The President's Management Agenda

The President's Management Agenda (PMA), which was announced in 2001, is an aggressive strategy for improving the management of the Federal government. It focuses on key areas of management weakness across the government. Information on the PMA can be found at the following **Web** site: http://www.whitehouse.gov/results/agenda/index.html

OMB issues reports quarterly and uses a "stoplight" scorecard to show **status** and **progress** made by each Federal agency. These are defined below.

Symbol	Status Definitions	Progress Definitions
(green)	Success; meets standards	Implementation is proceeding according to plan
(yellow)	Mixed results	Some slippage requiring adjustment
(red)	Unsatisfactory; one or more serious flaws	Unlikely to meet objectives absent significant management intervention

VA is working closely with OMB to address weaknesses identified in each of the areas. The table below summarizes VA's progress and status as of September 30, 2008.

VA's Status and Progress on the President's Management Agenda			
As of September 30, 2008			
Initiative	Status	Progress	*Status* Change from September 30, 2007
Human Capital *(g-wide)*	G	G	⟺
Commercial Services Management *(g-wide)*	Y	G	⇧
Financial Performance *(g-wide)*	R	Y	⟺
E-Government *(g-wide)*	R	R	⟺
Performance Improvement *(g-wide)*	G	G	⇧
Real Property	G	G	⟺
VA/DoD Coordination	R	G	⇩
Research and Development		-- not rated --	
Improper Payments	Y	G	⟺
Faith-Based and Community Initiative	G	G	⟺
Credit Management	R	G	⟺
Health Information	R	G	⟺

The tables on the following pages recap for each PMA initiative VA's progress during FY 2008 to address issues that OMB identified as needing attention.

G Status	HUMAN CAPITAL	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress
Comprehensive Human Capital (HC) plan	• VA updated its Strategic HC Plan to cover 2009-2020. • The Plan was developed with the concurrence and input from all Administrations and many Staff Offices. • The 2009-2020 Strategic Human Capital Plan was delivered to the U.S. Office of Personnel Management in September 2008.
Organizational Restructuring	• VA's Delegated Examining Units (DEUs) were consolidated from 19 to 8 components. • The DEUs are using a hub and spoke approach to service the entire country in a more efficient manner. • In FY 2008 the implementation of the new DEU model realized multiple efficiencies both in process as well as monies saved.
Leadership/Knowledge Management	• Thirty-four candidates were selected for the 2010 class of the Senior Executive Service Candidate Development program; this is a 2-year training program for high-potential employees wishing to gain a Senior Executive Service position.
Results-Oriented Performance Culture	• This initiative provides guidance to supervisors on dealing with staff having performance problems and demonstrates how to take appropriate actions to resolve such problems.
Talent Management	• In FY 2008, VA initiated a program requiring all warranted contracting officers to achieve certification based on their experience and education. VA's goal is to achieve 100 percent certification for its warranted contracting officers by November 26, 2008. The long-term impact of this certification is a more highly qualified contracting officer workforce with the requisite expertise to serve as future leaders as well as agency experts in all aspects of acquisition.

Y Status	COMMERCIAL SERVICES MANAGEMENT Progress G
FY 2008 Open Items	**FY 2008 Actions and Progress**
Secure an approved competition plan **Begin standard competitions** **Begin standard and streamlined competitions**	• VA's Office of General Counsel (OGC) issued an opinion in April 2003, ruling that Section 8110 of Title 38 U.S.C. prohibits VA from conducting cost comparisons on VHA positions unless Congress provides specific funding for the competitions. All competitive sourcing addressed in VA's OMB-approved plan was halted as a result of the ruling. • If VA receives legislative relief in the future, VA will expand management analysis/business process reengineering (MA/BPR) studies to include all forms of commercial services management studies.
Streamlined competitions completed in 90 days or less **Announced standard & streamlined competitions** **Achieve Cost Savings**	• Although VA is prohibited from conducting cost comparisons, VA completed 98 percent of the Laundry and Food Services MA/BPR pilot studies. • A full assessment of the pilot studies and lessons learned estimates a net savings of $75.5 million in laundry production and food service over 5 years. • VA believes the MA/BPR project plan will achieve the goals of the current PMA with respect to significant savings and noticeable performance improvements after studying over 7,000 FTE across 22 VISNs within two major support functions (laundry production and food services) within the Veterans Health Administration. • VA held a kickoff meeting to begin the MA/BPR studies on plant operations and grounds maintenance. • As a result of MA/BPR achievements to-date in achieving the PMA goals of noticeable improvements and significant savings, OMB has raised VA's Competitive Sourcing progress score from "Red" to "Yellow."

