

DEPARTMENT OF VETERANS AFFAIRS

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STRATEGIC PLAN  
FY 2006-2011



OFFICE OF THE SECRETARY  
WASHINGTON, DC 20420

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OCTOBER 2006



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# VA STRATEGIC PLAN FY 2006-2011

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## FOREWORD

The Department of Veterans Affairs (*VA Strategic Plan for FY 2006-2011*) was developed with the underlying purpose of improving the lives of veterans and their eligible family members. The needs and expectations of veterans and their families form the basis for the strategic goals contained in this document.

This *VA Strategic Plan* has been prepared in accordance with the Public Law 103-62, the Government Performance and Results Act (GPRA), and in accordance with the provisions of OMB Circular A-11, Part 6 as modified in June 2006. This *VA Strategic Plan* is part of the *compendium* of documents related to the implementation of GPRA that includes the Annual Performance Plan, which is provided in each annual budget submission, and the Performance and Accountability Report, which addresses performance retrospectively for each fiscal year.

In concert with the Secretary's priorities, VA operates as an integrated veteran-centric organization, and outcome-oriented strategies and performance measures shape how resources will be used to drive organizational efforts. This document incorporates information from each VA organization as well as external stakeholders on how services and benefits will be delivered. The framework for the strategic plan centers on the Department's four *strategic goals* and an *enabling goal*. Supporting each goal, objectives include multi-year strategies, performance measures, and performance targets.

The implementation of this *VA Strategic Plan* reflects the Department's efforts to continuously improve toward fulfilling its mission. This strategic plan is not a static document and changing conditions or requirements may require refinement to the strategies published in this document. VA's effectiveness during the FY 2006-2011 timeframe will be determined by how well veterans and their families are served.

## VA MISSION STATEMENT

To fulfill President Lincoln's promise – "To care for him who shall have borne the battle, and for his widow, and his orphan" – by serving and honoring the men and women who are America's veterans.

## VA VISION

To provide veterans the world-class benefits and services they have earned – and to do so by adhering to the highest standards of compassion, commitment, excellence, professionalism, integrity, accountability, and stewardship.

## VA CORE VALUES

COMPASSION – We will treat all veterans and their families with the utmost dignity and compassion. We will provide services in a caring manner, with a sympathetic consciousness of others' distress together with a desire to alleviate it.

COMMITMENT – Veterans have earned our gratitude and respect. Their health care, benefits, and memorial service needs drive our actions.

EXCELLENCE – We strive to exceed the expectations of veterans and their families. We strive to perform at the highest level of competence and take pride in our accomplishments.

PROFESSIONALISM – Our success depends on maintaining a highly-skilled, diverse, and compassionate workforce. We foster a culture that values equal opportunity, innovation, and accountability.

INTEGRITY – We recognize the importance of accurate information. We practice open, truthful, and timely communication with veterans, employees, and external stakeholders. By carefully listening and responding to their concerns, we seek continuous improvement in our programs and services.

ACCOUNTABILITY – We will perform in a manner at all times that makes us accountable, responsible, and answerable to veterans and their families, our leaders and other employees, as well as external stakeholders.

STEWARDSHIP – We will ensure responsible stewardship of the human, financial, and natural resources as well as data and information entrusted to us. We will improve performance through the use of innovative technologies, evidence-based medical practices, and sound business principles.



## Secretary's Statement

A lot has changed since 1930, when the Veterans Administration was created. While the mission of the Department of Veterans Affairs (VA) has evolved over the decades, our fundamental mandate remains the same: to provide competent, compassionate, and consistent high-quality health care, benefits, and memorial services to our country's veterans. The *VA Strategic Plan for FY 2006-2011* reflects our commitment to perform our mandate and to improve the lives of veterans and their families, in accordance with law.

Over the past several years, our Nation has once again been reminded of the vital importance of its armed forces, both active and reserves, and the life-altering risks inherent to individuals serving in our military. The *Global War on Terrorism* has dramatically altered how we think about homeland security and our inherent freedom.

It is my vision that we will continue our steadfast commitment to deliver high-quality and accessible health care. We will continue to provide timely and consistent delivery of benefits to eligible veterans and their families. With grateful hearts, we will memorialize veterans with dignity and preserve national cemeteries as shrines. VA must ensure seamless transition for wartime veterans, moving from uniform to civilian life, and the principal mechanism to achieve this is more effective collaboration between the Departments of Defense and Veterans Affairs. We will meet these goals as we also strive to achieve a *Gold Standard* for data management and data protection. Ensuring veterans their privacy is also a priority of ours.

