American men over 85 are now veterans, relying more than ever on VA. VA health care and benefits delivery must be made as effective and efficient as possible, which requires that VA support services—financial management, procurement practices, and information management—must also be strong and secure.

The Office of Inspector General (OIG) seeks to help VA become the best-managed service delivery organization in Government. OIG audits, inspections, investigations, and Combined Assessment Program (CAP) reviews recommend improvements in VA programs and operations, and act to detect and deter waste, fraud, and abuse. Each year, as required by the *Reports Consolidation Act of 2000*, Public Law 106-531, OIG provides VA with an update summarizing the most serious management problems identified by OIG work and other relevant Government reports, as well as an assessment of the Department's progress in addressing them.

This report contains the updated summation of major management challenges organized by the five OIG strategic goals—health care delivery, benefits processing, financial management, procurement practices, and information management—with indications of VA's progress on implementing OIG recommendations.

OIG will continue working with VA to address each of these issues. Together we can ensure that the Department will provide the best possible service to the Nation's veterans and their dependents, and that OIG recommendations continue to assist VA in becoming a Government leader in sound management.

A handwritten signature in cursive script that reads "George J. Opfer".

GEORGE J. OPFER  
Inspector General



***FY 2007 MAJOR MANAGEMENT CHALLENGES***

|  |            |
|--|------------|
| <b>MAJOR MANAGEMENT CHALLENGES .....</b> | <b>254</b> |
| <b>HEALTH CARE DELIVERY.....</b>         | <b>254</b> |
| <b>BENEFITS PROCESSING .....</b>         | <b>264</b> |
| <b>FINANCIAL MANAGEMENT .....</b>        | <b>268</b> |
| <b>PROCUREMENT PRACTICES .....</b>       | <b>274</b> |
| <b>INFORMATION MANAGEMENT .....</b>      | <b>278</b> |
| <b>APPENDIX .....</b>                    | <b>284</b> |



## **MAJOR MANAGEMENT CHALLENGES**

The Office of Inspector General identified the major management challenges currently facing VA. Left uncorrected, these challenges have the potential to impede VA's ability to fulfill its program responsibilities and ensure the integrity of operations. For the most part, these challenges are not amenable to simple, near-term resolution and can only be addressed by a concerted, persistent effort, resulting in progress over a long period of time.

OIG's strategic planning process is designed to identify and address the key issues facing VA. OIG focused on the key issues of health care delivery, benefits processing, financial management, procurement practices, and information management in its *2005–2010 OIG Strategic Plan*. The flexibility and long-range vision in the OIG Strategic Plan are essential in a period of expanding need for VA programs and services. Although the Nation's newest and oldest veterans both face a growing need for VA health care and benefits programs, many of the specific services they need differ, and all of them must be the best possible.

The following summaries present the most serious management problems facing VA in each area and assess the Department's progress in overcoming them. While these issues guide our oversight efforts, we continually reassess our goals and objectives to ensure that our focus remains relevant, timely, and responsive to changing priorities. *(On these pages, the words "we" and "our" refer to OIG. OIG comments in this report are up-to-date as of November 1, 2007; VA responses were submitted in September 2007. Years are fiscal years (FY) unless stated otherwise.)*

### **OIG CHALLENGE #1: HEALTH CARE DELIVERY**

#### ***-Strategic Overview-***

Most critical among the many challenges VA faces is the transition and quality of health care for veterans, literally a life-and-death concern. In 2008, VA expects to treat 5.8 million unique patients, including Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) veterans, as well as increasing numbers of older World War II, Korea, and Vietnam veterans. The Veterans Health Administration (VHA) 2008 budgetary resources request of \$36.6 billion for medical care programs provides health care for an increase of 125,000 Priority 1 through 6 veterans, which is 3.3 percent above 2007 estimates. OIG will continue to assess the quality of care at delivery points throughout VA, with a special emphasis on returning OIF/OEF veterans and the transition of care from military service to VA.

VA is justly proud of its strong reputation in health care and medical research, and OIG is equally proud of its own contributions to helping VA maintain and improve these capabilities. OIG oversight focuses on a variety of management and program controls, and the medical care system infrastructure. At a time when the adequacy of VA health care funding is debated, the management of health care delivery is as important a focus for OIG as the issues of quality of care.

#### **OIG Challenge #1A: Quality of Care**

Overall, the quality of VA health care is very high and higher than its private sector counterpart. This commendable level, however, is not without continuing challenges. For example, OIG reviews have shown unacceptably high waiting times and delays remain in obtaining subspecialty procedures and subspecialty medical diagnoses. OIG continues to identify inaccurate reporting of



waiting times and patient waiting lists, a problem on which OIG reported and sought corrective action since 2005. OIG will continue to review medical outcomes and quality of care issues in its health care inspections and CAP reviews. VHA has generally responded promptly to correct quality of care deficiencies identified by OIG work, but ensuring high quality health care through the vast VA system in varied settings will remain a challenge. OIG will continue its oversight of care provided in all settings to ensure, for example, that eldercare and Community Based Outpatient Clinics (CBOCs) care are of the same high quality as inpatient medical center care. Analogously, we will continue to evaluate whether care in medical centers in rural, urban, and suburban locations is consistent and of consistently high quality.

**VA's Program Response to OIG Challenge #1A: Quality of Care**

ESTIMATED RESOLUTION TIMEFRAME: FY 2008 AND BEYOND

| Measuring the Quality of Health Care Provided   |  |
|---|--|
| Key FY 2007 Actions   | Anticipated Impacts  |
| <p>Conducted year-end <b>assessment of the quality of care provided in CBOCs and VA medical centers.</b> Results indicate that the same high quality of care was provided in both care settings.</p>                                      | <p>Ensure that patients treated in CBOCs receive the same quality of care as those treated in VA medical centers.</p> <p>Identify areas in need of improvement as well as areas of high performance to continuously improve the quality of care throughout VA medical facilities and become a high performance organization.</p> <p>Ensure the quality of care provided to patients and compliance with selected VA directives and accreditation standards.</p>            |
| <p>Compared <b>quality of care between patients living in urban versus rural areas.</b> Of 51 clinical quality measures used, there was no meaningful difference in the scores of almost all measures between the two patient groups.</p> | <p>Ensure that patients living in rural areas receive the same access to and quality of care as those living in urban areas.</p> <p>Identify areas in need of improvement as well as areas of high performance to continuously improve the quality of care throughout VA medical facilities and become a high performance organization.</p> <p>Ensure the quality of care provided to patients and compliance with selected VA directives and accreditation standards.</p> |
| <p>Analyzed <b>more than 100 quality measures</b> on a quarterly basis, with focus in such areas as access, prevention/health promotion, cardiovascular disease, mental health, and OIF/OEF servicemembers and veterans.</p>              | <p>Identify areas in need of improvement as well as areas of high performance to continuously improve the quality of care throughout VA medical facilities and become a high performance organization.</p> <p>Ensure the quality of care provided to patients and compliance with selected VA directives and accreditation standards.</p>  |





| Measuring the Quality of Health Care Provided  |   |
|--|---|
| Key FY 2007 Actions  | Anticipated Impacts   |
| <p>Quality is also evaluated in <b>special veteran populations</b> such as women, mentally ill, spinal cord injury, OIF/OEF, and others.</p> | <p>Ensure that special veteran populations have access to VA health care, and VA programs are responsive to their unique circumstances and special needs.</p> <p>Identify areas in need of improvement as well as areas of high performance to continuously improve the quality of care throughout VA medical facilities and become a high performance organization.</p> <p>Ensure the quality of care provided to patients and compliance with selected VA directives and accreditation standards.</p> |
| <p><b>Surveyed patient satisfaction</b> that included an expanded sample of <b>10,000 OIF/OEF veterans</b>.</p>                              | <p>Initiate patient satisfaction improvement efforts in areas needing improvement, such as access to care and seamless transition of OIF/OEF patients from DoD to VA care.</p>  |

| Improving the Processes of Care  |   |
|--|---|
| Key FY 2007 Actions  | Anticipated Impacts   |
| <p>Continued efforts to <b>reduce delays</b> in completing subspecialty diagnoses and procedures.</p> <p>Progress was made to improve <b>processes of care</b> for colorectal cancer, among others. The National Colorectal Cancer Diagnosis Improvement Project facilitated measurement and improvement efforts through sharing of information on a national listserv, monthly national conference calls, and the Systems Redesign Web site.</p> <p>Also initiated a Colorectal Cancer Care Treatment Collaborative to measure and improve timeliness and reliability of treatment.</p> | <p>Improve access to care and quality of care.<br/>Reduce wait times.</p> |

| Measuring the Quality of Health Care Provided              |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| <p>Continue using strategies described above for 2007.</p> | <p>Identify areas in need of improvement as well as areas of high performance to continuously improve the quality of care throughout VA medical facilities and become a high performance organization.</p> <p>Ensure the quality of care provided to patients and compliance with selected VA directives and accreditation standards.</p> |



| <b>Improving Access to Care</b>  |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| <p>Complete an analysis of VA's scheduling processes, including <b>electronic waiting lists</b> and waiting times reporting, and develop an action plan.</p> <p>Continue to take other important actions:</p> <ul style="list-style-type: none"> <li>○ Take steps to implement a proposed new patient scheduling software package.</li> <li>○ Improve waiting time metrics.</li> <li>○ Develop standardized tools to improve reporting accuracy systemwide.</li> <li>○ Address training and career development issues for facility scheduling clerks.</li> </ul> | <p>Improve access to care and quality of care. Reduce wait times.</p> |

**OIG Challenge #1B: Electronic Medical Records**

VA has deservedly received recognition for establishing the gold standard in medical care in its electronic medical records system. The system is not perfect, however, as OIG reviews frequently find local business rules which permit editing of information in patient records after they have been signed, rather than leaving the official record as is and simply appending updates or corrections. We continue to report in CAP reviews the need to comply with applicable VHA policies designed to ensure complete and accurate medical records. With the increased attention on data security and the centralization of resources and authority under the Department's Chief Information Officer (CIO)—which OIG acknowledges were needed—we will continue our oversight of VA's electronic medical records to ensure this cutting edge technology remains innovative and flexible to adapt to VA's health care and benefits needs while maintaining high quality care for veterans.

Related to the VA electronic medical records issue is VA's access to military medical records of the veterans VA treats. Due to the importance and volume of OIF/OEF veterans being transitioned from military to VA health care, any problems the Department of Defense (DoD) experiences pose significant challenges to VA in caring for these new veterans. These DoD issues, although outside VA's exclusive control to change, create a management challenge to VA when VA assumes the responsibility for the veteran's care. Problems include access to the DoD records in real time as well as the lack of standardized medical records among the uniformed services. The President and Congress have emphasized the need to coordinate VA and DoD programs and systems, and the problem is perhaps most acute at VA points of care where the VA provider is unable to access the veteran patient's prior or concurrent military medical records. We encourage VA's efforts to work with DoD and the Congress to overcome any interdepartmental obstacles in VA and DoD that hinder the delivery of world-class care that veterans deserve.



**VA's Program Response to OIG Challenge #1B: Electronic Medical Records**

ESTIMATED RESOLUTION TIMEFRAME: FY 2008 AND BEYOND

**Background**

In 2006 VA's model system of electronic health records, developed with extensive involvement of front-line health-care providers, won the prestigious "Innovations in American Government Award." The annual award, sponsored by Harvard University's Ash Institute for Democratic Governance and Innovation at the Kennedy School of Government and administered in partnership with the Council for Excellence in Government, honors excellence and creativity in the public sector.

Electronic health records provide numerous benefits in cost, quality, and access to care. The cost of maintaining the system is \$80 per patient per year, less than the cost of one unnecessarily repeated lab test. In the last 10 years, the efficiencies of the Veterans Health Information Systems and Technology Architecture (Vista) have offset cost increases associated with a 100 percent increase in the number of veterans receiving VA care. For example, Vista has helped VA save 6,000 lives by improving rates of pneumonia vaccination among veterans with emphysema, cutting pneumonia hospitalizations in half, and reducing costs by \$40 million per year. Patient waiting times have declined while customer service improved, and access to care has increased because of on-line availability of health information.

| Patient Data Exchange With DoD   |   |
|--|---|
| Key FY 2007 Actions  | Anticipated Impacts   |
| Completed an interface to permit all VA and DoD facilities to have <b>bidirectional access</b> to inpatient and outpatient pharmacy data, laboratory results, radiology report data, and allergy information.  | Provide better health care for shared patients (that is, those who receive care from both departments) through the real-time, two-way view of inpatient and outpatient health data from existing systems at all VA and DoD sites.<br><br>Develop a common health information architecture between VA and DoD facilities that would allow the two-way exchange of health information through the development of modern health information systems. |
| Developed the ability for the four Level 1 Polytrauma facilities to <b>access DoD scanned inpatient paper records</b> and digital radiology images from key OIF/OEF military treatment facilities at Walter Reed and Brooke Army Medical Centers and National Naval Medical Center in Bethesda, Maryland.  | Improve quality of care and care coordination between VA and DoD.   |
| DoD began sending VA <b>electronic Pre-and Post-Deployment Health Assessment and Post-Deployment Health Reassessment</b> information on separated servicemembers and National Guard and Reserve members who have been deployed and are now demobilized.  | Improve access to care for servicemembers, National Guard, and Reserve members, especially for those with possible PTSD.  |
| VA can now <b>track servicemembers from the battlefield</b> through Landstuhl, Germany, to <b>military treatment facilities in America</b> through a new application, known as the Veterans Tracking Application (VTA). VTA is a Web-based patient tracking and management tool that collects, manages, and reports on patients arriving at military treatment facilities from forward-deployed locations. | Improve access to complete medical records, coordination of care between DoD and VA, and quality of care for servicemembers.  |



| Patient Data Exchange With DoD  |   |
|---|---|
| Key FY 2007 Actions   | Anticipated Impacts   |
| Developed capability to <b>share discharge summaries</b> between VA facilities and ten key military treatment facilities. | <p>Improve quality of care for shared patients (that is, those who receive care from both departments) through the capability to share discharge summaries.</p> <p>Develop a common health information architecture between VA and DoD facilities that would allow the two-way exchange of health information through the development of modern health information systems.</p> |

| Patient Data Exchange With DoD   |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| VA and DoD will begin the <b>bidirectional sharing of additional viewable electronic health data</b> , including viewable encounter and clinical notes, procedures, problem lists, history, questionnaires, and forms. | <p>Improve quality of care for shared patients (that is, those who receive care from both departments) through the real-time, two-way view of inpatient and outpatient health data from existing systems at all VA and DoD sites.</p> <p>Develop a common health information architecture between VA and DoD facilities that would allow the two-way exchange of health information through the development of modern health information systems.</p> |
| VA and DoD will develop a joint plan to define the capability to share <b>bidirectional digital radiology images</b> enterprise-wide.  | <p>Improve quality of care for shared patients (that is, those who receive care from both departments) through the real-time, two-way view of inpatient and outpatient health data from existing systems at all VA and DoD sites.</p> <p>Develop a common health information architecture between VA and DoD facilities that would allow the two-way exchange of health information through the development of modern health information systems.</p> |
| VA plans to <b>integrate the VTA with VA's computerized patient record system (CPRS)</b> to enable wider visibility of DoD's medical information on patients evacuated from the combat theater.                        | <p>Improve data sharing and coordination and quality of care.</p> <p>Enhance the seamless transition of active-duty servicemembers to veteran status, as well as making inpatient health-care data on shared patients immediately accessible to both DoD and VA.</p>  |