R Status	**FINANCIAL PERFORMANCE**	Progress Y

FY 2008 Open Items	FY 2008 Actions and Progress
Meets all yellow standards	• VA continues to meet 4 of the 6 yellow standards (clean audit opinion, meets reporting deadlines, has no chronic significant Anti-Deficiency Act violations, and has no material non-compliance with laws or regulations).
Uses financial information to drive results in key areas	• Monthly performance reviews, chaired by the Deputy Secretary, focus on financial and program performance against plans. • Administration and staff office leadership brief Department leadership on mission-critical issues.
Eliminate auditor-reported material weaknesses	• VA continued remediation efforts on its four auditor-reported material weaknesses, each involving corrective actions over several years.
No repeat material weaknesses per Federal Managers Financial Integrity Act of 1982 Sec. 2 OFR and Sec. 4	• VA has three repeat material weaknesses – Financial Management Oversight, IT Security Controls, and Financial Management System Functionality. • VA has corrective action plans for remediating these weaknesses.
Achieve compliance with the Federal Financial Management Improvement Act	• IT Security Controls and the Financial Management Oversight weaknesses are estimated for completion in 2009, while the Financial Management System Functionality weakness is estimated for completion in 2014. o A key element in resolving the Financial Management System Functionality weakness was the FY 2008 implementation of an automated financial management reporting system to produce VA's quarterly and annual consolidated financial statements.
No more than one repeat material auditor-reported internal control weakness	• VA has three repeat material weaknesses – one for Section 2 (Financial Management Oversight) and two for Section 4 (IT Security Controls and Financial Management System Functionality). VA has corrective action plans for remediating these weaknesses.

® Status	E-Gov	Progress ®
FY 2008 Open Items	**FY 2008 Actions and Progress**	

FY 2008 Open Items	FY 2008 Actions and Progress
Create Enterprise Architecture (EA) systems - Has 4 in completion and 3 in "Use" or "Results" section on date	• VA's EA V4.3, delivered in February 2008, was awarded a Capability Maturity Model score of 4.0 out of 5.0. • VA received an overall EA assessment rating of "Green" for 2008. For the past four (4) consecutive years, VA's EA has been "Green." • VA is developing EA, version 5.0, which will modernize the EA with a focus on increasing its utility within the Department and maintaining compliance with OMB requirements.
Develop acceptable business cases for major IT investments - Acceptable business cases developed for more than 50% of major IT investments - Acceptable business cases developed for all major IT investments	• Fifty-three business case justifications, representing VA's major IT investment projects, were prepared and delivered to OMB in support of the Department's FY 2009 IT budget request. • Exhibit 53 and Exhibit 300 documentation supporting the FY 2010 budget request is being prepared and will be submitted in the fall of 2008.
Develop and adhere to Cost/Schedule/Performance standards for the portfolio of IT investments - Cost and Schedule Performance within 30% - Installation of an Earned Value Management System (EVMS) and achieve Cost and Schedule Performance within 10%	• Established detailed procedures for conducting Milestone and Program Management reviews for development projects that describe firm criteria for Technical, Program Management, and Enterprise Architecture compliance. • Conducted three major Milestone reviews and one Test Readiness Review on four major development projects. • Published an EVM Guide for use by Program/Project Managers throughout the Office of Information & Technology. • Developed draft EVM Directive and Handbook, which is expected to be published in the coming year.

Security of all IT systems
 	
-IG Rated the C&A Program as "Satisfactory" in Meeting Applicable NIST Guidelines
	• All VA IT systems have undergone certification and accreditation (C&A).
	
	  o The Office of Inspector General evaluated the C&A program and determined that C&A processes "satisfactorily" identify system security risks in accordance with NIST 800-37, "Guide for Security Certification and Accreditation of Federal Information Systems."
	
	  o However, the IG also noted that much work remains to remediate numerous system security weaknesses identified during the C&A process and to correct system security deficiencies identified by the IG.