Our strategic focus and operational strategies shape how we use our resources, and VA is well prepared to care for those veterans who need us the most; these are service-connected veterans who are ill or injured as a result of their military service; indigent veterans who have no other health care options; and disabled veterans requiring specialized services.

VA affects the lives of many, and we will enhance the overall delivery of services and benefits to veterans, servicemembers, and their families while maintaining an emphasis on protecting their sensitive information. In addition, we will remain prepared to perform our back-up missions in support of the Department of Defense and the civilian population in times of emergencies. We will also continue to maintain our levels of excellence in medical research, contributing to the overall health care delivery to all Americans.

The Department of Veterans Affairs is proud and privileged to be the keeper of America's long-standing promise to veterans. All of us are here to serve, because while wars have beginnings and ends, caring for those who served our Nation never ends.

R. James Nicholson  
Secretary of Veterans Affairs

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## *Deputy Secretary's Statement*

The Department of Veterans Affairs has a sterling reputation for delivering world class health care, benefits, and memorial services to veterans and their families. As the Deputy Secretary and Chief Operating Officer, my focus is on operational strategies that will enable the Department to achieve success in our endeavors that result in the best service to veterans.

Our greatest and most enduring challenge is to maintain this high level of operational excellence and service. More than any Nation, the United States works aggressively to care for and serve the needs of veterans who have selflessly served to protect our national security. We cannot and will not waver from this responsibility. Our second great challenge is to restore the trust and confidence of veterans in VA's willingness and ability to store, handle, and protect their personal data and medical records. We are resolute in these efforts and we will not fail. As responsible stewards of taxpayer resources, our third great challenge is to deliver services to veterans as efficiently as possible.



We will realize necessary operational efficiencies through implementation of standardized clinical practices and guidelines, robust practice of preventive medicine, and timely processing of benefit claims and requests for memorial services. In support of VA operations, we must strive to complete construction, supplies and services, and IT systems development projects and contracts that meet our stringent targets for cost, schedule, and performance.

Close collaboration between VA and the Department of Defense (DoD) is and will remain an area of emphasis under the President's Management Agenda. The VA/DoD Joint Executive Council oversees coordination and resource sharing between the two Departments. The Health Executive Council, the Benefits Executive Council, and the Construction Planning Committee implement outcome-oriented strategies through organized and fully integrated working groups.

We will improve communications with veterans, stakeholders, and employees. It is essential that we increase knowledge and awareness among veterans and their families about benefits and services, as well as clearly communicating VA's mission, vision, goals, and objectives to Congress, stakeholders, and the public. Enhanced communication with stakeholders and the public will include active consultation with Veterans Service Organizations, Congress, the Office of Management and Budget, and the Government Accountability Office.

The VA Office of DoD Coordination will partner with DoD to conduct outreach activities and transition assistance to servicemembers separating from active duty, the National Guard, and Reserve. We must ensure continuity of health care and benefits for those returning from combat with service-related conditions. Awareness of eligibility for VA benefits has a direct and lasting impact on the degree to which VA can meet the needs of new veterans.

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As a companion document to the *VA Strategic Plan*, VA will develop an updated *VA Strategic Plan for Employees*. Communicating the Department's strategic framework to all employees will help VA staff at all levels understand how their work contributes to the achievement of VA's overall mission and goals.

Like other federal agencies, VA faces many challenges in human capital management. Besides addressing human resource challenges, we are implementing comprehensive workforce and succession planning efforts. We will maintain a skilled, dedicated, and high-performing workforce. Because the VA workforce is our key asset in delivering services and benefits to veterans and their family members, we will focus on recruitment, development, and retention strategies. We will instill in our workforce a keen sense of awareness and responsibility for protecting veterans' privacy and mitigating the risk associated with handling the sensitive personal and medical data of veterans we use on a daily basis.

In times of war or national emergency, VA will continue to operate our medical system and provide services to veterans, and contribute to the national response capability, by ensuring a strong Continuity of Operations Program. VA will provide key medical and logistical assistance to local communities for natural disasters, as well as resource support to the Medical Emergency Radiological Response Team for radiological emergencies. We will also perform our fourth mission, which includes supporting federal-level crisis efforts under the National Response Plan, serving as medical back-up to DoD, and assisting the public via the National Disaster Medical System. Pandemic flu is an example of one of the many possible risks that we face in today's world. VA will meet its essential responsibility to maintain continuity of operations and maintain a high level of preparedness and response capability during wartime, natural disasters, and other national emergencies.