**OIG Challenge #1C:**

**New and Significantly-Increased Health Problems Associated with OIF/OEF**

The two sentinel injuries associated with the OIF/OEF conflict are the blast-induced traumatic brain injury (TBI) caused by explosion shock waves and post-traumatic stress disorder (PTSD). TBI was often hidden from doctors by more obvious injuries before the advent of modern body armor that protects most of a soldier's internal organs, but not the brain. TBI issues include not only the direct physical damage associated with concussive trauma, but many other problems that are only now becoming apparent, such as depression and mental health issues. Secretary Nicholson announced June 11, 2007, that all OIF/OEF veterans seeking treatment at VA are being screened for brain injuries and PTSD.

In a July 2006 report,<sup>1</sup> OIG determined that VHA has enhanced case management for TBI patients, but long-term case management needs further improvement. VA recognizes the need to ensure lifelong care for the veteran and support for his or her family, and is working within the scope of its legal authorities to ensure a network of seamless and effective transition of care for veterans after they leave active duty and after they leave specialized military and VA TBI facilities for local VA or fee-basis facilities near their homes.

According to VA testimony, from the start of OIF/OEF through the first quarter of 2007, a third of discharged service members sought VA care and almost 84,000 or 37 percent of those veterans who sought VA care raised mental health concerns. The most common concerns are PTSD, nondependent abuse of drugs, and depressive disorders. Further evidence of the impact of PTSD on VA is that the number of service-connected disabilities for mental disorders doubled from 2001 to 2005, the last year reported, with mental disorders accounting for more than half of all 100% service-connected disabilities.

Today VHA's nationwide network of facilities provides an array of PTSD treatments ranging from outpatient services at Vet Centers and VA medical centers (VAMC) to full-time hospitalization. While the layman may confuse the specific diagnosis of PTSD with broader mental health issues such as depression, substance abuse, and suicidality that also exist within the returning war veteran population, VA will face in both the short-term and the long-term the challenge of providing effective mental health services to OIF/OEF veterans. Furthermore, because self-injury and substance abuse are not uncommon in veterans with PTSD, OIG has discussed the need for dual-diagnosis treatment programs for returning veterans in several reports.

While we believe that the quality of medical care in VHA facilities is generally excellent, VA is challenged to deliver mental health services and seamless transition of care to veterans who live in areas distant from VA facilities.

<sup>1</sup> The Appendix lists this report, as well as other selected reports pertinent to the five key challenges discussed. The Appendix is not intended to encompass all OIG work in an area.



**VA's Program Response to OIG Challenge #1C:  
New and Significantly-Increased Health Problems Associated with OIF/OEF**  
ESTIMATED RESOLUTION TIMEFRAME: FY 2008 AND BEYOND

| <b>Focusing on OIF/OEF Veterans</b>   |  |
|---|--|
| <b>Key FY 2007 Actions</b>  | <b>Anticipated Impacts</b>   |
| Mandated that all <b>OIF/OEF veterans</b> who come to VA for care are <b>screened for TBI</b> . If veterans have positive screens, follow-up evaluations are provided by staff with training and expertise in TBI.  | Improve quality and coordination of care for veterans with TBI, from mild to severe cases. Improve patient outcomes by implementing early treatment.   |
| Allocated more than \$4 million to <b>enhance staffing</b> at the <b>PTSD Clinics</b> to provide appropriate treatment for veterans with both PTSD and substance abuse problems.<br><br>Expanded number of <b>mental health specialists</b> in <b>Community-based Outpatient Clinics (CBOCs)</b> .                              | Increase access to mental health care and substance abuse services.  |
| Designated a <b>nurse</b> or <b>social worker</b> to serve as the <b>OIF/OEF program manager</b> to coordinate care provided to these veterans at each medical facility and independent outpatient clinic. This position functions as the facility's point of contact for the VA liaisons at the military treatment facilities. | Expedite and facilitate the transfer and care coordination of injured servicemembers to VA medical facilities. Improve communication with family members and care coordinators.  |
| Vet Centers have taken the following actions:<br><ul style="list-style-type: none"> <li>○ Initiated an aggressive <b>outreach campaign</b> to OIF/OEF veterans who return from combat.</li> <li>○ <b>Hired 100 OIF/OEF veteran returnees</b> to provide outreach services to their fellow combatants.</li> </ul>                | Meet increased workload associated with the need to provide outreach services and proper case coordination of OIF/OEF veterans. Aid the seamless transition of servicemembers.   |
| Implemented a <b>seamless transition performance measure</b> that measures the percentage of severely injured OIF/OEF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system.  | Expedite the transfer and care coordination of injured servicemembers to VA medical facilities. Ensure that the injured OIF/OEF servicemember/veteran is properly transferred to the VA system and knows that he/she will be receiving the necessary medical care. Improve support and care coordination for family members. |
| Established a <b>Suicide Prevention Hotline</b> . Suicide Prevention Coordinators have also been designated in all medical centers.   | Increase access to care for veterans at risk for suicide and enhance suicide prevention options.<br><br>Improve VA staff awareness of veteran-related issues and services concerning suicide and suicide prevention.   |



| Focusing on OIF/OEF Veterans  |   |
|---|---|
| Key FY 2007 Actions   | Anticipated Impacts   |
| <p><b>Expanded the Polytrauma-TBI System of Care</b> to include 76 facilities across the country, with specially-trained Polytrauma support clinical teams at each site.</p> <p><b>Expanded specialty areas</b>, including military sexual trauma services, suicide prevention initiatives, transitional housing, and psychosocial rehabilitation and recovery.</p> | <p>Provide additional services, including intensive psychological support treatment for both patient and family, and intensive case management.</p> <p>Ensure that polytrauma-TBI patients receive the right level of care at the right type of facility.</p> <p>Allow lifelong coordination of care in the veteran's chosen community.</p> |

| Focusing on OIF/OEF Veterans  |  |
|---|--|
| Key FY 2008 Actions   | Anticipated Impacts  |
| <p>VA will assess <b>whether to increase the number of VA liaisons</b> stationed at the existing medical treatment facilities to handle the increased volume of OIF/OEF servicemembers/veterans transitioning to VA, and how to address the concerns of the <b>Army's Warrior in Transition population</b> at additional military installations.</p>  | <p>Maximize staffing resources to meet the volume of care anticipated. Address the concerns of the <b>Army's Warrior in Transition population</b> at additional military installations.</p>  |
| <p>VA will establish a <b>fifth Polytrauma Rehabilitation Center</b> and enhance services currently available to families and caregivers of veterans with polytrauma and TBI to include delivery of direct medical and mental health care.</p>  | <p>Provide additional services, including intensive psychological support treatment for both patient and family, and intensive case management.</p> <p>Allow lifelong coordination of care in the veteran's chosen community.</p>  |
| <p>By the end of FY 2008, VA will increase access to <b>non-institutional care by 41 percent</b> and develop programs for areas of greatest need through community-based outreach programs and tele-health services.</p>  | <p>Meet the non-institutional care needs of veterans. Provide non-institutional care services to a greater range of eligible veterans.</p>   |
| <p>VA and DoD will <b>improve bidirectional access to medical records</b>, by including more data such as vital sign data, family history, social history, other history, and questionnaires/forms available to VA and DoD providers.</p> <p>Discharge summaries, operative reports, inpatient consults and histories, and physicals will also be made available to VA on shared patients at <b>Landstuhl Regional Medical Center, Germany</b>.</p> | <p>Provide better health care for shared patients (that is, those who receive care from both departments) through the real-time, two-way view of inpatient and outpatient health data from existing systems at all VA and DoD sites.</p> <p>Develop common health information architecture between VA and DoD facilities that would allow the two-way exchange of health information through the development of modern health information systems.</p> |
| <p>Increased efforts will be made to devise a long-term solution to <b>identify high-risk mental health patients in the electronic medical record</b>, possibly through use of national reminders and flagging of special cases.</p>  | <p>Increase effectiveness of identifying high-risk mental health patients and improve access and coordination of care for those patients identified.</p>   |
| <p>The <b>Veterans Health Education and Information Office</b> will work with content experts to develop materials for OIF/OEF patients and family members.</p>   | <p>Improve awareness of OIF and OEF servicemembers, veterans, and their families on VA health care services.</p>   |



**OIG Challenge #1D: Research**

VHA's research component, which has made major advances in medicine in the past half-century, has requested 2008 resources of \$1.8 billion. Research, however, poses inherent challenges. Beyond the obvious fiscal accountability issues, VA research must have oversight and boundaries that keep research from harming patients or getting in the way of needed treatment. Congressional hearings and OIG criminal investigations have spotlighted concerns about the suitability of using specific veterans in specific research programs. OIG plans to expand its efforts to ensure that patient safety is not eclipsed by scientific zeal. Areas of continuing OIG concern in recent reports are the credentialing and privileging of research assistants and informed consent by patients.

**VA's Program Response to OIG Challenge #1D: Research**

ESTIMATED RESOLUTION TIMEFRAME: FY 2008 AND BEYOND

| <b>Strengthening Research Protocols</b>  |   |
|--|---|
| <b>Key FY 2007 Actions</b>   | <b>Anticipated Impacts</b>  |
| Developed two major handbooks to enhance existing policies on the <b>protection of human subjects</b> in research.   | Reduce the risk for violations of all applicable regulatory and policy requirements pertaining to human subject research. Ensure that all VHA facilities are fully aware of the laws and policies concerning human subject research conducted or supported by VA and fully compliant with the requirements specified in the Federal Policy (Common Rule) for the Protection of Human Subjects, 56 Federal Register 28001, June 18, 1991, as codified at 38 CFR Part 16. |
| Required each VA medical facility conducting research to provide appropriate certification of <b>compliance with regulatory and policy requirements</b> .  |   |
| Published Web site checklists for <b>human research protections</b> and <b>research privacy</b> to be used by the VA research community.   |   |
| Issued guidance to all research offices requiring that <b>only licensed personnel</b> with appropriate clinical privileges conduct clinical procedures on research subjects.   | The handbooks are a written commitment by VHA to protect human subjects participating in research.  |
| Also issued a requirement that VA's system-wide credentialing database, VetPro, be used for all health professionals assigned to research, regardless of licensure status.   |   |
| Allow local research offices and the Research and Development Committees to better track non-licensed personnel and ensure that they are not performing inappropriate or unauthorized procedures on human research subjects. |   |

| <b>Strengthening Research Protocols</b>  |  |
|--|--|
| <b>Key FY 2008 Actions</b>   | <b>Anticipated Impacts</b>   |
| Expand educational programs to include an updated curriculum on human subjects protections, information security, and research compliance. | Reduce the risk for violations of all applicable regulatory and policy requirements pertaining to human subject research. Ensure that all VHA facilities are fully aware of the laws and policies concerning human subject research conducted or supported by VA and fully compliant with the requirements specified in the Federal Policy (Common Rule) for the Protection of Human |
| Develop additional online training on VA research information privacy and security.  |  |
| Ensure that all facilities conducting human subjects research undergo accreditation of their human protection programs.                    |  |





| Strengthening Research Protocols   |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
|  | Subjects, 56 Federal Register 28001, June 18, 1991, as codified at 38 CFR Part 16.  |
| Issue additional regulatory guidance on financial conflict of interest in VA research. | Reduce the risk for violations of financial conflict in VA research. Ensure that all VHA facilities are fully aware of and compliant with the laws and policies concerning financial conflict of interest in VA research. |

**OIG Challenge #2: BENEFITS PROCESSING**

*-Strategic Overview-*

VA faces an increasing disability claims workload from returning OIF/OEF veterans, reopened claims from veterans with chronic progressive conditions, and additional claims from an aging veteran population. New laws have expanded benefits eligibility, encouraging more veterans to apply for assistance, a trend which is ongoing in wartime. These factors will continue to present VA with major challenges in timely and accurate processing of disability claims for monetary benefits. In addition, due to factors such as the increasing complexity of the claims veterans file, the complicated rules that the Veterans Benefits Administration (VBA) must follow in deciding disability claims, and the loss of seasoned claims processing staff, VA will face continuing challenges in the accuracy and consistency of benefits decisions.

