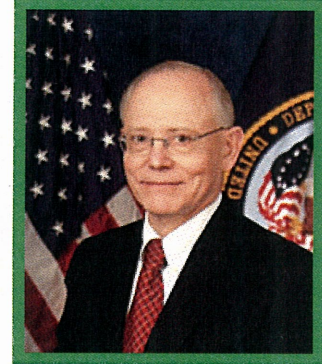




December 19, 2008

To the American People,

I am pleased to provide you with the Department of Veterans Affairs' *Highlights for the Citizen*, a short "user-friendly" summary of the Department's accomplishments, financial position, and management challenges for Fiscal Year 2008.



Medical Services: *Delivering High-Quality Health Care*

- **Patient Access:** 98.7 percent of primary care appointments were scheduled within 30 days of the desired appointment date.
- **Quality of Health Care:** Attained scores of 84 percent and 88 percent for the Clinical Practice Guidelines and Prevention Index, respectively -- nationally recognized industry standards used to measure quality of health care.
- **Rural Health:** Established the Rural Mobile Health Care Clinics pilot project to improve access to primary care and mental health services to serve veterans in 24 predominately rural counties.
- **Suicide Hotline and Suicide Prevention:** Continued to operate a national suicide prevention hotline to provide veterans in emotional crisis with free, 24/7 access to trained counselors.
- **Expanding Polytrauma Treatment Capabilities:** Identified San Antonio, Texas, for the location of a fifth polytrauma center to assist severely injured OEF/OIF veterans.
- **Traumatic Brain Injury (TBI):** VA and the Department of Defense are developing a joint TBI Center of Excellence at the Walter Reed National Military Medical Center in Bethesda, Maryland. When completed, this will be a state-of-the-art facility dedicated to the support and treatment of complications arising from TBI.
- **Other Initiatives:** Initiatives are underway to address serious injuries such as amputations, spinal cord injuries, and blindness.

Benefits: *Ensuring a High Quality of Life After Military Service*

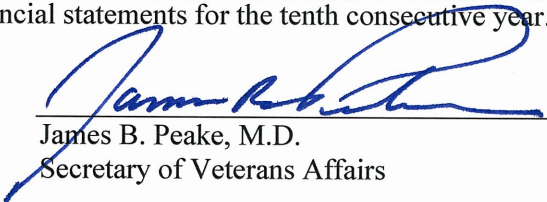
- **Disability Benefits:** Processed nearly 900,000 claims for disability benefits.
- **Disability Exam Pilot Project:** Began a Disability Evaluation pilot in the national capital region wherein the servicemembers undergo a single medical examination to aid in determining benefits.
- **Insurance:** Processed insurance disbursements in an average of 1.6 workdays – significantly better than the industry average of 5.7 workdays.
- **Education:** Provided education benefits to approximately 539,000 students and processed original claims in 19 days – down from 32 days in 2007.

Cemeteries: *Honoring Veterans for Sacrifices on Behalf of the Nation*

- **Veterans Served:** With the opening of four new State veterans cemeteries in Georgia, South Carolina, Iowa, and Kentucky, 84.2 percent of veterans are now served by a burial option within a reasonable distance (75 miles) of their residence.
- **Cemetery Expansion:** Continued progress in establishing six new national cemeteries, which will provide service to approximately 1 million veterans.

Finance: *Ensuring Proper Stewardship of Taxpayer Dollars*

- Obtained an unqualified audit opinion on our financial statements for the tenth consecutive year.


James B. Peake, M.D.
Secretary of Veterans Affairs



FY 2008 Highlights for the Citizen
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⁽¹⁾ In this report, with the exception of table and chart titles, references to years (e.g., 2007, 2008) are fiscal years unless stated otherwise.