As an integrated, veteran-centric organization, VA will improve the overall governance and performance of the Department by applying sound business principles, effective management oversight; optimizing resources; increasing revenue and efficiency; and expanding federal, state, local, tribal and private partnerships. VA will evaluate internal operations to address areas that need improvement. We will focus on the President's Management Agenda and actively address key management challenges identified by the VA Office of the Inspector General and the Government Accountability Office.

We will conduct Monthly Performance Reviews with senior management, integrate performance information with our annual resource request to Congress, and report our progress in achieving performance targets. We will strengthen our financial accountability by adopting methods to improve medical care collections, consolidated mail outpatient pharmacies, IT portfolio management, and capital asset management and investments. VA's Strategic Management Council will meet at least monthly to review the status of key projects, management improvement initiatives, legislative proposals, and other issues critical to the effective management of the Department.

It is our great privilege to serve our Nation's veterans and their families. Each and every VA employee must take this responsibility very seriously every day. America and its veterans expect no less, and to meet the Secretary's vision, we must strive to maintain a culture of continuous improvement as we go about our daily business.



Gordon H. Mansfield  
Deputy Secretary of Veterans Affairs



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# *Secretary's Priorities*

*Maintain Status as Highest-Rated Health Care Provider in the U.S.*

*Provide Timely and Accurate Benefits to Veterans and Their Families.*

*Memorialize Veterans with Final Resting Places in National Shrines.*

*Achieve Seamless Transition for Wartime Servicemembers, Veterans, and Their Families.*

*Achieve the Highest Levels - the Gold Standard - for Data Security and Stewardship for Veterans and Their Families.*



## GOLD STANDARD FOR DATA SECURITY

The *Gold Standard for Data Security* is being implemented throughout the Department of Veterans Affairs to drive to an absolute minimum, the risk of compromising sensitive veteran and employee data. In the near future, the Department will be recognized as the best-in-class benchmark for data management and security in the federal government.

The underlying premise of a *Gold Standard* is that an organization delivers a service or product that exceeds how others in the same industry are performing. Within the context of how information is managed, the term – *Gold Standard for Data Security* – reflects the Department’s commitment to robust and demanding standards of performance. The *Gold Standard for Data Security* prescribes strict adherence to proper stewardship and securing of data by VA employees and others using sensitive VA information.

VA organizations have been tasked by the Secretary to make the *Gold Standard* a reality and the principles of the *Gold Standard for Data Security* have permeated throughout the organization. There is executive-level commitment throughout the Department with a focus on the oversight and stewardship of data privacy strategies, and efforts are underway to educate VA’s 238,000-employee workforce about data security.

The key elements of the *Gold Standard for Data Security* include, but are not limited to, the promulgation of policies and procedures; IT strategic planning; training and education (for VA and Non-VA personnel); security measures and monitoring (including proactive auditing and compliance inspection); securing of devices; encryption of data; enhanced data security for VA’s sensitive information; enhanced protection for shared data in interconnected systems; and incident management and monitoring. Collectively, the elements of the *Gold Standard for Data Security* form the basis of a comprehensive and consistent system-wide approach to data management, as encompassed by the Data Security - Assessment and Strengthening of Controls (DS-ASC) Program.

VA has committed time and resources to implement strategies that promote data security for all employees, and a change in the culture and capability in VA facilities and remote locations. As different aspects of the *Gold Standard* mature, VA’s strategies and performance will evolve. VA has achieved substantial progress in a relatively short timeframe, and continuous improvement is expected. VA employees are now more cognizant about data management and security when they deliver services to veterans and their eligible family members. The growing awareness and change in the organization’s culture will lead the Department to be recognized as the *Gold Standard for Data Security*.