The President's 2008 budget request for the VA includes \$45.3 billion for entitlement costs, which includes monetary benefits for 3.2 million recipients of compensation benefits. VBA estimates receiving 800,000 disability claims again in 2008, which, in the face of estimated pending balances of about 400,000 rating and almost 180,000 non-rating claims, present serious program management challenges. Benefits claims—including appeals and lawsuits involving denied claims—are increasing while VBA staffing remains near pre-Iraq war levels. OIG audits and investigations identify actions VBA can take to improve the timeliness and quality of claims processed, minimize its exposure to fraud, and reduce the amount of improper payments.

**OIG CHALLENGE #2A: Pending Claims and Estimated Receipts**

Large inventories of pending claims for compensation and pension (C&P) benefits have been a problem for many years, and they continue to be the focus of congressional hearings and press accounts. VBA has said making headway is proving difficult because veterans are filing new and reopened claims faster than VBA generates decisions on pending claims. In 2006, VA received 806,382 claims, and expects 811,000 in 2007. VBA's internal difficulties in handling the workload—compounded by the loss of experienced rating personnel—are further aggravated by differences between DoD and VA disability rating rules and systems. This is one of the areas addressed in recommendations by the Task Force on Returning Global War on Terror Heroes, and under review by the Veterans' Disability Benefits Commission, established by the National Defense Authorization Act for 2004, and which issued its report and recommendations on October 3, 2007. For example, examinations performed by DoD for purposes of determining fitness for continued service are generally not adequate for application of the VA Schedule of Rating Disabilities in determining, for VA disability compensation purposes, the average



impairment in earning capacity. Unless a service member is participating in the Benefits Delivery at Discharge program, VA must wait until he or she is discharged and files a claim before obtaining service medical records, including any medical or physical board proceedings, prior to determining if additional examinations are needed. This contributes to the lengthy claims process faced by veterans.

**VA's Program Response to OIG Challenge #2A: Pending Claims and Estimated Receipts**

ESTIMATED RESOLUTION TIMEFRAME: FY 2008

| <b>Improving Claims Processing Business Operations</b>   |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Increased <b>overtime</b> funding for claims processing staff.   | Increase the number of completed rating-related claims.                      |
| <b>Added</b> approximately 1,000 claims processing FTE.  |  |
| Used 50 <b>rehired annuitants</b> to provide training and mentorship and to assist the <b>Tiger Team</b> with claims processing. |  |
| Increased the minimum RVSR <b>national production requirement</b> to 3.5 weighted actions per day.                               | Improve technical and managerial skills for new managers.                    |
| Increased <b>training initiatives</b> to improve technical and management abilities for <b>new managers</b> .                    |  |
| Began <b>consolidation of death pension claims processing</b> to the three VBA Pension Maintenance Centers (PMCs).               | Improve efficiency and effectiveness in processing disability rating claims. |

| <b>Improving Claims Processing Business Operations</b>   |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| Implement two initiatives designed to increase the productivity of new hires. <ul style="list-style-type: none"> <li>o Modify the Veteran Service Representative (VSR) training protocols to immediately <b>focus new hires on processing burial and dependency claims</b> to allow them to become productive very quickly.</li> <li>o Hire new VSRs at the three PMCs and continue the <b>consolidation of death pension claims</b> to the PMCs. The consolidation is expected to be completed by late FY 2008 or early FY 2009.</li> </ul> | Free other more experienced regional office staff for assignment to disability claims processing.<br><br>Improve efficiency and effectiveness in processing disability rating claims. |
| <b>Consolidate original disability pension claims processing</b> to the three PMCs and evaluate consolidation of dependency and indemnity compensation claims processing.  | Improve efficiency and effectiveness in processing disability rating claims.  |
| Conduct a joint VA and Department of Defense <b>Disability Evaluation System pilot</b> .   | Improve the interaction and data sharing between VA and DoD and services to separating servicemembers with disabilities.  |



**OIG CHALLENGE #2B: Appeals**

The growing number of veterans’ claims for disability benefits entering the appellate processes also contributes to the challenge VA faces and draws attention to timeliness from all stakeholders, including service organizations, Congress, and the media.

The appeal rate on disability determinations has increased since 2000 more than 50 percent, from approximately 7 percent to 11 percent. Over 130,000 appeals are currently pending in VA regional offices and VBA’s Appeals Management Center, including cases requiring processing prior to transfer to the Board of Veterans’ Appeals (BVA) and cases remanded to VBA offices by BVA or the U.S. Court of Appeals for Veterans Claims (CAVC) following an appeal. There are over 30,000 additional appeals now pending at BVA.

The chief judge of CAVC testified before a House Committee on Veterans' Affairs subcommittee on May 22, 2007, that the Court is facing its highest caseload ever, averaging 300 appeals per month, a figure that does not yet include appeals by OIF/OEF veterans. In the first half of 2007, CAVC received 2,542 new appeals, compared to 3,729 for all of 2006. The judge attributed this in part to the sharp increase in denial of claims by BVA, which virtually doubled in a 2-year span, going from 9,299 in 2004 to 18,107 in 2006. All of these processes—initial decisions by VBA, pre-appellate reviews in VA regional offices, actions by VBA’s Appeals Management Center, consideration at BVA, and ultimately consideration by CAVC—present VA with a formidable challenge in terms of timeliness in providing monetary benefits to veterans.

**VA’s Program Response to OIG Challenge #2B: Appeals**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| Improving Claims Processing Business Operations   |   |
|---|---|
| Key FY 2007 Actions   | Anticipated Impacts   |
| As a result of joint VBA/BVA training on reducing avoidable remands, <b>reduced the remand rate</b> from 56.8% in 2004 to 35.7% by mid-year 2007              | Increase the number of appeals decided, and reduce the number of pending appeals. |
| Used <b>overtime</b> for writing and dispatching decisions.   |   |
| Used <b>mentoring and training</b> on efficient case review and decision writing with an emphasis on writing clear, concise, coherent, and correct decisions. | Increase the quality of decisions, and increase the number of appeals decided.    |
| Expanded the <b>flexi-place program</b> to include 88 high-achieving attorneys who have committed to an increased production goal of 170 cases per year.      | Increase the number of appeals decided.   |
| Began evaluating the possible consolidation of <b>appellate workload</b> and added additional FTE to address appellate workload.                              |   |

| Improving Claims Processing Business Operations     |  |
|---|--|
| Key FY 2008 Actions                                 | Anticipated Impacts  |
| Continue using strategies described above for 2007. | Increase the number of appeals decided, reduce the number of pending appeals, and increase the quality of decisions. |



### OIG CHALLENGE #2C: Accuracy and Variance

VBA's long-term efforts to improve the quality—the accuracy and consistency—of claims decisions have resulted in some improvements. VBA conducts accuracy reviews through its Systematic Technical Accuracy Review (STAR) program. In 2005, VBA assigned 18 employees, who reviewed 15,200 cases. The rating and authorization reviews focus on benefit entitlement decisions, and on filed documentation and notice to claimants. One element of STAR determines if the decision was correct, while the other ensures file documentation supports the decision and that proper notice occurred. In a joint hearing on April 12, 2007, before the Senate Committee on Veterans' Affairs and the Senate Committee on Armed Services, the Under Secretary for Benefits stated efforts to address this challenge include "an aggressive and comprehensive program of quality assurance and oversight to assess compliance with VBA claims processing policy and procedures and assure consistent application." He stated that STAR trending of the rating decision quality has resulted in an increase in accuracy over the last 4 years from 81 percent to 89 percent. However, this means that 1 decision in 10 is still inaccurate by VBA's own measure.

A 2005 OIG report on variances in VA disability compensation payments concluded that some veterans' disabilities are more susceptible than others are to variations in ratings. This is due in part to the fact that some diagnostic conditions, such as PTSD, lend themselves to more subjective decision-making practices and that some result from using a disability rating schedule based on a 60-year-old model. In confirming OIG concerns about variance, the National Academy of Sciences study, *A 21st Century System for Evaluating Veterans for Disability Benefits* (2007), conducted under contract with VA, concluded that STAR sampling does not address accuracy at the body system or diagnostic code level, and it does not measure consistency across regional offices. Furthermore, we understand the Rating Schedule under study by the Veterans' Disability Benefits Commission will address a number of concerns coming from use of VA's rating schedule. In recognition of the OIG-identified challenge, VBA has begun taking steps to address the controllable variation. According to the April 12, 2007, testimony of the Under Secretary for Benefits, in addition to the STAR program, VBA's Compensation and Pension Service is identifying unusual patterns of variance in claims adjudication by diagnostic code and VBA is conducting site surveys of regional offices to measure compliance, with particular emphasis on current consistency issues. VA also has received a contract study on removing, to the extent possible, variance in disability decisions across regional offices.



**VA's Program Response to OIG Challenge #2C: Accuracy and Variance**

ESTIMATED RESOLUTION TIMEFRAME: FY 2008

| <b>Improving Quality, Accuracy, and Consistency of Claims Processing</b>  |  |
|---|--|
| <b>Key FY 2007 Actions</b>  | <b>Anticipated Impacts</b>   |
| <p>Conducted a pilot project to monitor <b>consistency of decision-making</b> for rating-related claims.</p> <p>Conducted a consistency review focusing on grants and evaluations of <b>post-traumatic stress disorder (PTSD) claims</b> from a regional office identified during the pilot as a statistical outlier.</p> <p>Developed a plan to reorganize and expand the STAR staff to enable <b>increased</b> regional office accuracy review <b>sampling</b>, expanded <b>rating data analysis</b>, and focused disability decision consistency reviews. STAR reviewers conducted approximately 15,385 reviews in 2007, compared to 13,696 reviews in 2006.</p> | <p>Allow for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.</p> |

| <b>Improving Quality, Accuracy, and Consistency of Claims Processing</b>   |   |
|--|---|
| <b>Key FY 2008 Actions</b>   | <b>Anticipated Impacts</b>  |
| <p>Begin routine quarterly monitoring of compensation and pension rating decisions by diagnostic code.</p>   | <p>Allow for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.</p>                    |
| <p>Expand the STAR staff to accomplish additional reviews.</p>   |   |
| <p>Complete the pilot project mentioned above by conducting <b>consistency reviews</b> focused on <b>individual unemployability (IU)</b> decisions from a regional office identified as a statistical outlier.</p> | <p>Use results from the pilot project to identify unusual patterns of variance in claims decisions and incorporate focused case reviews into routine quality oversight by STAR.</p> |

**OIG Challenge #3: FINANCIAL MANAGEMENT**

*-Strategic Overview-*

Sound financial management is not only the stewardship that makes the best use of limited public resources, but also the ability to collect, analyze, and report reliable data on which resource use and allocation decisions depend. OIG oversight assists VA in providing its program managers with accurate, reliable, and timely information for sound oversight and decision making, while identifying opportunities to improve the quality, management, and efficiency of VA's financial management systems.

Although VA has received unqualified ("clean") opinions in the annual consolidated financial statements (CFS) audits since 1999, these audits continue to report the lack of an integrated financial management system, financial operations oversight, and IT security controls as material weaknesses. This report discusses IT security controls in the next section.



**OIG CHALLENGE #3A: Lack of an Integrated Financial Management System**

While VA has addressed some OIG concerns, including the corrective action in 2005 to eliminate the judgments and claims reportable condition identified in the 2004 audit, the CFS audits continue to report the lack of an integrated financial management system as a material weakness. This is an area of VA noncompliance with the *Federal Financial Management Improvement Act of 1996* (FFMIA), Public Law 104-208. It increases the risk of materially misstating financial information.

The 2005-2006 CFS audit noted, for example, that reconciliations of property records in the loan guaranty programs continued to identify significant differences from non-interfaced systems. Because a number of C&P and education programs did not directly interface with the general ledger or do so at various intervals, numerous adjusting entries had to be made to reconcile balances and ensure that amounts are properly stated. In the life insurance programs, the lack of system interface with VA's general ledger created a need for a significant number of adjusting entries, with the result that some were not posted to the general ledger, nor were reconciling items identified and posted timely.

VA's 4-year remediation program to address this material weakness—the Financial and Logistics Integrated Technology Enterprise (FLITE)—aims to correct financial and logistics deficiencies throughout the Department. FLITE is the successor to the VA's failed CoreFLS program, which was halted after VA had spent \$342 million on it. However, in its report to the Committee on the Budget, the House Committee on Veterans' Affairs recommended decreases in funding for FLITE, commenting, "there is much the VA must accomplish first before it should be spending \$35 million on this program."