⁽²⁾ For additional copies of the PAR or *Highlights for the Citizen*, please call VA’s Office of Budget at **202-461-6630**. Electronic versions of these reports are available on the World Wide Web at www.va.gov/budget/report



VA On-Line: Fast and Easy Access to Information

Several Web sites that provide information for and about veterans are referenced in the full FY 2008 PAR. The table below shows many of these sites and provides page locations in the full PAR.



<i>What Information do You Need?</i>	<i>Link to Web Site</i>	<i>Full PAR Location</i>
Obtaining Hard Copies of This Report	www.va.gov/budget/report	See Page 7
Health Care in VA	www.va.gov/health/index.asp	See Page 10
Managing My Health as a Veteran	www.myhealth.va.gov	See Page 206
Medical Research in VA	www.research.va.gov	See Page 10 See Page 183
VA's Traveling Nurses	www.travelnurse.va.gov	See Page 198
Clinical Training Opportunities and Education Affiliates	www.va.gov/oa	See Page 188
Disability Compensation for Veterans	www.vba.va.gov/bln/21/compensation	See Page 10
Pension Benefits for Veterans	www.vba.va.gov/bln/21/pension	See Page 11 See Page 155
Education Benefits for Veterans	www.gibill.va.gov	See Page 11 See Page 31 See Page 139
Vocational Rehabilitation and Employment for Veterans	www.vba.va.gov/bln/vre	See Page 11
Home Loans for Veterans	www.homeloans.va.gov	See Page 11 See Page 176
Specially Adapted Homes for Veterans	www.homeloans.va.gov/sah.htm	See Page 112
Insurance Benefits for Veterans	www.insurance.va.gov	See Page 12 See Page 161
Burial Benefits for Veterans	www.cem.va.gov	See Page 12 See Page 193
VA's Status and Progress on the President's Management Agenda	www.results.gov	See Page 61
OMB's Assessment on how Well VA Programs are Managed	www.ExpectMore.gov	See Page 74
Opportunities for Veteran-Owned Small Businesses	www.vetbiz.gov	See Page 189



Performance Scorecard

Color coding for FY 2008 Results
 ● Target Achieved
 ○ Target Missed - Small Extent
 ○ Target Missed - Great Extent

Strategic Goals	Key Performance Measures (page references in full PAR)	FY 2007 Recap		FY 2008 Recap					
		Targets	Results	Targets	Results	Target Achieved?		Improved From FY 2007?	Measure Type
						Yes	No		
Strategic Goal #1 RESTORATION AND IMPROVED QUALITY OF LIFE FOR DISABLED VETERANS	National accuracy rate for compensation core rating work (pp. 121, 228)	89%	88%	90%	86%*		No	No	Output
	Compensation and pension rating-related actions — average days to process (pp. 119, 228)	160	183	169	179		No	Yes	Output
	Rating-related compensation actions — average days pending (pp. 120, 228)	127	132**	120	121		No	Yes	Output
	Vocational rehabilitation and employment rehabilitation rate (pp. 126, 228)	73%	73%	75%	76%	Yes		Yes	Outcome
	Average days to process Dependency and Indemnity Compensation actions (pp. 130, 228)	125	132	118	121		No	Yes	Output
Strategic Goal #2 SMOOTH TRANSITION TO CIVILIAN LIFE	Average days to complete education claims								
	Original claims (pp. 140, 228)	35	32	24	19	Yes		Yes	Output
	Supplemental claims (pp. 141, 228)	15	13	11	9	Yes		Yes	Output
Strategic Goal #3 HONORING, SERVING, AND MEMORIALIZING VETERANS	Percent of patients rating VA health care service as very good or excellent: - Inpatient (pp. 150, 230)	78%	78%	79%	79%*	Yes		Yes	Outcome
	- Outpatient (pp. 151, 230)	78%	78%	79%	78%*		No	Same	Outcome
	Percent of primary care appointments scheduled within 30 days of desired date (pp. 148, 230)	96%	97%	97%	98.7% ^(a)	Yes		Yes	Output
	Percent of specialty care appointments scheduled within 30 days of desired date (pp. 149, 230)	95%	95%	95%	97.5% ^(a)	Yes		Yes	Output
	Percent of new patient appointments completed within 30 days of desired date (p. 230)	N/A	N/A	FY 2008 was a Baseline year		N/A		N/A	Output
	Percent of unique patients waiting more than 30 days beyond the desired appt. date (p. 230)	N/A	N/A	FY 2008 was a Baseline year		N/A		N/A	Output