G Status	**PERFORMANCE IMPROVEMENT INITIATIVE**	Progress G

FY 2008 Open Items	**FY 2008 Actions and Progress**
Show cost of achieving performance goals - Marginal cost reported - Use marginal cost analysis to inform resource allocations	<u>Cost of Achieving Different Levels of Performance</u> Using a subset of performance measures, the Department demonstrated the ability to estimate the cost of achieving different levels of performance. On this basis, VA began discussions with OMB to include this type of analysis in future budget submissions to Congress. <u>Improved Program Performance</u> Robust performance measures in various areas have helped produce improved results; examples are shown below: • Increased percent of veterans served by a burial option: 83.4 percent in 2007 to 84.2 percent in 2008. • Increased percent of primary care appointments scheduled within 30 days of the desired date: 97.2 percent in 2007 to 98.7 percent in 2008. • Reduced average number of days to process original education claims from 32 days in 2007 to 19 days in 2008. <u>Adopting Best Practices</u> • Developed a monthly reporting process for identifying near-term and strategic performance issues requiring senior leadership attention. • Implemented more stringent data quality reporting requirements, which are documented in VA's 2008 PAR. <u>Significant Improvement Actions</u> • Implemented outcome and efficiency measures for each program (e.g., *Productivity Index* for compensation program; *home ownership rate* for loan guaranty program).

R Status	VA/DoD COLLABORATION	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress

Create a Joint Proud To Be Initiative	• VA and DoD submitted to OMB a joint *Proud To Be* initiative for the period July 2008 through June 2010.
	
	• The joint initiative is focused on activities intended to institutionalize increased sharing and coordination between VA and DoD. There are three main areas of focus for these collaborative processes:
	   o Information Technology
	   o Joint Operations
	   o Benefits and Care Management

VA/DoD Military Personnel Data Sharing - VA and DoD will complete the replacement and decommission of all feasible legacy exchanges for personnel data from DoD to VA and from VA to DoD in favor of a single bi-directional solution.	• Implemented insurance data enhancements to the VA/DoD Data Sharing Schema. • Continued efforts towards developing a cross-departmental integrated master schedule. • Drafted a DoD/VA interoperability information plan. • Reduced the number of distinct data exchanges between VA and DoD to one from the DoD's Defense Manpower Data Center (DMDC) and one to DMDC.
Establish pilot sharing sites (National Defense Authorization Act) - DoD and VA provide the Joint Executive Council and OMB with a final report by December 2007 on the pilots; report includes recommendations to improve sharing	• Provided final report on potential pilot sharing sites to OMB in December 2007. Report included recommendations to improve sharing.
Separation Process/Exam - DoD and VA use a cooperative separation exam at 131 Benefits Delivery at Discharge (BDD) sites. By September 2008, 61 percent of all claims filed within first year of release will be filed at a BDD site prior to discharge.	• Provided participation rates for FY 2008 for claims filed through a BDD site within the first year of release from active duty (59 percent). • Reduced the number of distinct personnel data exchanges from the initial VA/DoD baseline to one from each Department.

R Status	VA/DOD COLLABORATION, *cont'd.*	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress
Real-Time Bi-Directional Electronic Patient Medical Records - DoD and VA exchange health information for shared patients by one of two methods: Bidirectional Health Information Exchange or Clinical Health Data Repository. Bi-directional exchange of data elements will be implemented at 85 percent of DoD facilities, which will be viewable by all VA medical facilities.	• Completed sharing of radiology images for shared patients at the El Paso National Defense Authorization Act demonstration site allowing VA and DoD to share viewable ambulatory encounters/clinical notes, procedures, and problem lists in real-time and bidirectional for shared patients among all sites. • Now providing viewable patient health data from theaters of operation to VA and DoD providers on shared patients at fixed facilities to include theater inpatient notes, outpatient encounters, and ancillary clinical data. • Completed white paper on functional requirements that are common to both VA and DoD Web portals and recommended collaborative implementation of shared education content in TRICARE Online and My HealtheVet. • Completed developing requirements for in-theater medical imaging and began acquisition strategy for DoD to acquire the capability to support the transfer of images from combat theaters of operations to VA and DoD facilities in the continental United States. • At the end of June 2008, VA and DoD were able to share real-time and bi-directionally viewable vital signs data between all VA and DoD locations. • In December 2007, DoD began sharing viewable discharge summaries from Landstuhl Regional Medical Center, Germany with VA providers on shared patients.

Y Status	ELIMINATING IMPROPER PAYMENTS	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress

Evidence that improper payment reduction and recovery targets are being met	• VA established a corrective action plan with OMB-approved improper payment reduction targets for all risk-susceptible programs.
	
	 • VA met the improper payment reduction and recovery targets for the following programs: Education, Loan Guaranty, and Non-VA Care Fee Basis.
	
