



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,

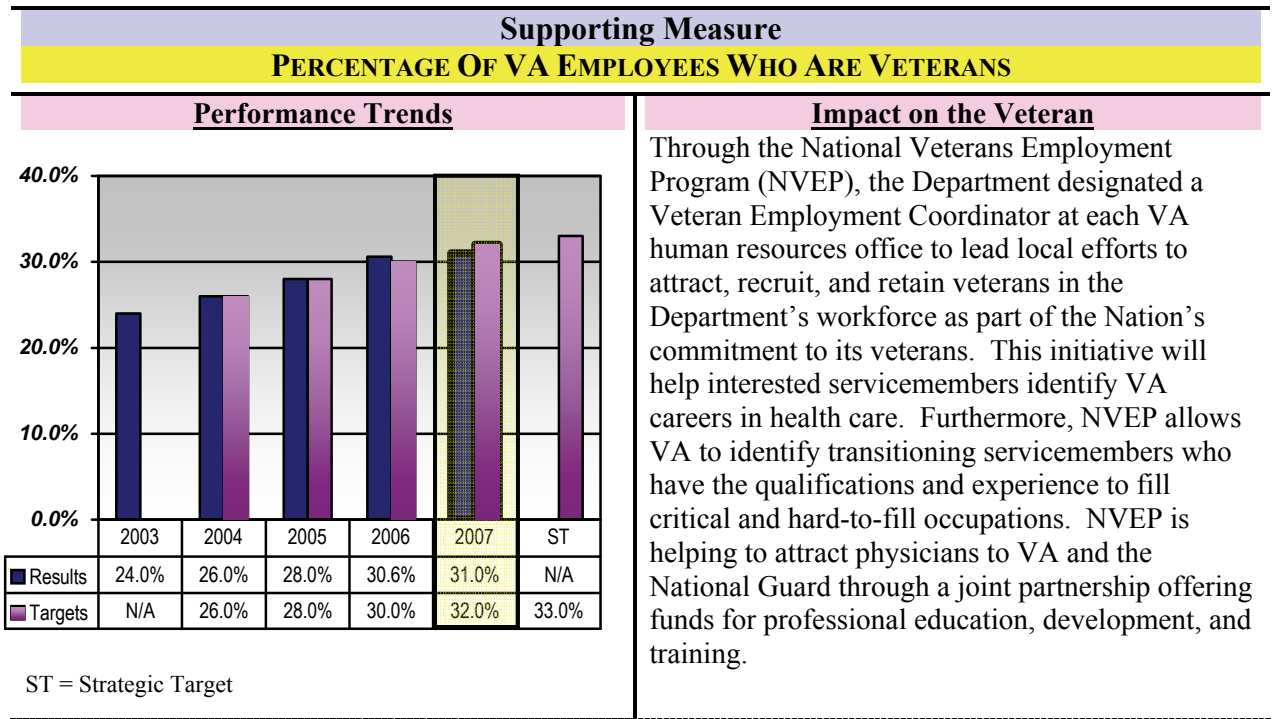
Bradley S. Barton

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.



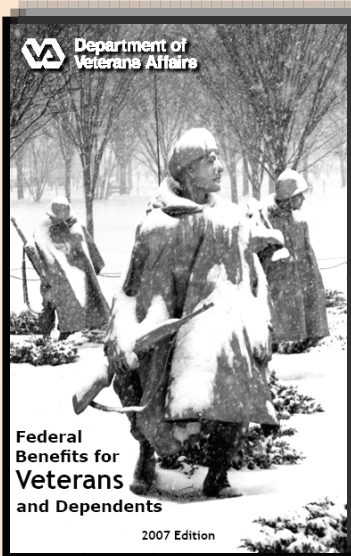
ENABLING OBJECTIVE E-2

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.