**VA's Program Response to OIG Challenge #3A: Lack of an Integrated Financial Management System<sup>2</sup>**

ESTIMATED RESOLUTION TIMEFRAME: FY 2012

<sup>2</sup> The responsibility for remediating this major management challenge is a joint effort of VA's Chief Information Officer and Chief Financial Officer.

| <b>Steps toward an Integrated Financial Management System</b>   |  |
|---|--|
| <b>Key FY 2007 Actions</b>  | <b>Anticipated Impacts</b>   |
| <p>As part of the <b>Financial Reporting Data Warehouse (FRDW)</b> efforts, VA did the following:</p> <ul style="list-style-type: none"> <li>Put into production the PAID (Payroll system) to Financial Management System (FMS) interface.</li> <li>Put into production the Loan Guarantee – Loan Service &amp; Claims (LS&amp;C) interface.</li> </ul> | <p>Simplified reconciliation between program system interfaces (PAID, LS&amp;C) and FMS, as well as providing an audit trail. FRDW is being implemented to remediate a portion of the Lack of an Integrated Financial Management System (LIFMS) material weakness.</p> |



| <b>Steps toward an Integrated Financial Management System</b>   |  |
|---|--|
| Key FY 2007 Actions   | Anticipated Impacts  |
| <p>As part of the FLITE efforts, VA did the following:</p> <ul style="list-style-type: none"> <li>• Established and implemented the FLITE governance framework.</li> <li>• Developed the FLITE Program baseline cost estimates.</li> <li>• Developed a <b>high-level master plan</b> for integrating logistics and financial programs under the FLITE Program Office.</li> <li>• Conducted a <b>FLITE Stakeholder Analysis and Communications Needs Assessment</b> and developed the Organizational Change Management Strategy.</li> <li>• Developed <b>functional logistical and financial requirements</b> and business processes documents.</li> <li>• Determined the COTS solution for the Strategic Asset Management (SAM) component of the program.</li> <li>• Conducted a technical evaluation of financial software.</li> <li>• Awarded a contract to complete the Integrated Financial Accounting System (IFAS) financial requirements and business processes.</li> <li>• Developed a FLITE Acquisition Strategy.</li> <li>• Performed a full analysis on lessons learned from CoreFLS to monitor during the FLITE program lifecycle.</li> </ul> | <p>Sound FLITE Program plans, SAM and IFAS requirements documents, technical evaluation, and contract support for change management activities supported by all stakeholders will ensure success of the FLITE program, which will remediate LIFMS.</p> |



| Steps toward an Integrated Financial Management System   |  |
|--|--|
| Key FY 2008 Actions  | Anticipated Impacts  |
| <p>FRDW-related work resulted in the establishment of <b>three key system interfaces</b>:</p> <ul style="list-style-type: none"> <li>• Loan Guarantee – Centralized Property Tracking System to FMS interface.</li> <li>• VistA Accounts Receivable, Loan Guarantee – Countrywide Home Loans, and Loan Guarantee – Funding Fee Payment System interface.</li> <li>• Fee Program, Veterans Education Benefits, and Vocational Rehabilitation interface.</li> </ul>  | <p>Simplified reconciliation between program system interfaces (PAID, LS&amp;C) and FMS, as well as providing an audit trail. FRDW is being implemented to remediate a portion of the Lack of an Integrated Financial Management System (LIFMS) material weakness.</p> |
| <p>FLITE-related work will consist of the following:</p> <ul style="list-style-type: none"> <li>• Initiate request for proposal (RFP) and award the SAM Implementation contract.</li> <li>• Initiate SAM pilot at Milwaukee VA Medical Center to attain initial operating capability of the SAM system.</li> <li>• Initiate RFP and award the IFAS component of FLITE following OMB financial management line of business (FMLoB) guidance.</li> <li>• Take steps to initiate IFAS pilot.</li> <li>• Continue change management and communication activities targeted to VA stakeholders.</li> </ul> | <p>FLITE program success will result in establishing a fully integrated financial management system for VA.</p>  |

**OIG CHALLENGE #3B: Operational Oversight**

The CFS audits also found a material weakness in VA’s operational oversight over accounting and financial reporting. Key internal controls and reconciliation processes were performed inconsistently and incompletely, sometimes failing to assure appropriate management review. This caused a variety of problems. Extended amounts of time were required to obtain requested details of transactions for audit testing. Support for certain note disclosures were difficult to obtain, and unreconciled differences continued to exist at year's end for tort claims. Auditors also found no evidence that certain non-Medical Care Collections Fund receivables reconciliations were being performed or completed in a timely manner—medical centers stated they did not have the staff to perform all the reconciliations. Delinquent receivables were not consistently followed up for collection.

Combined with the lack of an integrated financial management system, noted above, these weaknesses complicate VA’s ability to prepare and report financial statements on time, impairing its ability to meet its deadline. Financial statements were provided late and required a number of iterations before completion of the audit. A significant number of adjustments needed to be proposed by the auditor. Many of the problems found by the audit process should have been discovered by management through routine operational oversight.





**VA's Program Response to OIG Challenge #3B: Operational Oversight**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| Operational Oversight  |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| <p>Completed full implementation of a <b>financial management reporting system</b> to produce the annual as well as quarterly financial statements.</p> <p>Enhanced the system to produce a majority of required <b>footnote disclosures</b> accompanying the financial statements, ensuring <b>consistency of data</b> between the principle statements and footnotes as well as significantly improving the timeframe needed to generate the statements.</p> | <p>Improved timeliness and accuracy of financial statements preparation and reporting, including footnotes. Staff will shift focus to analysis and review of financial data and statements, as extensive manual efforts will no longer be required.</p>  |
| <p>Implemented key components of <b>remediation plans</b> related to findings in the cash management and financial reporting key business process reviewed under OMB Circular A-123, Appendix A.</p>   | <p>These actions will strengthen the system of internal controls, thereby further mitigating fraud, waste, abuse, or mismanagement and improve the accuracy of VA financial reports.</p>   |
| <p>Initiated a multi-year project, the <b>Financial Policy Improvement Initiative (FPII)</b>, to update all financial policies and procedures.</p>   | <p>Departmentwide standardization of financial management policies and procedures to ensure they are uniform, consistent, and accurate, as well as comply with, and reference where appropriate, all financial management laws and regulations. The "new" financial policies and procedures will ensure key internal controls and reconciliation processes are performed consistently and completely, as well as ensure appropriate management review of the detail and support for the financial statements.</p> <p>New VA financial policy will be drafted where none exists or is outdated, ensuring it complies with FASAB standards, financial management laws and regulations, and OMB and Treasury financial management guidance.</p> |
| <p>Increased oversight of <b>field compliance</b> with the Department's policies and procedures by adding additional audit steps related to findings in the CFS audits to field reviews conducted by VA's Office of Business Oversight (OBO).</p>  | <p>The additional audit steps will report on field compliance with issues identified as a lack of operational oversight in a broader range of VHA facilities. The broader scope will assist VHA managers in identifying and ultimately correcting the non-compliance issues at the facility level.</p>   |
| <p>The VHA Chief Business Office worked closely with the Chief Financial Officer (CFO), the Office of Compliance and Business Integrity, and Health Information Management to develop strategies to assist medical center staff in understanding guidance and to provide training related to the <b>Medical Care Collections Fund (MCCF) accounts receivable</b> follow-up procedures for the medical center staff.</p>  | <p>Improved accuracy and timeliness in collection, reconciliation, and follow-up of accounts receivables.</p>  |



| <b>Operational Oversight</b>  |  |
|---|--|
| Key FY 2008 Actions   | Anticipated Impacts  |
| Implement an Intragovernmental reporting and <b>reconciliation system</b> to improve the quality and consistency of reporting.  | Improved quality of VA data reported in the Governmentwide Financial Report.   |
| Continue FPII to update all <b>financial policies and procedures</b> .  | <p>Departmentwide standardization of financial management policies and procedures to ensure they are uniform, consistent, and accurate, as well as comply with, and reference where appropriate, all financial management laws and regulations. The “new” financial policies and procedures will ensure key internal controls and reconciliation processes are performed consistently and completely, as well as ensure appropriate management review of the detail and support for the financial statements.</p> <p>New VA financial policy will be drafted where none exists or is outdated, ensuring it complies with FASAB standards, financial management laws and regulations, and OMB and Treasury financial management guidance.</p> |
| Continue increased oversight of <b>field compliance</b> with the Department’s policies and procedures.  | The additional audit steps will ensure field compliance with issues identified as a lack of operational oversight in a broader range of VHA facilities. The broader scope will assist VHA managers in identifying and ultimately correcting the non-compliance issues at the facility level.   |
| Complete <b>OMB Circular A-123, Appendix A</b> , review of key business processes and develop remediation processes and plans to correct findings.  | An assessment of the internal controls over financial reporting for all key business processes will be performed. Internal control weaknesses will be identified and remediation plans to correct the deficiencies will be developed. Remediation actions will have been completed or begun and an ongoing monitoring and verification program will be implemented.  |
| Provide additional updated guidance and continued training to medical center staff.   | Consistent implementation and adherence to established VA and VHA policies.  |
| Implement a <b>quality improvement program</b> to address the needs to share better practices among all facilities and establish a quality improvement entity to ensure field implementation of better practices. |  |
| Continue site assist visits for the lower performing sites.   |  |



#### **OIG Challenge #4: PROCUREMENT PRACTICES**

##### ***-Strategic Overview-***

Procurement is the acquisition of goods and services needed to meet VA's mission. VA must maintain a procurement program that can provide quality products, services, and expertise that must be delivered in a timely fashion, for a reasonable price, and to the right place. VA spends over \$6 billion each year purchasing pharmaceuticals, medical/surgical supplies and equipment, and health care services needed to provide quality health care to veterans. VA also purchases goods and services needed to maintain its IT infrastructure and to conduct studies to improve programs and operations.

OIG has three critical roles in evaluating VA's procurement programs and operations: oversight of procurement practices both at Central Office and in the field to ensure compliance with applicable laws and regulations, investigations to detect and prevent illegal activity, and conducting preaward and postaward reviews of VA's Federal Supply Schedule (FSS) contracts and contracts for health care resources awarded by VA medical facilities.

Since 2001, OIG audits, investigations, and reviews have identified significant and persistent deficiencies in the planning, solicitation/award, and administration of contracts throughout VA that have resulted in the loss of hundreds of millions of dollars. Preaward and postaward reviews of FSS and health care resource contracts have resulted in the recovery of \$130 million and the identification of potential cost savings of \$2 billion, of which over \$1.4 billion was realized. Criminal investigations also have identified violations of law involving fraud, bribery, and theft in VA's procurement programs. The lack of oversight, particularly in purchases made using the Government credit card, makes VA's procurement programs vulnerable for illegal activity.

#### **OIG CHALLENGE #4A: Procurement Failures**

VA's most costly procurement failures involved the development and implementation of IT systems intended to provide better visibility and oversight of VA's programs and operations, including its financial activities. These include the failure of CoreFLS, a system that was intended to capture and monitor how VA spends its resources. OIG's 2004 review of the failed deployment of CoreFLS found inadequacies with the planning, award, and administration of the contract. These inadequacies and the failure by VHA to implement the legacy systems needed to integrate the software led to the project's failure and the loss of over \$200 million. As noted in a 2007 review, similar problems led to the failure of a contract to upgrade VA's Patient Financial Services System and the loss of \$30 million. Inadequate planning and poor contract administration resulted in the demise of a Central Incident Response Capability contract which left VA's IT infrastructure vulnerable. The contract, which was valued at \$102.7 million over a 10-year period, was allowed to expire after 2½ years due to lack of funding. Changes to the contract and the lack of internal controls and oversight resulted in the expenditure of \$91.8 million (89.4 percent of the total value) in the 2½ year time period.

Poor procurement practices are not limited to Central Office contracts or IT contracts. OIG audits and reviews have consistently identified procurement deficiencies in VHA medical facilities. A recent audit of financial irregularities at the VA Boston Health Care System identified significant violations of procurement and financial laws and regulations that would have gone undetected but for a complaint to the OIG Hotline. A 2005 OIG report identified problems in the award and administration of sole-source contracts with affiliated institutions to purchase health care



resources. Although VA concurred with the report and issued a nationwide directive to implement the recommendations, subsequent reviews show that the problems persist and there is a lack of compliance with the Directive.

**VA's Program Response to OIG Challenge #4A: Procurement Failures**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| Procurement Failures   |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Began to use Integrated Product Teams (IPTs) and Contract Review Boards (CRBs) for VA acquisitions over \$5 million. VA attorneys served on CRBs to <b>provide guidance on potential terminations of contracts.</b>  | This approach leads to better defined and more useful requirements definitions.  |
| Began to develop the <b>Contract Administration Program</b> for VA acquisitions estimated to exceed \$5 million.   | Implemented to improve contract administration, with contracting and program offices working together to manage contracts throughout their life cycle.   |
| Provided oversight of <b>field compliance</b> with federal and Departmental acquisition policies and procedures, including three VISN-wide contract inspections.   | Oversight programs, such as contract inspections, identify areas of non-compliance with rules and regulations as well as recommendations for corrective actions. The information allows managers at both the field station level and VA Central Office to correct deficiencies in internal controls to prevent future recurrence of non-compliance.<br><br>Provides local management with recommendations to improve their acquisition activities. |
| Engaged an independent third party to conduct a <b>cost-benefit analysis</b> to recommend a strategy for replacement of the current Veterans Health Information Systems and Technology Architecture (VistA) <b>billing and accounts receivable system.</b> | Improve the oversight and internal controls of the Contract Administration Program within the Department.  |

| Procurement Failures  |  |
|---|--|
| Key FY 2008 Actions   | Anticipated Impacts  |
| Expand IPTs and CRBs for VA acquisitions over \$5 million.  | Will continue to improve the acquisition process and improve requirements definitions.   |
| Fully implement the Contract Administration Program for VA acquisitions estimated to exceed \$5 million.  | Will continue to manage and improve the contract administration process.   |
| Hire VA <b>contract attorneys</b> to be strategically placed in VHA networks.   |  |
| Continue oversight of field compliance with federal and Departmental acquisition policies and procedures by conducting at least <b>one VISN-wide contract inspection.</b> | Oversight programs, such as contract inspections, identify areas of non-compliance with rules and regulations as well as recommendations for corrective actions. The information allows managers at both the field station level and VA Central Office to correct deficiencies in internal |



| Procurement Failures   |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
|  | <p>controls to prevent future recurrence of non-compliance.</p> <p>Will continue to conduct reviews and provide local management with recommendations to improve their acquisition activities.</p>  |
| Develop a comprehensive <b>education training</b> program for <b>Enhanced Medical Sharing Contracts</b> .            | Improve the oversight and internal controls of the Contract Administration Program within the Department.   |
| Begin <b>random audits of IT contracts</b> greater than \$1 million to ensure compliance with applicable directives. | <p>Enable VA to identify any deviations from directives and policy, insufficient acquisition planning, and inadequate contract administration. Identification of these issues and subsequent analysis would enable VA to develop and implement processes that ensure early access to acquisition staff for improved acquisition planning and rigorous contract administration to ensure that review and proper payment of vendor invoices and modifications remain within scope.</p> <p>Help VA identify areas where increased or improved training for contracting and project management staff would improve the planning, implementation, and administration of contracts.</p> |

**OIG CHALLENGE #4B: Lack of Corporate Knowledge**

At the present time, VA has no corporate database identifying contracts that have been awarded, individual purchase orders, credit card purchases, or the amount of money spent on goods and services. Lacking a corporate database, the Department does not know what is purchased, from whom, whether purchases are through a contract or open market, or whether prices paid are fair and reasonable. As just one example, VA spends billions of dollars annually using purchase cards with little oversight because the relevant information is maintained only in databases at each facility. Because the procurement program is decentralized and there is no corporate database or effective internal controls, including an oversight program, VA cannot provide assurance that the taxpayer dollars have been spent effectively and without waste.