	 • VA did not meet the reduction and recovery targets in the Compensation and Pension programs.
	    o Two new DoD programs, Combat Related Special Compensation and Concurrent Retirement and Disability Pay, were created to permit partial to total restoration of reduced benefits due to receipt of VA compensation for certain disabled retirees. These programs, which allow concurrent receipt of VA Compensation and DoD military retired pay, negatively affected the accuracy of the Compensation payments.
	
	 • VA consolidated the processing of all pension maintenance workload to the Pension Management Centers.
	    o This consolidation improved the quality and timeliness of pension processing and reduced the size of erroneous pension payments through greater claims processing efficiencies and reduced cycle time. However, due to high turnover of claims examiners, mostly due to retirements, VA was not able to meet its improper payments targets.

G Status	REAL PROPERTY	Progress G

FY 2008 Focus Areas	FY 2008 Actions and Progress
Continued decrease of underutilized space	• VA's 5-year Disposal Plan puts in place plans and actions to achieve a 7.6 million square feet reduction from FY 2008-FY 2012. This represents a 35 percent reduction in underutilized space.

Created Real Property Working Group (RPWG) to evaluate VA's Facility Condition Assessment (FCA) process	• The RPWG took the following actions in FY 2008:
	 • Began defining and clarifying roles, responsibilities, and accountability regarding the FCA process.
	    o Initiated an evaluation of occupancy and FCA evaluation, grading, and funding distribution options.
	    o Defined a regularly scheduled FCA progress reporting system.
	    o Completed a report assessing VA's FCA process.

Improved Inventory Reporting and Classification	• In response to a Government Accountability Office (GAO) audit, VA created reports identifying and quantifying reuse, enhanced use lease, sharing outlease, transfer, mothballing, and demolition inventory activities. o Reports, produced on a quarterly basis, provide management with accurate, quantifiable progress on reductions in vacant and underutilized space.

FAITH-BASED AND COMMUNITY INITIATIVES

G Status	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress

Expanded Grassroots Participation
 	
- Implement aggressive strategy uses of all 5 best practices
	• VA's Center for Faith-Based and Community Initiatives (CFBCI) implemented "FBCI New Best Practices" as follows:
	
	   ○ Identified VA administrative programs where expansion of innovative grant strategies would have greatest impact.
	
	   ○ Implemented technical assistance programs in selected key VA programs to encourage and facilitate the integration of grassroots faith-based and community-based organizations into State and local service delivery systems.
	
	   ○ Developed plans for evaluating technical assistance programs and measuring their impact.
	
	   ○ Prepared a strategic plan to improve grassroots strategies.

Equal Treatment Regulations
 	
- Provides education, develops mechanisms for assessing compliance uses of all nine best practices
	• FBCI implemented two "equal treatment" best practices:
	
	   ○ Identified replicable models of effective partnerships between federally funded State and local programs and adopted methods of packaging information on these models in a format that was easily accessible to State and local administrators.
	
	   ○ Identified appropriate means of delivering information on regulations to relevant administrators and officials.

Outcome-based evaluations - Provide quarterly progress reports, interim data; incorporated into broader program of evaluations	• Quarterly evaluation reports for all pilot programs were submitted to the White House Office of Faith-Based and Community Initiatives. • All FBCO-expanded grassroots participation programs as well as pilot programs provided regular progress reports. • Expanded grassroots participation data were collected quarterly from all pilots and VA programs. The data were reported on the PMA Scorecard.

R Status	IMPROVED CREDIT MANAGEMENT	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress
Establish or verify sound lending policies and procedures - Effective transaction approval processes - Effective loan portfolio management - Effective loss recovery processes	• Hired a financial analyst with expertise to evaluate current Credit program data and to use these data to assess the program's risk exposure. • Began work on needs assessment/gap analysis to identify what information the Loan Guaranty Program needs to adequately monitor risks. • Procured software and hardware required to build a risk model to be used to analyze various program data sources and evaluate risk.
Establish or verify sound collateral valuation process - Implemented policies and procedures	• Executing plans to procure an Automated Valuation Model/Appraisal Management System (AVM/AMS). • The AVM/AMS system will make the appraisal review process more efficient by providing an automated review of the appraisal reports for overt errors and nationwide property valuation information. • AMS/AVM will also improve VA's oversight capabilities by permitting more risk-based field reviews and management of fee appraisers and staff appraisal reviewers.
Maintain effective management information reporting - Identified and substantiated risk indicators - Implemented reporting	• Provided OMB with an update on the status of implementation of the VA Loan Electronic Reporting Interface (VALERI) project. o The update included schedule for testing, installation, and system customization. VALERI is on schedule to be fully implemented by the end of December 2008.
Control costs - Established current cost estimates - Established benchmarks and goals - Reaches goals	• VA built a module to provide reporting capability at the business-line level. Business-line reports were finalized in the fourth quarter of 2008 and delivered to the Housing Program for use in tracking program costs.