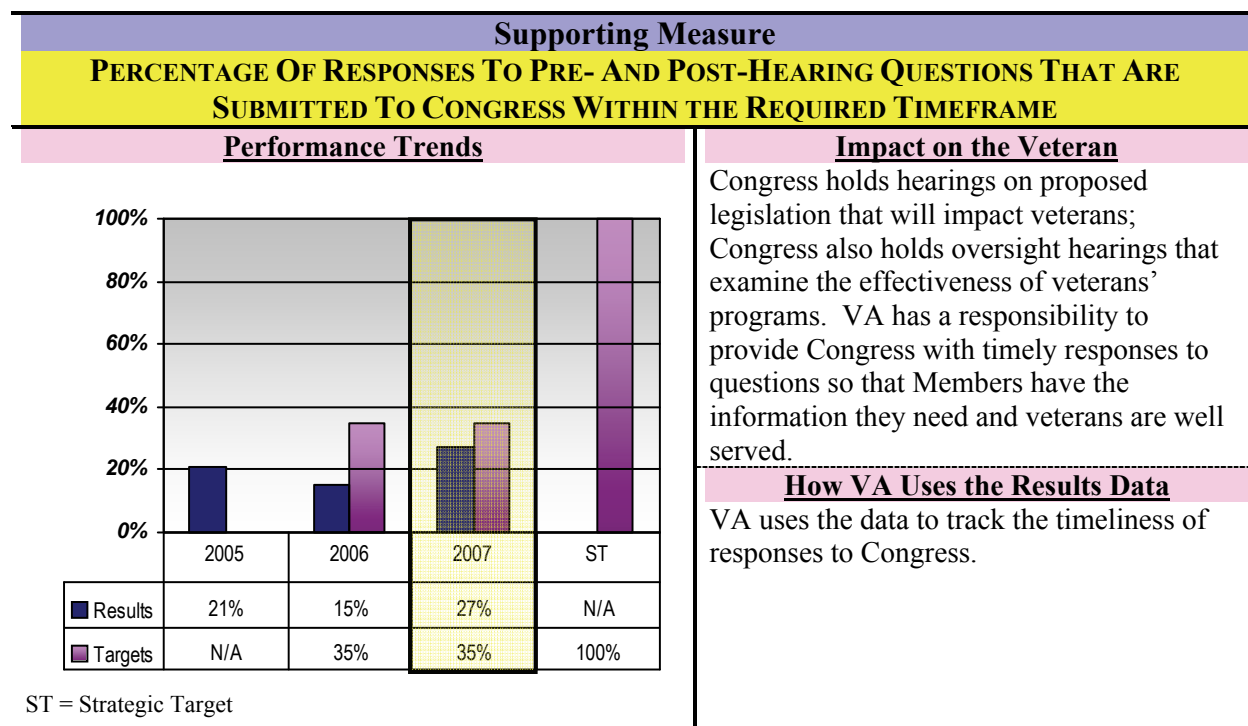
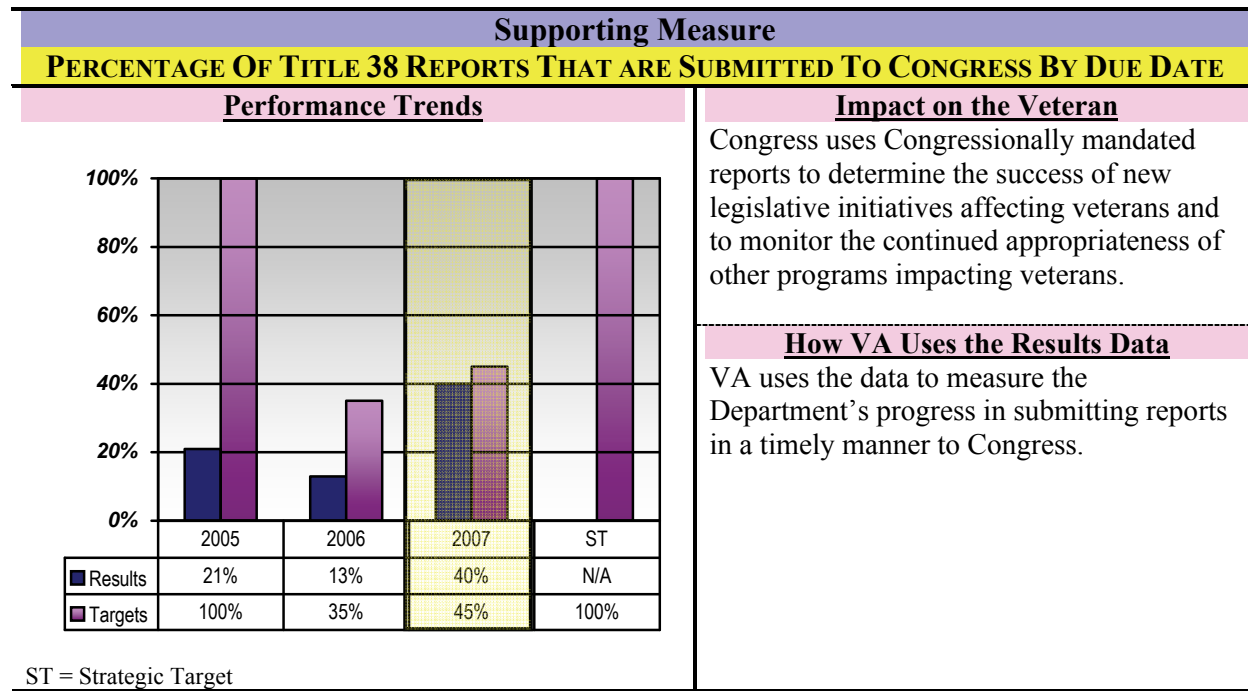
The Office of Public Affairs also produces **The American Veteran**, a monthly video news magazine that highlights