# SECRETARY'S PRIORITIES MATRIX

| SECRETARY'S PRIORITIES  |  |  |   |  |  |  |
|---|--|--|---|--|--|--|
| VA'S<br>PROGRAM-ORIENTED<br>OBJECTIVES  | MAINTAIN<br>STATUS AS<br>HIGHEST<br>RATED HEALTH<br>CARE PROVIDER<br>IN U.S. | PROVIDE<br>TIMELY AND<br>ACCURATE<br>BENEFITS TO<br>VETERANS AND<br>THEIR FAMILIES | MEMORIALIZE<br>VETERANS WITH<br>FINAL RESTING<br>PLACES IN<br>NATIONAL<br>SHRINES | ACHIEVE<br>SEAMLESS<br>TRANSITION FOR<br>WARTIME<br>SERVICEMEMBERS,<br>VETERANS, AND<br>THEIR FAMILIES | ACHIEVE THE<br>HIGHEST LEVELS<br>-- THE<br>GOLD STANDARD<br>-- FOR DATA<br>SECURITY AND<br>STEWARDSHIP FOR<br>VETERANS AND<br>THEIR FAMILIES | VA'S<br>OUTCOME-BASED<br>AND<br>CROSSCUTTING<br>GOALS  |
| <b>Objective 1.1</b> - Maximize the physical, mental, and social functioning of veterans with disabilities and be a leader in providing specialized health care services.   | ✓  |  |   | ✓  | ✓  | <b>GOAL 1</b> - Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families. |
| <b>Objective 1.2</b> - Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.   |  | ✓  |   | ✓  | ✓  |  |
| <b>Objective 1.3</b> - 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>Objective 1.4</b> - Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.   |  | ✓  |   | ✓  | ✓  |  |
| <b>Objective 2.1</b> - Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.  | ✓  | ✓  |   | ✓  | ✓  | <b>GOAL 2</b> - Ensure a smooth transition for veterans from active military service to civilian life.   |
| <b>Objective 2.2</b> - 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>Objective 3.1</b> - 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>GOAL 3</b> - Honor and serve veterans in life, and memorialize them in death for their sacrifices on behalf of the Nation.  |

# SECRETARY'S PRIORITIES MATRIX

| SECRETARY'S PRIORITIES  |   |   |  |  |  |   |
|---|---|---|--|--|--|---|
| VA'S PROGRAM-ORIENTED OBJECTIVES  | MAINTAIN STATUS AS HIGHEST RATED HEALTH CARE PROVIDER IN U.S. | PROVIDE TIMELY AND ACCURATE BENEFITS TO VETERANS AND THEIR FAMILIES | MEMORIALIZE VETERANS WITH FINAL RESTING PLACES IN NATIONAL SHRINES | ACHIEVE SEAMLESS TRANSITION FOR WARTIME SERVICEMEMBERS, VETERANS, AND THEIR FAMILIES | ACHIEVE THE HIGHEST LEVELS -- THE GOLD STANDARD -- FOR DATA SECURITY AND STEWARDSHIP FOR VETERANS AND THEIR FAMILIES | VA'S OUTCOME-BASED AND CROSSCUTTING GOALS   |
| <b>Objective 3.2</b> - Provide eligible veterans and their survivors level of income that raises their standard of living and sense of dignity by processing pension claims in a timely and accurate manner.  |   | ✓   |  | ✓  | ✓  | <b>GOAL 3</b> - Honor and serve veterans in life, and memorialize them in death for their sacrifices on behalf of the Nation. |
| <b>Objective 3.3</b> - Maintain a high level of service to insurance policyholders and their beneficiaries to enhance the financial security of veterans' families.   |   | ✓   |  | ✓  | ✓  |   |
| <b>Objective 3.4</b> - Ensure that the burial needs of veterans and eligible family members are met.  |   |   | ✓  | ✓  | ✓  |   |
| <b>Objective 3.5</b> - Provide veterans and their families with timely and accurate symbolic expressions of remembrance.  |   |   | ✓  | ✓  | ✓  |   |
| <b>Objective 3.6</b> - 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>Objective 4.1</b> - 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. | ✓   |   |  |  | ✓  |   |
| <b>Objective 4.2</b> - 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>Objective 4.3</b> - 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.  | ✓   |   |  |  | ✓  |   |