VA recently implemented a nationwide program, eCMS, to capture contracting actions at both Central Office and in the field. The effectiveness of this program will depend on whether VA contracting entities comply with the policy and whether the data entered into the system is accurate and complete. Although compliance will provide VA with more information regarding the number and type of contracts awarded, it will not provide sufficient information regarding compliance with procurement laws and regulations, whether the contracts were necessary or in the best interest of the Government, and, more importantly, it will not capture individual purchases. In addition to developing information systems needed to capture procurement data, VA also must develop metrics as well as standards to monitor and measure acquisition workload, performance, and purchasing throughout the Department.



There is a clear need to improve the quality and timeliness of legal, technical, and other reviews to guarantee that all contracts are in the best interest of the Government and can withstand legal challenge.

**VA's Program Response to OIG Challenge #4B: Lack of Corporate Knowledge**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| <b>Lack of Corporate Knowledge</b>  |   |
|---|---|
| <b>Key FY 2007 Actions</b>  | <b>Anticipated Impacts</b>  |
| Began to implement the <b>Electronic Contract Management System (eCMS)</b> throughout VA and use it to facilitate Federal Procurement Data System (FPDS) reporting and generation of management reports.  | Mandated for all procurement actions estimated over \$25,000. Existing contracts will now be recorded into eCMS, and any resultant actions throughout the contract life cycle will be processed in eCMS.  |
| Initiated Federal Acquisition Certification-Contracting (FAC-C) <b>certification of VA acquisition workforce.</b>   | Implemented to bring VA's acquisition workforce into compliance with Federal Acquisition Regulation 1.602-1(a).   |
| Exercised acquisition oversight over field acquisition activities through contract inspections and acquisition audits. Conducted <b>quarterly data mining of VA purchase card activity</b> to detect and report violations of federal and Departmental policies and procedures. | Oversight programs, such as contract inspections and purchase card data mining, identify areas of non-compliance with rules and regulations as well as recommendations for corrective actions. The information allows managers at both the field station level and VA Central Office to correct deficiencies in internal controls to prevent future recurrence of non-compliance. |
| Developed and implemented the Contracting Officer Technical Representative (COTR) Web-based training program.   | Improve and promote continuing education of VA COTRs.   |

| <b>Lack of Corporate Knowledge</b>   |   |
|--|---|
| <b>Key FY 2008 Actions</b>   | <b>Anticipated Impacts</b>  |
| Publish the VA Acquisition Regulation (VAAR) as a final rule in the Federal Register.              | It is expected that issuance of the VAAR rewrite will lead to more proactive acquisition planning, well-drafted contracts, and effective contract administration. |
| Complete the initial phase of certifying the VA acquisition workforce.                             | Satisfy VA's compliance with federal regulations.   |
| Evaluate the acquisition system and organizational structure.                                      | Improve the oversight and internal controls of the Contract Administration Program within the Department.   |
| Conduct a spend analysis of VA expenditures.   |   |
| Continue program improvements of eCMS.   | Continue to record and track contracts throughout their life cycle.   |
| Implement and monitor the use of <b>procurement and contracting standard operating procedures.</b> | Improve the oversight and internal controls of the Contract Administration Program within the Department.   |



## **OIG Challenge #5: INFORMATION MANAGEMENT**

### ***-Strategic Overview-***

The multimillion-dollar failure of VA's CoreFLS system development underscored the challenge of effective IT governance—an organizational structure with well-defined roles and responsibilities to ensure that IT investments cost-effectively support the Department's mission and mitigate the risks associated with IT. For the past several years, OIG reports have repeatedly recommended that VA pursue a more centralized IT governance approach, applying appropriate resources and establishing a clear chain of command and accountability structure to implement and enforce IT internal controls. VA has moved to consolidate IT resources and authority under the Department's CIO, transferring employees from VA administrations to the direct control of the Assistant Secretary. This integration, in which the CIO will be in charge of all VA information technology development and operations, will take several months to complete.

VA has made greater progress in IT governance than in IT security, but until the Department succeeds at IT governance, it will continue to have problems with IT security. The January 2007 Birmingham data loss, VA's second major failure of this scope in a year, demonstrates the point. Information systems within VA must be adequately managed and protected to ensure information availability, integrity, authentication, and confidentiality. These systems must also be cost-effective and used in a lawful and ethical manner, while meeting the needs of the user. OIG work will help assess VA efforts to address information security control weaknesses and to establish a comprehensive integrated security management program.

### **OIG CHALLENGE #5A: Confusion of Rules and Guidance**

Numerous separate pre-consolidation IT policies and guidance are still in effect in VA's various administrations and offices. There has also been an understandable rush to issue new directives and training requirements. The result is that most VA employees find themselves in a morass of highly-detailed and yet often unclear directives, memoranda, and training and certification mandates. This tangle has commendably raised awareness of IT security issues, but has not resulted in better information handling. It also concerns OIG that much of VA's monitoring and remediation efforts since opening the National Security Operations Center in August 2006 involve relatively minor breaches in e-mails among VA employees, rather than focusing on large unencrypted data sets at rest, which present the greatest risks.

Furthermore, these policies have created confusion as to what is required, and in some cases failed to provide technical tools to protect information. The initial 2007 draft of a VA handbook on IT security, for example, was approximately 300 single-spaced pages that was expected to be widely read. It was prepared to address OIG's recommendation for a single comprehensive policy, but instead was a single unwieldy and confusing handbook. VA is making real progress at improving its IT governance and security, but it needs to resist the temptation to paper over real problems. The focus for making IT security policy work must be making it understandable to the employees who must use it.



**VA's Program Response to OIG Challenge #5A: Confusion of Rules and Guidance**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| Confusion of Rules and Guidance   |   |
|---|---|
| Key FY 2007 Actions   | Anticipated Impacts   |
| Required all new employees to sign a <b>statement of commitment and understanding</b> regarding their responsibilities for protecting sensitive and confidential VA information.  | Ensure that employees understand not only their obligations and responsibilities for protecting VA sensitive information but also the penalties for non-compliance.                                   |
| Issued numerous IT memorandums, directives, and policies addressing several high-risk areas involving the <b>use of sensitive information</b> .   | Strengthen controls over the protection of VA sensitive information.  |
| Updated and improved <b>VA Cyber Security and Privacy Awareness</b> training modules.   | Increase user awareness of the requirements associated with information security and the protection of VA sensitive information.  |
| Issued procedures for reporting and handling of <b>computer security incidents</b> .  |   |
| Established an <b>Incident Resolution Core Team</b> consisting of key management officials including the Chief Information Officer, Chief Technology Officer, Privacy Officer, and other senior officials from VA's Offices of Information Technology, General Counsel, Cyber Security, Congressional Relations, Public Affairs, and Human Resources. | Improve the Department's capability to quickly and effectively respond to IT security incidents, which will help ensure the confidentiality, integrity, and availability of VA sensitive information. |
| Deployed Rights Management Services (RMS) software to handle email encryption as well as <b>file and document encryption for data at rest</b> .   | Better safeguard sensitive data within VA through encryption and controlling what authorized recipients can do with sensitive data.   |
| Encrypted over 18,000 VA laptops out of a total of 26,700 laptops.  | Help ensure the confidentiality, integrity, and availability of VA data by providing stronger controls over the data stored on mobile computing devices.  |

| Confusion of Rules and Guidance   |   |
|---|---|
| Key FY 2008 Actions   | Anticipated Impacts   |
| All new employees will sign a <b>statement of commitment and understanding</b> regarding their responsibilities for protecting sensitive and confidential VA information. | Ensure that all new employees understand not only their obligations and responsibilities for protecting VA sensitive information but also the penalties for non-compliance.           |
| Deploy <b>tape encryption</b> throughout VA. This is for backup tapes that are carried off-site, in an effort to <b>encrypt large data sets at rest</b> .                 |   |
| Complete the roll-out of <b>port security and host integration software</b> to secure large data sets.  | Help ensure the confidentiality, integrity, and availability of VA sensitive data by providing stronger controls over the transmission, processing, and/or storage of sensitive data. |
| Develop plans to integrate evolving technology and other best practices into the <b>encryption management program</b> .   |   |





**OIG CHALLENGE #5B: Material Weakness in IT Security Controls**

For several years, OIG reports have also identified serious weaknesses in IT security controls—controls to protect the integrity of VA data and guarantee the privacy of veterans and their families. OIG's annual CFS audits, for example, continue to report IT security controls as a material weakness. Although the 2006 and 2005 CFS audit noted that management of data centers and several program offices have taken actions to remediate previously reported elements of IT control weaknesses, VA program and financial data continue to be at risk due to serious weaknesses related to lack of effective implementation and enforcement of agency-wide security programs in a coordinated manner. The audit found that these weaknesses placed sensitive information, including financial data and veterans' medical and benefit information, at risk of misuse, improper disclosure, theft, or destruction, possibly occurring without detection. The audit's assessment of the general and application controls of VA's key financial systems identified significant areas of control weaknesses. Since this audit was conducted, VA has begun the integration of the Austin, Hines, and Philadelphia data centers into its Corporate Franchise Data Center.

**VA's Program Response to OIG Challenge #5B: Material Weakness in IT Security Controls**

ESTIMATED RESOLUTION TIMEFRAME: FY 2010

| <b>Material Weakness in IT Security Controls</b>   |  |
|--|--|
| <b>Key FY 2007 Actions</b>   | <b>Anticipated Impacts</b>   |
| Began to implement the Data Security, Assessment and Strengthening of Controls Program (DS-ASC) to <b>centrally manage</b> implementation, enforcement, and <b>remediation of IT security controls</b> throughout the Department.                  | Consistent and more effective management and remediation of IT security deficiencies.                    |
| <b>Established the Office of IT Oversight &amp; Compliance</b> , which consolidated existing IT security inspection/compliance program activities into one office to assist the CIO in <b>centralized enforcement of VA IT security controls</b> . | Improve ways to monitor and enforce compliance with existing laws and regulations regarding IT security. |

| <b>Material Weakness in IT Security Controls</b>                                     |  |
|--|--|
| <b>Key FY 2008 Actions</b>   | <b>Anticipated Impacts</b>   |
| Certify and accredit over <b>600 Department information systems</b> .                | Allow officials to better understand and manage the risks associated with the operation of VA information systems. |
| <b>Centralize enforcement and remediate IT security deficiencies</b> via the DS-ASC. | More effective and timely remediation of IT security deficiencies.   |
| <b>Inspect IT controls</b> at VA facilities.   | Improve IT security controls.  |



**OIG CHALLENGE #5C: VA Information Security Program Reviews**

For the past several years, OIG has reported vulnerabilities with IT security controls in our CFS audit reports; *Federal Information Security Management Act* (FISMA), Public Law 107-347, reports; and CAP reviews. Each year, OIG continues to identify repeat deficiencies and repeat recommendations that remain unimplemented. All five FISMA reviews have found major problems that have never been corrected and made recommendations that have never been implemented. OIG’s 2004 FISMA Audit reported that inadequate IT security controls for VA’s financial management systems continued to place VA program and financial information at risk. The audit found inadequate implementation and enforcement of access controls to financial management systems and data, improper segregation of duties for the staff that operate and maintain key IT systems, inadequate continuity planning for IT services, and inconsistent development and implementation of system change controls. OIG’s 2005 FISMA Audit reaffirmed all the unimplemented recommendations, and added another VA action, but two of the older recommendations were subsequently closed as being implemented. The 2006 FISMA Audit added additional recommendations in September 2007. OIG has reported IT security as a major management challenge for the Department each year for the past 6 years.

OIG’s 2006 review of circumstances surrounding the theft of a personally-owned laptop computer and external hard drive containing personal information on veterans and military personnel also recommended that VA take several steps to improve policy and training to protect information and information systems. Some recommendations remain open. The review also noted security problems with contracting for services, which give the contractor access to protected VA systems and systems of records. Sensitivity level designations for contractor personnel in VHA are determined by each Veterans Integrated Service Network (VISN) office, which has resulted in inconsistent and inaccurate designations. Many contracts reviewed did not include certain provisions to protect the information or the systems, and as a result, contracting personnel were given access without proper training or clearances.