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

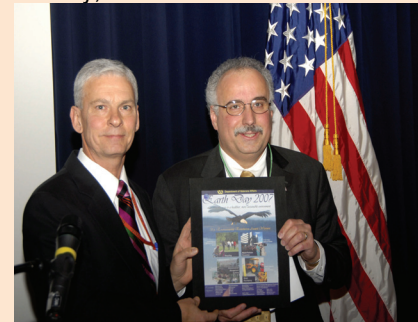
Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting and performance.

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

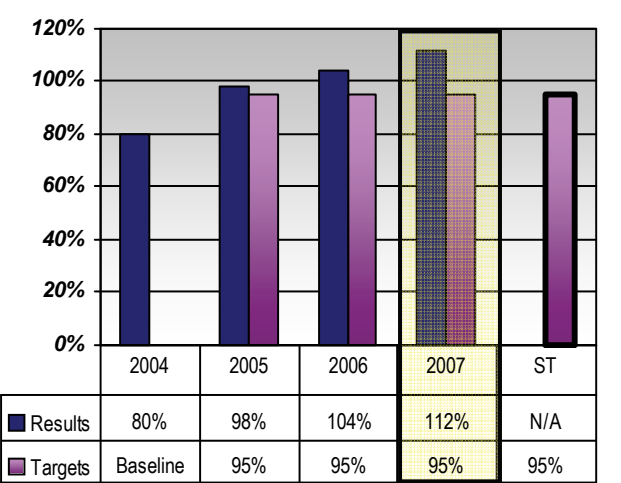
Supporting Measure																			
TOTAL ANNUAL VALUE OF JOINT VA/DoD PROCUREMENT CONTRACTS FOR HIGH-COST MEDICAL EQUIPMENT AND SUPPLIES (DOLLARS IN MILLIONS)																			
Performance Trends			Impact on the Veteran																
<table border="1"> <tr> <td></td> <td>2005</td> <td>2006</td> <td>2007</td> <td>ST</td> </tr> <tr> <td>■ Results</td> <td>Baseline</td> <td>\$152</td> <td>\$180</td> <td>N/A</td> </tr> <tr> <td>■ Targets</td> <td>Baseline</td> <td>\$150</td> <td>\$170</td> <td>\$220</td> </tr> </table>						2005	2006	2007	ST	■ Results	Baseline	\$152	\$180	N/A	■ Targets	Baseline	\$150	\$170	\$220
	2005	2006	2007	ST															
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■ Targets	Baseline	\$150	\$170	\$220															
<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"> • June 2006 had savings of \$7,462,649 (9% of total procurements) • September 2006 had savings of \$25,144,336 (12% of total procurements) • December 2006 had savings of \$2,028,625 (21% of total procurements) • March 2007 had savings of \$1,633,863 (9% of total procurements) 																			
<p>How VA Uses the Results Data</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>																			

- (1) 2006 result is corrected.
- (2) Beginning in 2007, medical supplies were added to this measure.
- (3) ST = Strategic Target



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.



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.