# SECRETARY'S PRIORITIES MATRIX

| SECRETARY'S PRIORITIES   |   |   |  |  |  |  |
|--|---|---|--|--|--|--|
| VA's PROGRAM-ORIENTED OBJECTIVES   | MAINTAIN STATUS AS HIGHEST RATED HEALTH CARE PROVIDER IN U.S. | PROVIDE TIMELY AND ACCURATE BENEFITS TO VETERANS AND THEIR FAMILIES | MEMORIALIZE VETERANS WITH FINAL RESTING PLACES IN NATIONAL SHRINES | ACHIEVE SEAMLESS TRANSITION FOR WARTIME SERVICEMEMBERS, VETERANS, AND THEIR FAMILIES | ACHIEVE THE HIGHEST LEVELS -- THE GOLD STANDARD -- FOR DATA SECURITY AND STEWARDSHIP FOR VETERANS AND THEIR FAMILIES | VA's OUTCOME-BASED AND CROSSCUTTING GOALS  |
| <b>Objective 4.4</b> - Enhance the socio-economic 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.  |   | ✓   |  |  | ✓  | <b>GOAL 4</b> - Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.  |
| <b>Objective 4.5</b> - 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>Objective E.1</b> - Recruit, develop, and retain a competent, committed, and diverse workforce that provides high-quality service to veterans and their families.   | ✓   | ✓   | ✓  |  | ✓  |  |
| <b>Objective E.2</b> - 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.   | ✓   | ✓   | ✓  | ✓  | ✓  | <b>ENABLING GOAL-</b><br>Deliver world-class service to veterans and their families through effective communication and management of people, technology, business processes, and financial resources. |
| <b>Objective E.3</b> - 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. | ✓   | ✓   | ✓  | ✓  | ✓  |  |
| <b>Objective E.4</b> - Improve 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.           | ✓   | ✓   | ✓  |  | ✓  |  |

# VA STRATEGIC AND ENABLING GOALS

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

VA will achieve this goal by maximizing the potential of disabled veterans – including special veteran populations, their dependents, and their survivors – to become full and productive members of society. Our system of health care, compensation, pension, vocational rehabilitation, life insurance, loan guaranty, education, dependency and indemnity compensation, and dependents' and survivors' education is aimed at the broad outcome of restoring an individual's capabilities as well as improving the quality of their lives and that of their families.

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

Veterans will be fully reintegrated into their communities with minimum disruption to their lives through outreach, transitional health care, readjustment counseling, vocational rehabilitation and employment services, and educational assistance.

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

Veterans will be provided dignity in their lives, especially in time of need, through the provision of health care and pension programs. We will also make available life insurance benefits and home loan guarantees, ensure that burial needs of veterans and eligible family members are met, and provide veterans and their families with symbolic expressions of remembrance.

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

VA will support veterans, and the Nation as a whole, by carrying out medical research, conducting medical education and training, and serving as a resource in the event of a national emergency or natural disaster. We will support the socioeconomic well-being of veterans through the provision of education, vocational rehabilitation, and home loan services. VA will preserve the memory of and pay homage to the patriotism of America's veterans by maintaining our national cemeteries as national shrines, and by hosting patriotic and commemorative ceremonies and events.

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

VA's *enabling goal* is different from our four strategic goals. This goal and its corresponding objectives – *People, Communication, Information Technology, and Governance* – represent crosscutting activities that enable all organizational units to carry out the Department's mission.

## OUR CONTINUOUS FOCUS ON OUR NATION'S VETERANS

To serve veterans and respond to their changing needs, the Department of Veterans Affairs must be informed about the demographics of the veteran population – how many there are, how old they are, where they live, what their economic and health characteristics are, and how many there will be in the future.

Beginning with our Nation's struggle for freedom more than two centuries ago, approximately 43.2 million men and women have served during a period of war. Today, there are an estimated 24 million living veterans. Most veterans, nearly 74 percent, have served during at least one wartime period. More than 61 million people, or 21 percent of the total estimated resident population of the United States and Puerto Rico, are either veterans or dependents of veterans.

VA beneficiaries include veterans, select dependents, and certain survivors of deceased veterans. In FY 2007, we project that 543,000 survivors of deceased veterans will receive benefits from VA. There are an estimated 37 million dependents (spouses and dependent children) of living veterans.

Between 2000 and 2006, the estimated veteran population in the U.S. and Puerto Rico declined by nearly 8 percent, from 26.5 million to 24 million. The total veteran population is expected to decline to 21.7 million by 2011, and to 18.1 million by 2020. Between 2005 and 2011, the year-to-year rate of decline in the veteran population is projected to average nearly 2 percent.