**VA’s Program Response to OIG Challenge #5C: VA Information Security Program Reviews**

ESTIMATED RESOLUTION TIMEFRAME: FY 2010

| <b>VA Information Security Program Reviews</b>   |  |
|--|--|
| <b>Key FY 2007 Actions</b>   | <b>Anticipated Impacts</b>   |
| Began to implement the Data Security, Assessment and Strengthening of Controls Program (DS-ASC) to <b>centrally manage</b> implementation, enforcement, and remediation of <b>IT security controls</b> throughout the Department.      | Establish accountability for compliance with privacy and information security requirements and help prevent breaches of confidentiality and unauthorized use of veterans’ sensitive and protected information. |
| Established the Office of IT Oversight & Compliance, which consolidated existing IT security inspection/compliance program activities into one office to assist the CIO in <b>centralized enforcement of VA IT security controls</b> . | Better compliance with existing laws and regulations regarding IT security.  |



| VA Information Security Program Reviews  |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Issued draft <b>VA Handbook 6500 Information Security Program</b> , which contains language specifying that contractor personnel are to be held to the same standards as VA employees and that information accessed, stored, or processed on non-VA automated systems are to be safeguarded.             | Help ensure that sensitive data outside of VA's span of control are adequately protected.  |
| Completed movement of the VA Central Office Data Center, which fully remediates <b>one of the 17 recommendations</b> contained in the FY 2005 FISMA Audit Report.  | Decrease risk of environmental damage to VA Central Office Data Center assets.   |
| Issued numerous IT memorandums, directives, and policies addressing several high-risk areas involving the <b>use of sensitive information</b> .  | Establish and/or strengthen controls over the protection of VA sensitive information.  |
| Updated and improved VA Cyber Security and Privacy Awareness <b>training modules</b> .   | Increase user awareness of the requirements associated with information security and the protection of VA sensitive information.   |
| Updated system security plans for over <b>600 VA systems</b> to reflect existing and planned security controls.  | Allow managers to document and remediate shortcomings in existing controls. In addition, prepare systems for certification and accreditation.  |
| Implemented actions to address recommendations in the OIG report concerning "Loss of VA Information, at the VA Medical Center, Birmingham, Alabama," such as posting a <b>research privacy checklist</b> on the Web for use by the VHA Office of Research Oversight staff and the VA research community. | Provide specific application of VA information privacy requirements in the research setting and enable research facilities to conduct self-assessments to ensure continuing compliance and improvement.  |
| Developed a checklist for <b>research information security</b> that is used by VA research facilities as well as IT review teams.  | Strengthen controls over the use, storage, and transmission of VA research data.   |
| Conducted <b>site visits</b> at VA medical facilities; facilities must develop a remedial action plan to address any issues of noncompliance.  | Provide direct oversight and independent evaluation of compliance with research information privacy and security requirements and ensure prompt correction of identified deficiencies. Prospect of on-site inspections motivates facilities to ensure continuous compliance.<br><br>Improve IT security controls at VA medical facilities. |
| Collaborated with the wider academic community and other federal agencies that support biomedical research to create alignment with <b>federal information security management</b> requirements for research involving veterans.   | Help ensure that veterans' information is afforded the highest standard of security nationwide.  |
| Handbook 1200.12, "Use of Data and Data Repositories in VA Research," placed more stringent requirements on the use and storage of VA research data.   | Establish a baseline set of controls that will better protect the use, transmission, and storage of veterans' sensitive research data.   |



| VA Information Security Program Reviews  |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Over 20,000 VA research staff completed mandatory training on privacy and security requirements developed specifically to address the complex needs of the research environment. | <p>Provide specific application of VA information privacy and security requirements to long-term storage and use of veterans' information for research, thereby helping prevent breaches of confidentiality and unauthorized use of veterans' sensitive and protected health information.</p> <p>Increase awareness of the requirements for protection of VA sensitive information located in research facilities.</p> |

| VA Information Security Program Reviews   |   |
|---|---|
| Key FY 2008 Actions   | Anticipated Impacts   |
| Certify and accredit over 600 Department information systems.   | Allow officials to better understand and manage the risks associated with the operation of VA information systems.  |
| Centralize enforcement and remediate IT security deficiencies via the DS-ASC.   | More effective and timely remediation of IT security deficiencies.  |
| Inspect IT controls at VA facilities.   | Improve IT security controls.   |
| <b>Install PKI</b> for all medical care staff and develop a plan to have PKI implemented for medical care contractors.  | Help ensure the confidentiality, integrity, and availability of VA sensitive data by providing stronger controls over the transmission and/or storage of sensitive data.  |
| All medical care employees and contractors will complete <b>annual privacy and security training</b> .  | Help ensure the confidentiality, integrity, and availability of veterans' data through better awareness of the security and privacy requirements associated with the protection of VA sensitive medical and research information.   |
| Institute a requirement for <b>nationwide certification</b> of all active research protocols for compliance with security standards. Continue mandatory education of the VA research community on privacy and security requirements.                            |   |
| Finalize a directive to mandate the appointment of a Facility Information Security Officer and a Privacy Officer to the facility Institutional Review Boards (IRBs), or mandating their inclusion in the process for reviewing proposals for all external IRBs. | The draft directive provides practical guidance and appears to be executable in VHA health care facilities; however, it may be difficult to implement with external IRBs.   |
| Establish a full-time Privacy Officer at all major VHA health care facilities.  |   |
| Centralize data access management of VA national data containing social security numbers to ensure compliance and improve oversight.  | Provide specific application of VA information security requirements in the research setting and make individual research investigators and medical facilities aware of these requirements, thus fostering accountability of individual investigators and helping prevent breaches of confidentiality and unauthorized use of veterans' sensitive and protected health information. |
| Participate in numerous <b>educational and training</b> sessions to reach out to key members of the research community about the requirements for <b>research information security</b> .  |   |



| VA Information Security Program Reviews   |  |
|---|--|
| Key FY 2008 Actions   | Anticipated Impacts  |
| Communicate to medical facilities that they must use VHA Directive and Handbook 0710 to address sensitivity level designations. | Strengthen the security and protection of VA information systems by ensuring the suitability of personnel having access. |

### APPENDIX

The Appendix lists selected reports pertinent to the five key challenges discussed. However, the Appendix is not intended to encompass all OIG work in an area.

#### HEALTH CARE DELIVERY

*Audit of VHA's Part-Time Physician Time and Attendance*

(OIG Report 02-01339-85, April 23, 2003)

*Healthcare Inspection, VHA's Community Residential Care (CRC) Program*

(OIG Report 03-00391-138, May 3, 2004)

*Healthcare Inspection, Review of Quality of Care, Department of Veterans Affairs James A. Haley Medical Center, Tampa, Florida*

(OIG Report 05-00641-149, June 1, 2005)

*Audit of the Veterans Health Administration's Outpatient Scheduling Procedures*

(OIG Report 04-02887-169, July 8, 2005)

*Review of Access to Care in the Veterans Health Administration*

(OIG Report 05-03028-145, May 17, 2006)

*Healthcare Inspection, Follow-Up Review of the Quality of Care at the James A. Haley Medical Center, Tampa, Florida*

(OIG Report 05-00641-166, July 12, 2006)

*Healthcare Inspection, Health Status of and Services for Operation Enduring Freedom/Operation Iraqi Freedom Veterans after Traumatic Brain Injury Rehabilitation*

(OIG Report 05-01818-165, July 12, 2006)

*Healthcare Inspection, Access to Post-Traumatic Stress Disorder Treatment, James J. Peters VA Medical Center, Bronx NY*

(OIG Report 05-03571-187, August 11, 2006)

*Review of Recurring and Systematic Issues Identified During Combined Assessment Program Reviews at VA Facilities January 1999 through August 2006*

(OIG Report 06-03441-227, September 25, 2006)

*Alleged Documentation Irregularities and Human Subjects Protection Violations at Bay Pines VA Healthcare System, Bay Pines, Florida*

(OIG Report 06-01952-63, January 23, 2007)

*Healthcare Inspection, Research Practices at Carl T. Hayden VA Medical Center Phoenix, Arizona*

(OIG Report 07-00589-118, April 20, 2007)

*Healthcare Inspection Implementing VHA's Mental Health Strategic Plan Initiatives for Suicide Prevention*

(OIG Report 06-03706-126, May 10, 2007)

*Administrative Investigation Loss of VA Information VA Medical Center Birmingham, Alabama*

(OIG Report 07-01083-157, June 29, 2007)



*Audit of the Veterans Health Administration's Outpatient Waiting Times*  
(OIG Report 07-00616-199, September 10, 2007)

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*Statement of Antonette Zeiss, Ph.D., Deputy Chief Consultant, Office of Mental Health Services*  
(House Committee on Oversight and Government Reform Hearing, May 24, 2007)

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*Veterans Benefits Administration Annual Benefits Report for Fiscal Year 2005*  
(September 2006)

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*Task Force Report to the President*  
(Task Force on Returning Global War on Terror Heroes, April 19, 2007)

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*VA and DoD Health Care: Opportunities to Maximize Resource Sharing Remain*  
(GAO Report GAO-06-315, March 20, 2006)

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*Post-Traumatic Stress Disorder: DoD Needs to Identify the Factors Its Providers Use to Make Mental Health Evaluation Referrals for Servicemembers*  
(GAO Report GAO-06-397, May 11, 2006)

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*VA and DoD Health Care: Efforts To Provide Seamless Transition of Care for OEF and OIF Servicemembers and Veterans*  
(GAO Report GAO-06-794R, June 30, 2006)

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*VA Health Care: Spending for Mental Health Strategic Plan Initiatives Was Substantially Less Than Planned*  
(GAO Report GAO-07-66, November 21, 2006)

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*VA and DoD Health Care: Challenges Encountered by Injured Servicemembers During Their Recovery Process*  
(GAO Report GAO-07-606T, March 8, 2007)

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*VA and DoD Are Making Progress in Sharing Medical Information, but Are Far from Comprehensive Electronic Medical Records*  
(GAO Report GAO-07-852T, May 8, 2007)

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### **BENEFITS PROCESSING**

*Review of State Variances in VA Disability Compensation Payments*  
(OIG Report 05-00765-137, May 19, 2005)

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*Review of Recurring and Systematic Issues identified During Combined Assessment Program Reviews at VA Facilities January 1999 through August 2006*  
(OIG Report 06-03441-227, September 25, 2006)

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*Audit of Veterans Benefits Administration's Pension Maintenance Program Administered by the Pension Maintenance Centers*  
(OIG Report 05-03180-111, March 30, 2007)

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*Task Force Report to the President*  
(Task Force on Returning Global War on Terror Heroes, April 19, 2007)

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*Veterans' Disability Benefits: Long-Standing Claims Processing Challenges Persist*  
(GAO Report GAO-07-512T, March 7, 2007)

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*Veterans Benefits Administration: Progress Made in Long-Term Effort To Replace Benefits System, but Challenges Persist*  
(GAO Report GAO-07-614, April 27, 2007)

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*Statement of Daniel L. Cooper, Under Secretary For Benefits* (Joint Hearing before the Senate Committee on Veterans' Affairs and the Senate Committee on Armed Services, April 12, 2007)



*Statement of Ronald R. Aument, Deputy Under Secretary for Benefits (House Committee on Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs Hearing, March 13, 2007)*

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*Statement of Hon. William P. Greene, Jr., Chief Judge, U.S. Court of Appeals for Veterans Claims (House Committee on Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs Hearing, May 22, 2007)*

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*A 21<sup>st</sup> Century System for Evaluating Veterans for Disability Benefits (Institute of Medicine, May 7, 2007)*

### **FINANCIAL MANAGEMENT**

*Report of the Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2006 and 2005*

*(OIG Report 06-01279-24, November 14, 2006)*

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*Report to the Committee on the Budget from the Committee on Veterans' Affairs Submitted Pursuant to Section 301 of the Congressional Budget Act of 1974 on the Budget Proposed for Fiscal Year 2008*

*(March 1, 2007)*

### **PROCUREMENT PRACTICES**

*Issues at VA Medical Center Bay Pines, Florida, and Procurement and Deployment of the Core Financial and Logistics System (CoreFLS)*

*(OIG Report 04-01371-177, August 11, 2004)*

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*Evaluation of VHA Sole-Source Contracts with Medical Schools and Other Affiliated Institutions*

*(OIG Report 05-01318-85, February 16, 2005)*

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*Review of VA Implementation of the Zegato E-Travel Service*

*(OIG Report 04-00904-124, March 31, 2005)*

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*Audit of VA Acquisition Practices for the National Vietnam Veterans Longitudinal Study*

*(OIG Report 04-02330-212, September 30, 2005)*

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*Audit of VA Acquisitions for Other Government Agencies*

*(OIG Report 04-03178-139, May 5, 2006)*

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*Audit of the Veterans Health Administration's Acquisition of Medical Transcription Services*

*(OIG Report 04-00018-155, June 14, 2006)*

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*Patient Financial Services System Contract Planning, Award, and Administration Review, VA Central Office*

*(OIG Report 06-03285-73, January 31, 2007)*

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*Administrative Investigation, Contract Award and Administration Irregularities, Offices of Information & Technology and Acquisition & Materiel Management, VA Central Office*

*(OIG Report 06-02238-84, February 12, 2007)*

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*Review of VA Central Incident Response Capability Contract Planning, Award, and Administration*

*(OIG Report 04-03100-90, February 26, 2007)*

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*Audit of Alleged Mismanagement of Government Funds at the VA Boston Healthcare System*

*(OIG Report 06-00931-139, May 31, 2007)*



**INFORMATION MANAGEMENT**

*FY 2005 Audit of VA Information Security Program*  
(OIG Report 05-00055-216, September 20, 2006)

*Report of the Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2006 and 2005*  
(OIG Report 06-01279-24, November 14, 2006)

*Review of Issues Related to the Loss of VA Information Involving the Identity of Millions of Veterans*  
(OIG Report 06-02238-163, July 11, 2006)

*Administrative Investigation Loss of VA Information VA Medical Center Birmingham, Alabama*  
(OIG Report 07-01083-157, June 29, 2007)

*FY 2006 Audit of VA Information Security Program*  
(OIG Report 06-00035-222, September 28, 2007)

*FY 2009 Business Plan*  
(Corporate Franchise Data Center, May 2007)

**OIG Contact and Staff Acknowledgments**

|                  |                                    |
|------------------|------------------------------------|
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## High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA’s programs and operations. In January 2007, GAO issued an update to its High-Risk Series (GAO-07-310). The GAO-identified High-Risk areas (specific to VA as well as governmentwide) are summarized below. In response, the Department has provided *key actions taken* in 2007 as well as *key actions planned* for 2008, the *anticipated impacts* of the key actions, and the *estimated resolution timeframe* (fiscal year) for each high-risk area. Some of the impact statements affect more than one key action since some actions are interrelated.