Customer Satisfaction
 	
-Meets or exceeds industry standards
	• OMB certified that VA meets requirements for this initiative.
	  o The Housing program conducts several customer satisfaction surveys each year.
	  o Neither VA nor OMB was able to provide appropriate and relevant or comparable benchmark statistics with which to compare VA's Housing Program data with private sector data.

Comply with Debt Collection Improvement Act (DCIA)	• Existing law prohibits VA from collecting debts on VA-guaranteed loans, except in instances of fraud, misrepresentation, or bad faith on the part of the individual obtaining the loan or in connection with the loan default. • Worked with U.S. Treasury Department to draft and finalize a Performance Expectations Agreement for Debt Collection Improvement Act compliance. o As part of the agreement, VA is working to establish a linkage to DebtCheck®, for use in reporting those debts that are eligible for collection.

R Status	HEALTH IT INFORMATION	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress
Support National Health IT Goal for… - Health Data Standards - Health exchange and system inventory - *Development of a* Standards Implementation plan *that meets HHS*-accepted standards – including timeline, resource identification, and planned/potential health information exchanges	• VA led the effort on behalf of the Federal Health providers to form a consortium to build a Federal connection to the Nationwide Health Information Exchange. The Federal connection constitutes a planned set of standard specifications that each Federal provider will need to implement. • VA is working on Information Systems that are impacted by Interoperability Specifications 01 (lab results terminology components). o Interoperability Specifications 01 defines specific standards to support smooth operation between electronic health records and laboratory systems and secure access to laboratory results and interpretations. • At this time, due to the lack of recognized privacy and security constructs from Health Information Technology Standards Panel (HITSP), VA has halted the implementation plan for systems that are impacted by the recognized HITSP. • Work will resume when security and privacy constructs for the use cases are recognized by the Secretary of the U.S. Department of Health and Human Services (DHHS).
Support National Health IT Goal for… - Systems development - Accepted standards implemented on 25% of systems/processes - Accepted standards implemented on 50% of systems/processes - Department policy and standards language developed - Inclusion of HIT language for applicable contracts	• VA has implemented 18 percent of the health standards in its systems. • Plans are pending with Federal Health Architecture and OMB to change the methodology so that VA is given more credit for its work in building the Nationwide Health Information Exchange. Currently, the methodology does not cite the significant standards work required in building a Federal connection to the Nationwide Health Information Network.

R Status	HEALTH IT INFORMATION, *cont'd.*	Progress G

FY 2008 Open Items	FY 2008 Actions and Progress
Support National Health IT Goal for… **-** Certification - Plan to meet ambulatory care certification criteria - Independent validation of ambulatory care software	• VA created a workgroup to complete an analysis of its VistA computerized patient record system's likely performance against the Certification Commission for Health IT (CCHIT) inpatient and outpatient certification criteria. A team of subject matter experts did a gap analysis of the functionality of VistA and made a recommendation of code base changes that may need to be undertaken to receive CCHIT certification. The workgroup worked through the criteria and noted whether our systems meet the criteria for certification and what specific criteria will need enhancements. The functionality analysis is currently being reviewed for comprehensiveness before being submitted for further analysis to identify technical solutions, project sizing, and cost estimates.
Support National Health IT Goal for… Price and Quality Transparency - Price and Quality measurement inventory and timeline - Evidence to demonstrate collaborations and progress toward making additional price and quality measurements available to beneficiaries, with a timeline through FY 2009	• In an effort to provide transparency to our beneficiaries, data will be made available on clinical quality measures. These measures will be consistent with information on preventive care for our patient population. Currently this is a pilot project and is only available in six VISNs. • Pilot testing of methods of electronic data abstraction at individual medical center facilities will continue. Currently the data reported for quality measurement are a sample of the patients. The goal is for 100 percent electronic data for the quality measures reported. • Continue to identify opportunities for harmonization with DoD and Indian Health Service on reporting of clinical quality measures.