The decrease in the total veteran population is the result of the number of veterans' deaths exceeding the number of new separations from the active duty military. For example, in 2005, there were an estimated 687,400 veteran deaths, compared to 281,100 new veterans who separated from the military. VA projects 662,700 veteran deaths, compared to 211,800 separations from the military in 2011. After 2011, the number of deaths will continually decline, while the number of separations will initially decline and then increase

slightly. By 2020, the number of deaths per annum will continue to greatly exceed the number of separations.

As of September 2006, there were approximately 8.1 million Vietnam Era veterans, the largest segment of the veteran population. There are approximately 4.4 million Gulf War Era veterans. The second largest segment of the wartime veteran population – the approximately 4.4 million Gulf War Era veterans – includes veterans of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Two other major conflicts contributed to the total of United States wartime veterans: there are about 3.5 million World War II veterans and 3.3 million Korean War veterans. About 6.2 million living veterans served only during peacetime.<sup>1</sup>

Since September 11, 2001, approximately 525,000 men and women from the National Guard and Reserve have been activated to serve in support of OEF and OIF. As of August 2006, approximately 327,000 of these troops have separated from active duty and transitioned to civilian life, joining the newest generation of veterans. The increased role of the National Guard and Reserve has focused VA's attention on expanding critical outreach efforts to ensure that we educate this segment of the veteran population, and address critical issues related to health care and benefits. To date, more than 95,000 members of the National Guard and Reserve have received health care from VA, and that number will continue to grow.

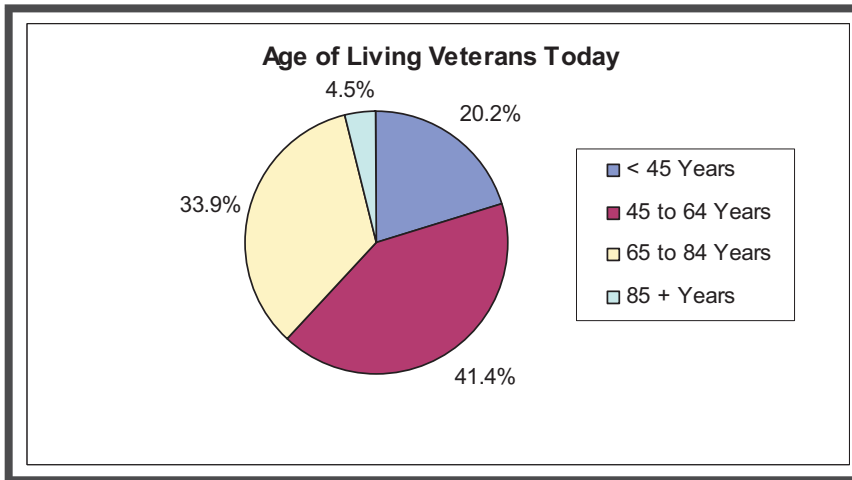
The median age of all living veterans today is 60 years. Veterans under 45 constitute 20.2 percent of the total veteran population; veterans 45 to 64 years old, 41.4 percent; veterans 65 to 84 years old, 33.9 percent; and veterans 85 years old or older, 4.5 percent. The number of veterans 85 and older is nearly 1,075,000, compared to only 164,000 veterans in this age range in April 1990. By 2011, the number of veterans age 85 and older will grow to more than 1.3 million. This large increase in

<sup>1</sup> Numbers by period of service do not add to total number of veterans because veterans are counted in each period in which they served.

the oldest segment of the veteran population has had, and will continue to have, significant ramifications on the demand for health care services, particularly in the areas of long-term care and home-based care. These trends are depicted in Exhibit 1.

**EXHIBIT 1 – AGE OF LIVING VETERANS TODAY**

*Source: Vet Pop 2004 Version 1.0 VA Office of the Actuary Data as of September 30, 2006*



At the same time, VA will be serving a new generation of younger veterans, many very seriously injured. This will continue to have a significant impact on the demand for health care services, environments of care, family support, compensation program costs, and associated changes in VA's culture.