Performance Scorecard

Color coding for FY 2008 Results

- Target Achieved
- Target Missed - Small Extent
- Target Missed - Great Extent

Strategic Goals	Key Performance Measures (page references in full PAR)	FY 2007 Recap		FY 2008 Recap					
		Targets	Results	Targets	Results	Target Achieved?		Improved From FY 2007?	Measure Type
						Yes	No		
Strategic Goal #3 (continued) HONORING, SERVING, AND MEMORIALIZING VETERANS	Clinical Practice Guidelines Index II (pp. 146, 230)	84%	83%	85%	84%*		No	Yes	Outcome
	Prevention Index III (pp. 147, 232)	88%	88%	88%	88%*	Yes		Same	Outcome
	Annual percent increase of non-institutional, long-term care average daily census (2006 baseline=43,325) (pp. 152, 232)	26.3%	-5.3%	7.7%	31.7%	Yes		Yes	Output
	Non-rating pension actions — average days to process (pp. 157, 232)	96	104	84	119		No	No	Output
	National accuracy rate for pension authorization work (pp. 158, 232)	89%	91%	92%	92%*	Yes		Yes	Output
	Average number of days to process Traumatic Injury Protection Insurance disbursements (pp. 162, 232)	5	3.0	5.0	2.5	Yes		Yes	Output
	Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence (pp. 167, 234)	83.8%	83.4%	83.7%	84.2%	Yes		Yes	Outcome
	Percent of respondents who rate the quality of service provided by the national cemeteries as excellent (pp. 168, 234)	97%	94%	97%	94%		No	Same	Outcome
	Percent of graves in national cemeteries marked within 60 days of interment (pp. 173, 234)	90%	94%	95%	93%		No	No	Output
	Foreclosure avoidance through servicing (FATS) ratio (pp. 177, 234)	51.0%	57.0%	56.0%	52.4%		No	No	Outcome
Strategic Goal #4 CONTRIBUTING TO THE NATION'S WELL-BEING	Progress towards development of one new treatment for post-traumatic stress disorder (5 milestones over 4 years) (pp. 184, 234)	67%	67%	80%	80%	Yes		Yes	Outcome
	Percent of respondents who rate national cemetery appearance as excellent (pp. 194, 234)	99%	97%	99%	98%		No	Yes	Outcome

Notes: 1) * Indicates partial or estimated actual data. 2) **Indicates corrected data. 3) ^(a) Office of Inspector General reports in 2005, 2007 and 2008 found reported outpatient waiting times to be unreliable because of data integrity concerns associated with VHA's scheduling system. VHA non-concurred with the 2007 findings due to disagreements with the OIG's methodology. In 2008, VHA obtained the services of an expert consultant to perform a thorough analysis and assessment of its scheduling and wait times reporting system. VHA is in the process of implementing the recommendations.



Our Programs: *What We Do*

Veterans Health Administration

Providing Medical Care

VA operates the largest direct health care delivery system in America. In this context, VA meets the health care needs of America's veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VA focuses on providing health care services that are uniquely related to veterans' health or special needs. VA is also the Nation's largest provider of health care education and training for medical residents and other health care trainees. These education and training programs are designed to help ensure an adequate supply of clinical care providers for veterans and the Nation.

Web: <http://www1.va.gov/health/index.asp>

Conducting Vet-Centered Medical Research

VA advances medical research and development in ways that support veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect veterans.

Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of disease and disability.