The table below shows the strategic goal to which each high-risk area is most closely related, as well as its estimated resolution timeframe.

| High-Risk Area  |   | Estimated Resolution Timeframe (Fiscal Year) | Page # |
|---|---|--|--------|
| No.   | Description   |  |        |
| <b>Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans</b> |   |  |        |
| GAO 1   | Modernizing Federal Disability Programs   | 2009   | 289    |
| <b>Enabling Goal: Applying Sound Business Principles</b>                                |   |  |        |
| GAO 2   | Strategic Human Capital Management: A Governmentwide High-Risk Area   | 2012   | 292    |
| GAO 3   | Managing Federal Real Property: A Governmentwide High-Risk Area   | 2010   | 294    |
| GAO 4   | Protecting the Federal Government’s Information Systems and the Nation’s Critical Infrastructures: A Governmentwide High-Risk Area  | 2010   | 297    |
| GAO 5   | Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area | Ongoing                                      | 299    |
| GAO 6   | Management of Interagency Contracting: A Governmentwide High-Risk Area  | 2009   | 300    |



**GAO High-Risk Area #1: Modernizing Federal Disability Programs**

**Background**

In January 2003, GAO designated modernizing federal disability programs as a high-risk area because of challenges that continue today. For example, despite opportunities afforded by medical and technological advances and the growing expectations that people with disabilities can and want to work, federal disability programs remain grounded in outmoded concepts that equate medical conditions with work incapacity. Moreover, just as the disability programs are positioned to grow rapidly with current demographics, the Social Security Administration (SSA) and the Department of Veterans Affairs (VA) face difficult challenges in providing timely and consistent disability decisions. Modernizing federal disability programs remains a high-risk area as solutions are likely to require fundamental changes, including regulatory and legislative action.

**GAO Recommendations**

While SSA and VA have taken some actions in response to prior GAO recommendations, GAO continues to believe that SSA and VA should take the following actions:

- Examine the fundamental causes of program problems.
- Seek the regulatory and legislative solutions needed to transform their programs so that they are aligned with the current state of science, medicine, technology, and labor market conditions.
- Continue to develop and implement strategies to better manage the programs’ accuracy, timeliness, and consistency of decision making.
- Specific open GAO recommendations are as follows:
  - Obtain complete and accurate military service records in a timely manner.
  - Prepare medical exam reports that include information needed to adjudicate claims of joint and spine disabilities.
  - Update the *VA Schedule for Rating Disabilities*.
  - Review the claims processing field structure.

**VA’s Program Response to GAO High-Risk Area #1:  
Modernizing Federal Disability Programs**  
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| <b>Modernizing Federal Disability Programs</b>  |  |
|---|--|
| Key FY 2007 Actions   | Anticipated Impacts  |
| <p>Conducted a pilot project to monitor <b>consistency of decision-making</b> for rating-related claims.</p> <p>Conducted a consistency review focusing on grants and evaluations of <b>post-traumatic stress disorder (PTSD) claims</b> from a regional office identified during the pilot as a statistical outlier.</p> | <p>Allow for better management of the compensation and pension programs’ accuracy, timeliness, and consistency of decision-making for rating-related claims.</p> |



| <b>Modernizing Federal Disability Programs</b>  |   |
|---|---|
| Key FY 2007 Actions   | Anticipated Impacts   |
| <p>Developed a plan to reorganize and expand the STAR staff to enable <b>increased</b> regional office accuracy review <b>sampling</b>, expanded <b>rating data analysis</b>, and focused disability decision consistency reviews. STAR reviewers conducted approximately 15,385 reviews in 2007, compared to 13,696 reviews in 2006.</p>   |   |
| <p>To improve the <b>quality of the records research</b> done by VBA's Records Management Center, VA increased the systematic quality review program from a computerized review of Personnel Information Exchange System (PIES) responses to a review of PIES responses and associated records sent with those responses.</p>   |   |
| <p>To <b>improve timeliness in deciding PTSD claims</b> and reduce research requests to the Joint Services Records Research Center (JSRRC), VBA obtained a database of historical military records and additional databases from the JSRRC. This information is available to employees on the Compensation &amp; Pension Service Intranet site.</p>   |   |
| <p>To address the <b>quality of medical exam reports</b>, VA deployed 58 computerized exam templates, one for each Compensation and Pension exam type, to every VHA compensation and pension exam site.</p>   | <p>Data from VA's Compensation and Pension Examination Program Office (CPEP) show the quality of joint and spine exams has improved. The percentage of joint exams containing information addressing additional functional limitation following repetitive use improved from 67 percent in FY 2005 to 88 percent for the period of October 2006 through April 2007. Similar improvement was also noted on spine exams with 68 percent in FY 2005 to 89 percent for the period of October 2006 through April 2007.</p> |
| <p>Continuing efforts to <b>update the Schedule for Rating Disabilities</b>, VA implemented a final rule updating the rating criteria for disabilities of the cardiovascular and respiratory systems that went into effect on October 6, 2006. On March 20, 2007, VA published a large rulemaking in the Federal Register that updated Appendices A, B, and C of the Schedule for Rating Disabilities. These appendices list all VA diagnostic code numbers by regulation section, by diagnostic code number, and by type of disease or injury.</p> | <p>These updates provide the mechanism for ensuring that disabled veterans are properly compensated for average loss in earnings capacity as required by statute.</p>   |
| <p>As part of its ongoing efforts to <b>streamline the claims processing field structure</b>, VA established a workgroup to recommend compensation activities that could be realigned more efficiently and effectively. The workgroup outlined three recommendations:</p> <p style="padding-left: 40px;">(1) Establish a centralized call center for Veteran Service Center public contact</p>  | <p>Continued efforts to streamline work processes lead to increased efficiency and effectiveness of the claims process and improved service to veterans.</p>  |



| Modernizing Federal Disability Programs  |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| <p>telephone functions.</p> <p>(2) Restructure field examiner and legal instrument examiner activities and remove state jurisdictional boundaries.</p> <p>(3) Consider the consolidation of survivor benefit claim processing to Survivor Benefit Centers.</p> |  |
| <p>As a result of joint VBA/BVA training on reducing avoidable remands, reduced the remand rate from 56.8 percent in 2004 to 35.7 percent by mid-year 2007.</p>  | <p>Increase the number of appeals decided, and reduce the number of pending appeals.</p> |
| <p>Continued effective quality review of a random sample of appellate decisions to ensure quality.</p>   | <p>Deficiency-free rate of 93.5 percent through the end of July.</p>                     |

| Modernizing Federal Disability Programs  |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| <p>Begin routine <b>quarterly monitoring of</b> compensation and pension rating <b>decisions by diagnostic code.</b></p>   | <p>Allow for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.</p>                    |
| <p><b>Expand the STAR staff</b> to accomplish additional reviews.</p>  |   |
| <p>Continue efforts to improve the <b>quality and timely receipt of military service records.</b></p>  |   |
| <p>Complete the pilot project mentioned above by conducting <b>consistency reviews</b> focused on <b>individual unemployability (IU)</b> decisions from a regional office identified as a statistical outlier.</p>   | <p>Use results from the pilot project to identify unusual patterns of variance in claims decisions and incorporate focused case reviews into routine quality oversight by STAR.</p> |
| <p>Continue to improve exam worksheets, templates, and template-generated exam reports based on technical enhancements and field input. A satellite broadcast on Improving Quality of Exam Requests is scheduled for early 2008.</p>   | <p>Improve the quality and consistency of medical exam information used in the claims process.</p>  |
| <p><b>Complete rulemakings</b> to update the following portions of the VA Schedule for Rating Disabilities:</p> <ul style="list-style-type: none"> <li>• Organs of Special Sense (the eye)</li> <li>• Neurological Conditions and Convulsive Disorders</li> <li>• Evaluation of Scars</li> </ul>   | <p>Provide the mechanism for ensuring that disabled veterans are properly compensated for average loss in earnings capacity as required by statute.</p>                             |
| <p>Continue to evaluate <b>consolidation opportunities</b> such as the following:</p> <ul style="list-style-type: none"> <li>• Consolidation of customer service calls to nine Virtual Information Centers with an expected completion date of June 2009.</li> <li>• Establishment of a fiduciary hub pilot, consolidating fiduciary activities to one site.</li> <li>• Consolidation of survivor benefit claim processing to Survivor Benefit Centers.</li> </ul> | <p>Continued efforts to streamline work processes lead to increased efficiency and effectiveness of the claims process and improved service to veterans.</p>                        |



| Modernizing Federal Disability Programs  |   |
|--|---|
| Key FY 2008 Actions  | Anticipated Impacts   |
| Continue efforts to <b>reduce avoidable remands</b> .  | Increase the number of appeals decided, and reduce the number of pending appeals.         |
| Implement the Expedited Claims Adjudication initiative to streamline the claims adjudication and appeal process by providing an avenue for represented claimants to voluntarily waive certain responses timelines and agree to respond quickly to VA requests for evidence and to file any desired appeals in an expedited manner. | Reduce the amount of time that a claimant has to wait for a decision on his or her claim. |

**GAO High-Risk Area #2: Strategic Human Capital Management**

**Background**

GAO first added strategic human capital management as a governmentwide high-risk area in 2001 because federal agencies lacked a strategic approach to human capital management that integrates human capital efforts with agency mission and program goals. The area remains high risk because the federal government now faces one of the most significant transformations to the civil service in half a century, as momentum grows toward making governmentwide changes to agency pay, classification, and performance management systems.

Moving forward, there is still a need for a governmentwide framework to advance human capital reform in order to avoid further fragmentation within the civil service, ensure management flexibility as appropriate, allow a reasonable degree of consistency, provide adequate safeguards, and maintain a level playing field among federal agencies competing for talent.

**GAO Recommendations**

Agencies should do the following:

- Continue to assess their workforce needs and make use of available authorities.
- Demonstrate they have developed an institutional infrastructure that can support reform. This infrastructure should include:
  - A modern, credible performance management system that provides clear linkage between institutional, unit, and individual performance-oriented outcomes.
  - Adequate safeguards to ensure the fair, effective, credible, and nondiscriminatory implementation of the system.



**VA's Program Response to GAO High-Risk Area #2: Strategic Human Capital Management**

ESTIMATED RESOLUTION TIMEFRAME: FY 2012

| <b>Strategic Human Capital Management</b>  |  |
|--|--|
| <b>Key FY 2007 Actions</b>   | <b>Anticipated Impacts</b>   |
| Conducted annual <b>succession planning and workforce analysis</b> and implemented additional enhancements to workforce database analysis tools.   | Help VA anticipate potential workforce gaps and create action plans to achieve optimal staffing throughout the Department.   |
| Analyzed and reported Departmental use of <b>hiring flexibilities</b> to the Office of Personnel Management on a quarterly basis.  | Encourage creative use of hiring flexibilities to assist in hiring qualified candidates for hard-to-fill positions.  |
| Continued the process of <b>linking SES performance to strategic goals</b> , cascading these models down through all levels of the organization, and <b>reflecting these linkages in performance plans</b> .<br>Continued to broadcast a training video on closed-circuit television addressing the development of <b>performance plans that directly link to and support organizational goals</b> . | Ensure that VA employees at all levels are familiar with how their work helps their employing organization meet its strategic goals.   |
| Converted all VA employees to a <b>5-level performance appraisal program</b> and initiated review of the effectiveness of the program.   | Previously, there was no mechanism to distinguish employee performance beyond the "pass-fail" system on two levels. The new system provides a means of further distinction in performance. |
| Completed additional assessment tools for selected samplings of employees at various performance pilot sites to identify strengths and weaknesses of current performance appraisal programs for the purpose of making continued improvements.  | Ensure that VA performance plans contain clear, meaningful, and measurable language.   |

| <b>Strategic Human Capital Management</b>   |  |
|---|--|
| <b>Key FY 2008 Actions</b>  | <b>Anticipated Impacts</b>   |
| Revise VA's Strategic Human Capital Plan to reflect current workforce challenges and opportunities. | Updating VA's Human Capital Plan will allow for a more current assessment of the Department's present and future challenges and opportunities. This should result in improvements in recruitment, development, and retention of the Department's most critical asset: VA's workforce dedicated to serving our Nation's veterans. |



| Strategic Human Capital Management  |  |
|---|--|
| Key FY 2008 Actions   | Anticipated Impacts  |
| <p>Begin implementation of the <b>Excellence in Performance Management Pilot</b> to demonstrate a model for excellence in performance management within the framework of the current 5-level appraisal system. Specific modifications currently proposed for the pilot program include:</p> <ul style="list-style-type: none"> <li>(1) Revisions of the performance appraisal form to clearly link organizational goals and objectives to individual performance plans.</li> <li>(2) Additional levels of initial achievement and the use of a weighted scoring process to further differentiate levels of performance within the current 5-level rating program and identify and recognize top performers.</li> <li>(3) Development of job aids for employees and raters, which will nurture a culture of meaningful two-way communication about performance results.</li> </ul> | <p>Improve management’s ability to communicate expectations. Enable greater communication about performance between supervisors and employees.</p> |
| <p>Develop a second performance management video to provide training to supervisors and employees on monitoring, communicating, appraising, and rewarding performance in addition to effectively dealing with poor performance.</p>   | <p>Help employees better understand the performance evaluation process.</p>  |
| <p>Initiate a <b>limited scope pay-for-performance model</b> in the Veterans Health Administration for Associate/Assistant Medical Center Directors and Deputy Network Directors.</p>   | <p>Use rewards to recruit, motivate, and retain the talent necessary to achieve organizational objectives.</p>                                     |

**GAO High-Risk Area #3: Managing Federal Real Property**

**Background**

In January 2003, GAO designated federal real property as a high-risk area because of long-standing problems with excess and underutilized property, deteriorating facilities, unreliable real property data, and costly space challenges. Federal agencies were also facing many challenges in protecting their facilities due to the threat of terrorism. Progress has been made. Agencies have established asset management plans, standardized data reporting, and adopted performance measures. The Administration has created a Federal Real Property Council (FRPC). However, deep-rooted obstacles, including competing stakeholder interests and legal and budgetary limitations, could significantly hamper a governmentwide transformation. Agencies, including VA, report repair and maintenance backlogs for buildings and structures. There is an increased reliance on leasing. Agencies lack a standard framework for data validation.