Web: <http://www.research.va.gov>

Veterans Benefits Administration

Delivering Compensation Benefits

The Compensation program provides monthly payments and ancillary benefits to veterans in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by a disability or disease incurred in or aggravated during active military service.

This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents in

recognition of the economic loss caused by the veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability.

Web: www.vba.va.gov/bln/21/compensation/

Providing Pension Benefits

Pension benefits are monthly payments, specified by law, provided to veterans with nonservice-connected disabilities who served in a time of war. Veterans must meet specific income limitations and must be permanently and totally disabled or must have reached the age of 65. This program also provides monthly payments, as specified by law, to income-eligible surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

Web: www.vba.va.gov/bln/21/pension/

Providing Educational Opportunities

VA's education programs provide eligible veterans, servicemembers, reservists, survivors, and dependents the opportunity to achieve their educational or vocational goals. Education programs also assist the armed forces in their recruitment and retention efforts, and help veterans in their readjustment to civilian life.

These benefits serve to enhance the Nation's competitiveness through the development of a better educated and more productive workforce. VA administers a number of education programs, including the Montgomery GI Bill and the Reserve Educational Assistance Program (REAP) for Reserve and National Guard troops activated in support of the Global War on Terror.

Web: www.gibill.va.gov



Delivering Vocational Rehabilitation and Employment Services

The Vocational Rehabilitation and Employment program assists veterans with service-connected disabilities to achieve functional independence in daily activities, become employable, and obtain and maintain suitable employment.

Web: <http://www.vba.va.gov/bln/vre/index.htm>

Promoting Home Ownership

Through loan guaranties, VA's Loan Guaranty program helps eligible veterans, active duty personnel, surviving spouses, and members of the Reserves and National Guard to purchase homes. We also assist veterans in retaining their homes through foreclosure avoidance services. In addition, VA offers grants to veterans who have specific service-connected disabilities for the purpose of constructing an adapted dwelling or modifying an existing one to meet the veteran's needs.

The Loan Guaranty program also provides direct loans to Native American veterans living on Federal trust land and offers some loans to the public when buying homes owned by the Department as a result of foreclosure.

Web: <http://www.homeloans.va.gov>

Meeting Insurance Needs

The Insurance program provides servicemembers and their families with universally available life insurance (automatically issued to all servicemembers and their families without underwriting), as well as traumatic injury protection insurance for servicemembers. It also provides for the optional continuation of insurance coverage after a servicemember's separation from service. In this context, the program continues to provide life insurance coverage to 1.2 million WWII and Korean War-era veterans.

In addition, the program provides life insurance to veterans who have lost or impaired insurability resulting from military service and therefore cannot obtain commercial insurance at

standard (healthy) rates. Insurance coverage is made available in reasonable amounts and at premium rates largely comparable to those offered by commercial companies. The program ensures a competitive, secure rate of return on investments held on behalf of the insured.

Web: <http://www.insurance.va.gov>

National Cemetery Administration

Delivering Burial Services to Veterans

Primarily through the National Cemetery Administration (NCA), VA honors veterans with final resting places in national shrine cemeteries and with lasting tributes that commemorate their service to our Nation.

Web: <http://www.cem.va.gov>

Staff Offices

The Department's staff offices are critical to VA's ability to deliver services to veterans in a cost-effective manner. These offices provide a variety of services including information technology, human resources management, financial management, acquisition, and facilities management.



Our Programs: *Who We Serve*

As described on the previous pages, VA programs and services are as varied as the veterans and family members we serve. From space-age technology used in prosthetic devices that bring mobility to the severely disabled, to the pension benefits paid to three survivors of Civil War veterans, VA's commitment to those who have "borne the battle" continues. As shown below, VA is serving more veterans and their dependents than ever before.

Program	Year-to-Year Comparison		
	FY 2007 Participants ⁽¹⁾	FY 2008 Participants ⁽¹⁾	Percent Change
Medical Care			
Unique Patients	5,479,000	5,565,000	1.6
Compensation			
Veterans	2,839,700	2,951,600	3.8
Survivors/Children	329,700	333,200	1.1
Pension			
Veterans	322,900	317,600	-1.7
Survivors	194,600	195,600	0.5
Education⁽²⁾			
Veterans/ Servicemembers	345,000	352,600	2.2
Reservists	101,700	106,200	4.4
Survivors/ Dependents	77,300	80,100	3.6
Vocational Rehabilitation⁽²⁾			
Program Participants	90,600	97,116	6.4
Housing			
Loans Guaranteed	133,300	179,700	34.8
Insurance			
Veterans	1,695,000	1,630,000	-3.8
Servicemembers/ Reservists	2,354,000	2,337,000	-0.7
Spouses/ Dependents	3,075,000	3,078,000	0.1
Burial			
Interments	100,200	103,300	3.1
Graves Maintained	2,842,700	2,914,500	2.5
Headstones/Markers (Processed)	359,500	361,200	0.5
Presidential Memorial Certificates	423,100	511,400	20.9

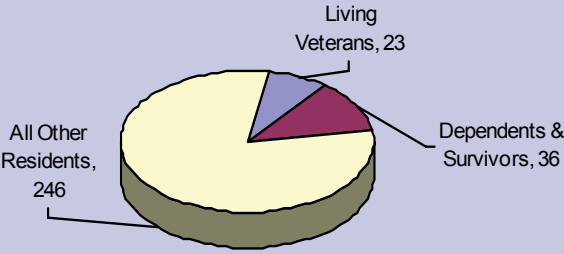
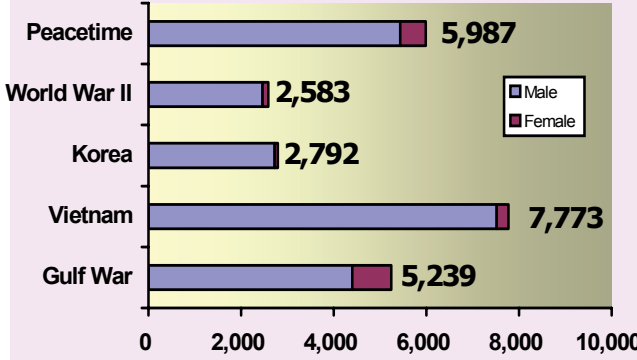
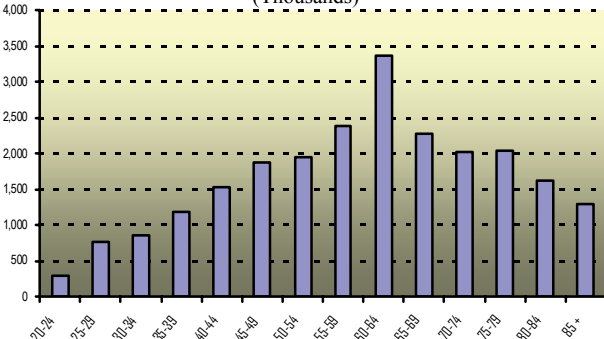
⁽¹⁾Figures are rounded to nearest hundred.

⁽²⁾Figures represent 12-month rolling data through September.



America's Veterans: A Demographic Profile

Beginning with our Nation's struggle for freedom more than two centuries ago, approximately 43 million men and women have served this country during wartime periods. The charts below provide various social and demographic information on today's veteran population.