**GAO Recommendations**

Agencies should do the following:

- Reduce inventories of facilities.
- Make headway in addressing the repair backlog.
- Work with the Federal Real Property Council to develop strategies to address obstacles to a successful transformation, such as competing stakeholder interests.

**VA's Program Response to GAO High-Risk Area #3: Managing Federal Real Property**

ESTIMATED RESOLUTION TIMEFRAME: FY 2010

| <b>Managing Federal Real Property</b>   |  |
|---|--|
| Key FY 2007 Actions   | Anticipated Impacts  |
| Updated 5-Year Capital Plan.  | The 5-Year Capital Plan's goal is to ensure that VA's major capital investment proposals are based upon sound business and economic principles.  |
| <p>Developed short and long-term plans to <b>improve building/facility condition</b> at the building and facility levels.</p> <p><u>Short-term plans</u> included the following:</p> <ol style="list-style-type: none"> <li>a. Identified VA's total deferred maintenance backlog in excess of \$5 billion.</li> <li>b. Identified and funded Non-Recurred Maintenance (NRM) projects to correct VA's most critical condition deficiencies using emergency supplemental funding provided by Congress.</li> </ol> <p><u>Long-term plans</u> include:</p> <ol style="list-style-type: none"> <li>a. Track project status and impact on VA's condition deficiencies.</li> <li>b. Increase the NRM annual allocation to the VISNs each year (to address condition deficiencies).</li> <li>c. Take further steps to reduce critical condition deficiencies at VA.</li> </ol> | Such efforts will help reduce VA's significantly large FCA-documented deferred maintenance backlog.  |
| Completed the <b>Sustainability Design Manual</b> .   | This manual will significantly impact the way VA designs its new buildings and major renovations as well as its Minor Program construction projects. By incorporating sustainable features into new VA buildings, facility operating costs can be significantly reduced, freeing up resources to devote to veteran care. Surrounding communities benefit as well from the reduced environmental impacts of such facilities. The new design manual requirements are a starting point toward meeting the mandated sustainability goal of ensuring that 15 percent of existing capital asset inventory incorporates the sustainable practices articulated in the Sustainability Model's Guiding Principles. |





| Managing Federal Real Property   |  |
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| Key FY 2007 Actions  | Anticipated Impacts  |
| Identified Federal Asset Sales (FAS) Real Property Disposal Metrics – Buildings & Residential. | <p>Impacts of this effort are as follows:</p> <ol style="list-style-type: none"> <li>1. Make it easier for citizens and businesses to find and buy government assets.</li> <li>2. Increase net proceeds from asset sales.</li> <li>3. Decrease agencies' expenses related to asset sales.</li> <li>4. Reduce time needed to dispose of assets.</li> <li>5. Improve the personal property sales process.</li> </ol> |

| Managing Federal Real Property   |  |
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| Key FY 2008 Actions  | Anticipated Impacts  |
| Update <b>Asset Management Plan</b> and <b>3-Year Timeline of Capital Investments</b> .    | The Asset Management Plan (AMP) was updated in August 2007. The AMP plan details how VA complies with Executive Order 13327 and fully reflects the Federal Real Property Council's current guiding principles and elements. The plan also details VA's best practices, strategic capital vision, life cycle approach, and capital performance metrics. |
| Submit VA FY 2007 end-of-year Federal Real Property Profile data.                          | VA's annual submission of real property data into the Federal Real Property Profile promotes sharing and the efficient and economical use of real property resources across the federal government. Through increased focus on data accuracy and reliability, VA has improved decision-making and performance accountability.                          |
| Execute/track <b>Facility Condition Projects</b> .   | Manage VA's real property portfolio to provide a safe and appropriate environment for the delivery of benefits to veterans in a cost-efficient manner.   |
| Implement standardized Federal Screening process.  | Enabling improved data sharing by establishing a standard procedure for sharing information on all assets declared excess/surplus to mission needs.  |
| <b>Identify FY 2009 disposal targets</b> (number and dollar amount of constructed assets). | This is required for VA to meet the Federal Real Property Asset Management Executive Order of 2004. VA has identified 81 assets for FY 2009 disposal.  |



## GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

### **Background**

Federal agencies and our nation's critical infrastructures—such as power distribution, water supply, telecommunications, national defense, and emergency services—rely extensively on computerized information systems and electronic data to carry out their missions. The security of these systems and data is essential to preventing disruptions in critical operations, fraud, and inappropriate disclosure of sensitive information. Protecting federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection or cyber CIP—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997; in 2003, GAO expanded this high-risk area to include cyber CIP. The continued risks to information systems include escalating and emerging threats such as phishing, spyware, and spam; the ease of obtaining and using hacking tools; the steady advance in the sophistication of attack technology; and the emergence of new and more destructive attacks. In 2002, the Federal Information Security Management Act (FISMA) was enacted. Many agencies have not complied consistently with FISMA's overall requirement to develop, document, and implement agencywide information security programs.

### **GAO Recommendations**

Agencies should take the following actions:

- Develop and maintain current security plans.
- Create and test contingency plans.
- Evaluate and monitor the effectiveness of security controls managed by contractors.

GAO has raised significant concerns about VA's information technology (IT) security and controls over IT equipment.

IT Security: VA needs to establish a comprehensive information security program. As part of such a program, VA needs to continue to take the following actions:

- Limit, prevent, and detect electronic access to sensitive computerized information.
- Restrict physical access to computer and network equipment to authorized individuals.
- Segregate incompatible duties among separate groups or individuals.
- Ensure that changes to computer software are authorized and timely.
- Provide continuity of computerized systems and operations.

IT Controls: VA needs to improve policies and procedures with respect to controls over IT equipment, including recordkeeping requirements, physical inventories, user-level accountability, and physical security.



**VA's Program Response to GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures**

ESTIMATED RESOLUTION TIMEFRAME: FY 2010

| <b>Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures</b>   |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Began to implement the Data Security, Assessment and Strengthening of Controls Program (DS-ASC) to <b>centrally manage</b> implementation, enforcement, and <b>remediation of IT security controls</b> throughout the Department.                  | Consistent and more effective management and remediation of IT security deficiencies.  |
| <b>Established the Office of IT Oversight &amp; Compliance</b> , which consolidated existing IT security inspection/compliance program activities into one office to assist the CIO in <b>centralized enforcement of VA IT security controls</b> . | Improve ways to monitor and enforce compliance with existing laws and regulations regarding IT security.                         |
| Updated <b>system security plans for over 600 VA systems</b> to reflect existing and planned security controls.  | Allow managers to document and remediate shortcomings in existing controls. Prepare systems for certification and accreditation. |

| <b>Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures</b>  |   |
|---|---|
| Key FY 2008 Actions   | Anticipated Impacts   |
| Certify and accredit over <b>600 Department information systems</b> .   | Allow officials to better understand and manage the risks associated with the operation of VA information systems.  |
| <b>Centralize enforcement and remediate IT security deficiencies</b> via the DS-ASC.  | More effective and timely remediation of IT security deficiencies.  |
| Issue additional Departmentwide policies and procedures involving configuration management, access controls, segregation of duties, physical security, and accountability of IT assets. | Help ensure the protection of VA IT assets by establishing and/or strengthening controls associated with access to and accountability for VA information and systems. |
| <b>Inspect IT controls</b> at VA facilities.  | Improve IT security controls.   |



**GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security**

**Background**

In January 2005, we designated information sharing for homeland security a high-risk area because the federal government still faces formidable challenges in analyzing and disseminating key information among federal, state, local, and private partners in a timely, accurate, and useful manner. Since 9/11, multiple federal agencies have been assigned key roles for improving the sharing of information critical to homeland protection to address a major vulnerability exposed by the attacks, and this important function has received increasing attention. However, the underlying conditions that led to the designation continue and more needs to be done to address these problems and the obstacles that hinder information sharing. As a result, this area remains high risk.

**GAO Recommendations**

Agencies should take the following actions:

- Assess progress made on the key steps and milestones implementing the information-sharing environment and remove barriers to implementation.
- Consolidate and consistently apply restrictions on sensitive information so they do not hinder sharing.
- Define what information agencies need from the private sector for homeland security, how they will use it, and how they will protect it.
- Provide incentives and build trusted relationships to promote sharing with these critical security partners.

**VA’s Program Response to GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security**

ESTIMATED RESOLUTION TIMEFRAME: ONGOING AS THE NATURE OF THE BUSINESS IS CONSTANTLY EVOLVING

| <b>Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security</b>   |   |
|---|---|
| <b>Key FY 2007 Actions</b>  | <b>Anticipated Impacts</b>  |
| Continued to work with the Department of Homeland Security (DHS) and other agencies in <b>improving the functionality of the Homeland Security Information Network and the Homeland Security Data Network (HSDN)</b> . Both have created a better common operating picture for the Department to use daily and in a crisis. | During an emergency these upgrades will enable VA to have more reliable contact with other agencies in what might be otherwise degraded conditions. This contact is essential in ensuring that VA will be able to obtain the support it needs from interagency partners to continue to provide needed services to veterans. |
| Expanded deployment of HSDN to the Department’s primary <b>Continuity of Operations</b> site.   | Permit full functionality of the system at both VA headquarters and at the Martinsburg Continuity of Operations site--a capability that previously did not exist.   |



| Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security   |  |
|--|--|
| Key FY 2007 Actions  | Anticipated Impacts  |
| Worked within the framework of several interagency groups under the auspices of the Homeland Security Council and DHS to revise plans to improve the ability to <b>share information during crises</b> . | VA's robust representation on interagency groups planning for disasters helps guarantee that the Department's voice and needs will be supported during crises. |
| Updated <b>system security plans for over 600 VA systems</b> to reflect existing and planned security controls.  | Ensure enterprise-wide compliance.   |
| Issued VA Handbook 6500 <b>defining the requirements for secure use of information</b> within the Department.  | Ensure that Department information is secure.  |

| Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security  |   |
|---|---|
| Key FY 2008 Actions   | Anticipated Impacts   |
| The National Security Council approved the Department's membership in the Crisis Management System; the Department of Defense will assist with the establishment of a Top Secret capability with the construction of a Sensitive Compartmented Information Facility (SCIF) and video-teleconferencing facility, which will enable the Department to <b>communicate with other agencies via secure means</b> . | Upon completion of the SCIF, VA top leadership will be able to participate directly in the policy-making meetings. We will ensure that other policymakers understand that VA not only supports the National Response Plan but also in many cases has requirements for our veterans that will need to be supported under the plan. |
| Issue additional Departmentwide policies and procedures involving access controls, segregation of duties, physical security, and accountability of IT assets.   | Ensure enterprise-wide compliance.  |
| Evaluate policies and procedures to ensure that appropriate <b>information security and privacy requirements are met</b> while allowing for <b>effective and secure information sharing</b> .   |   |

**GAO High-Risk Area #6: Management of Interagency Contracting**

**Background**

Federal agencies have increasingly turned to interagency contracting—a process by which one agency uses other agencies' contracts and contracting services—as a way to streamline the procurement process. This contracting method can offer benefits of improved efficiency and convenience, but it needs to be effectively managed. Due to continued growth in the use of these contracts, the limited expertise of some customers and service providers in using these contracts, and unclear lines of responsibility, GAO designated interagency contracting as a high-risk area in 2005. Proper use of this contracting method requires strong internal controls, clear definition of roles and responsibilities, and training for both customers and servicing agencies.



GAO's work and that of agency inspectors general has continued to find cases in which agencies have not adequately met these challenges. While agencies have taken some actions in response to GAO recommendations, specific and targeted approaches are still needed to address interagency contracting management risks.

**GAO Recommendations**

Agencies should take the following actions:

- Clearly define roles and responsibilities of both customers and servicing agencies.
- Continue to adopt and implement policies and processes that ensure that customer service demands do not override sound contracting practices.
- Track the use of this contracting method to assess whether it provides good outcomes.

**VA's Program Response to  
GAO High-Risk Area #6: Management of Interagency Contracting**  
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

| <b>Management of Interagency Contracting</b>   |   |
|--|---|
| Key FY 2007 Actions  | Anticipated Impacts   |
| <b>Reviewed all</b> VA Office of Acquisition and Logistics (OA&L) <b>acquisition activities</b> .                                    | Policies and processes that ensure that customer service demands do not override sound contracting practices. |
| <b>Provided training</b> to OA&L acquisition personnel on proper use of <b>Economy Act*</b> authority.                               | Clearly defined roles and responsibilities of both customers and servicing agencies.                          |
| Established <b>central review and approval</b> of Department Economy Act transactions in the OA&L Center for Acquisition Innovation. | Determination of whether this contracting method provides good outcomes.                                      |

\*The Economy Act of 1932 provides one authority for federal agencies to provide goods or services to another agency. The concept of interagency contracting was strategically planned and authorized to make the government as a whole more business-like, to foster competition and economies of scale, and to provide options for meeting agencies' administrative and procurement needs.

The Economy Act of 1932, as amended (31 U.S. Code 1535), tends to be the authority "catch all," but it applies only when a more specific authority for the transaction does not exist. Federal Acquisition Regulation (FAR) 17.5 specifically notes that the Economy Act does not apply to orders under the federal supply schedule contracts or orders under governmentwide acquisition contracts, both of which have specific authoring statutes.

| <b>Management of Interagency Contracting</b>   |  |
|--|--|
| Key FY 2008 Actions  | Anticipated Impacts                        |
| Expand <b>centralized management</b> of Department Economy Act transactions in the OA&L Center for Acquisition Innovation. | Increased control over these transactions. |
| Implement internal program review of Economy Act transactions.   |  |