Data	Analysis
<p>Veteran Population Compared to Total U.S. Population (Millions)</p>  <p>Living Veterans, 23 Dependents & Survivors, 36 All Other Residents, 246</p>	<ul style="list-style-type: none"> • Currently there are about 23.4 million living U.S. veterans, 8 percent of whom are women. The percentage of women veterans is expected to increase over time given the increased role of women in the Armed Forces. • There are an estimated 36 million dependents (spouses and dependent children) of living veterans and survivors of deceased veterans in the U.S. • Together, veterans, dependents, and survivors make up about 19 percent of America's population.
<p>Veteran Population by Period of Service* (Thousands)</p>  <p>Peacetime 5,987 World War II 2,583 Korea 2,792 Vietnam 7,773 Gulf War 5,239</p> <p>Male Female</p>	<ul style="list-style-type: none"> • More than 17 million (74 percent) of America's veterans served during at least one wartime period. • The nearly 8 million Vietnam Era veterans account for the largest segment of the veteran population. • About 73 percent of all women veterans served during the post-Vietnam Era compared to 34 percent of men. • Between 2008 and 2018, the number of women veterans enrolled in VA's health care system is expected to increase from 474,621 to 747,408, or 58 percent.
<p>Age Distribution of the Veteran Population By 5-Year Age Groups (Thousands)</p>  <p>20-24 25-29 30-34 35-39 40-44 45-49 50-54 55-59 60-64 65-69 70-74 75-79 80-84 85+</p>	<ul style="list-style-type: none"> • As of September 2008, the median age of all living veterans was 61 years. • Men's median age was 61; women's 48. • The number of veterans 85 and older totaled about 1,290,000, compared to 164,000 in 1990. • Between 2008 and 2018, veterans 85 and older enrolled in VA's health care system are expected to increase from 546,922 to 774,177, or 42 percent.

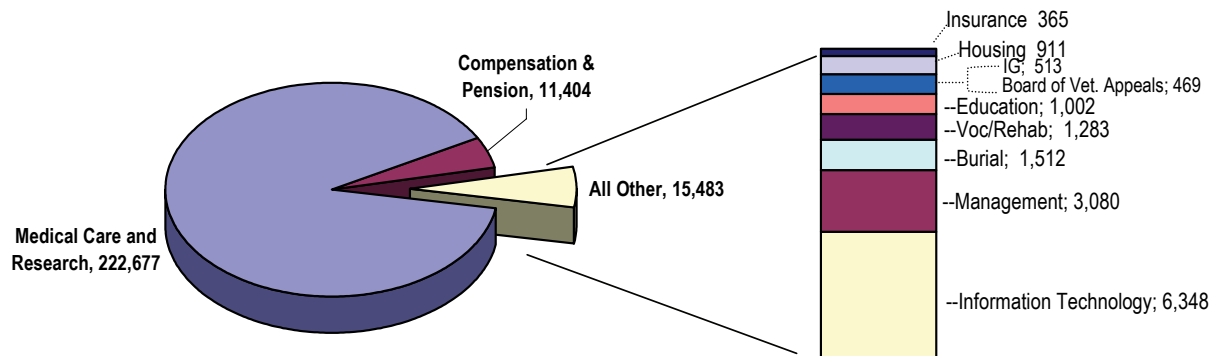
* The sum of "period of service" figures will exceed number of all veterans because veterans who served in multiple periods are shown in each period.



Resources: *Our People*

As of September 30, 2008, the Department employed about 250,000 staff nationwide. The charts below show the distribution of full-time equivalent employees by program area.

Number of Full-Time Equivalent Employees
as of September 30, 2008



As shown above, more than 222,000 employees support VA's health care system, one of the largest in the world. Of the remaining employees, approximately 15,000 are involved with providing compensation and pension as well as other benefits to veterans and their families. About 1,500 provide burial and memorial services for veterans and their eligible spouses and children, and about 9,900 employees, located primarily in the Washington, DC area, provide policy, administrative, information technology, and management support to the programs.

Resources: *Our Budget*

In 2008 VA obligated approximately \$97.0 billion. Approximately 98 percent of total funding went directly to veterans in the form of monthly payments of benefits or for direct services such as medical care. The depictions below show how VA spent the funds with which it was entrusted.

FY 2008 Obligations
(\$ Millions)