The female veteran population of 1.75 million constitutes about 7 percent of all veterans. As the number of women in the military grows, so will the proportion of women in the veteran population, increasing to 8 percent

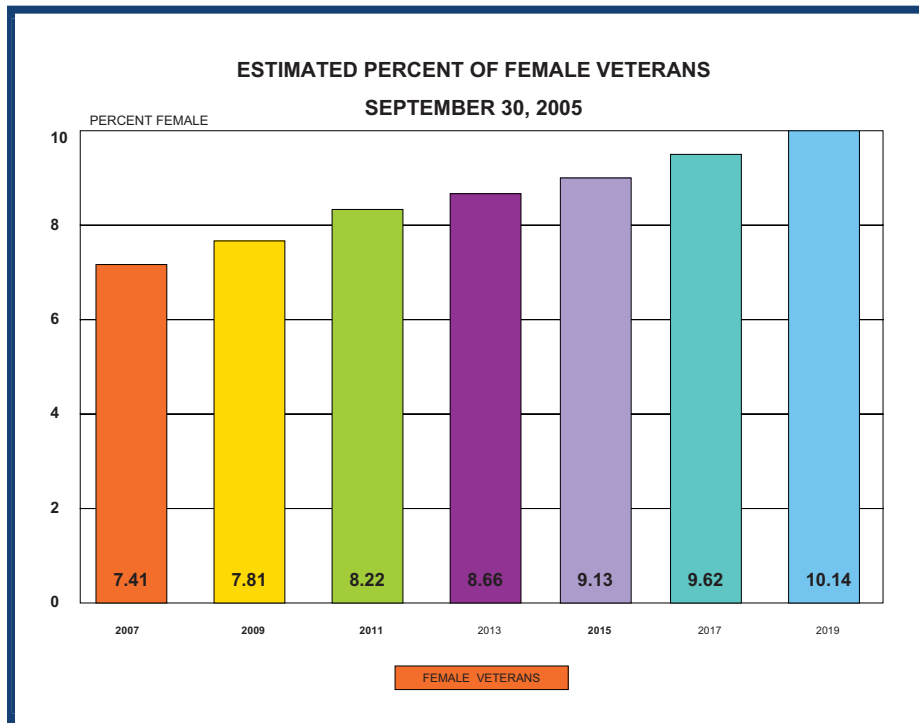
by 2011. The demographic profile of the female veteran population is generally younger than that of male veterans, with the median age of female veterans being 14 years younger than male veterans – 46 versus 60. The growing number of women in the military in recent years is reflected in period-of-service differences between male and female veterans: about 70 percent of all female veterans served during the post-Vietnam Era, compared to only 31 percent of male veterans. See Exhibit 2.

Of significance, over 4.7 million veterans are minorities: 2.6 million are African American, 1.3 million are Hispanic, 278,000 are Asian, and 181,000 are American Indian or Alaskan Native. Minority veterans represent nearly 17 percent of the veteran population. See Exhibit 3.

Veterans in just three states – California, Florida, and

**EXHIBIT 2 – ESTIMATED PERCENT OF FEMALE VETERANS**

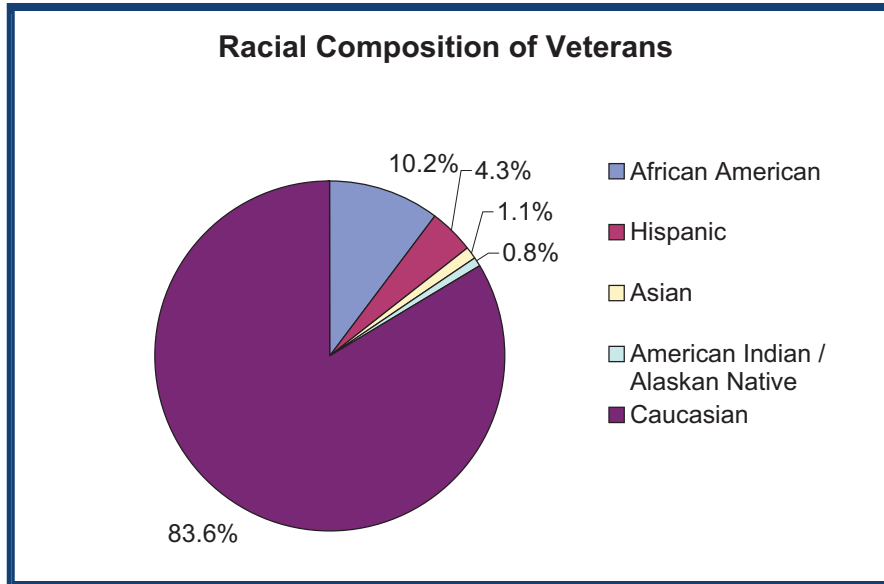
*Source: Vet Pop 2004 Version 1.0 VA Office of the Actuary Data as of September 30, 2006*





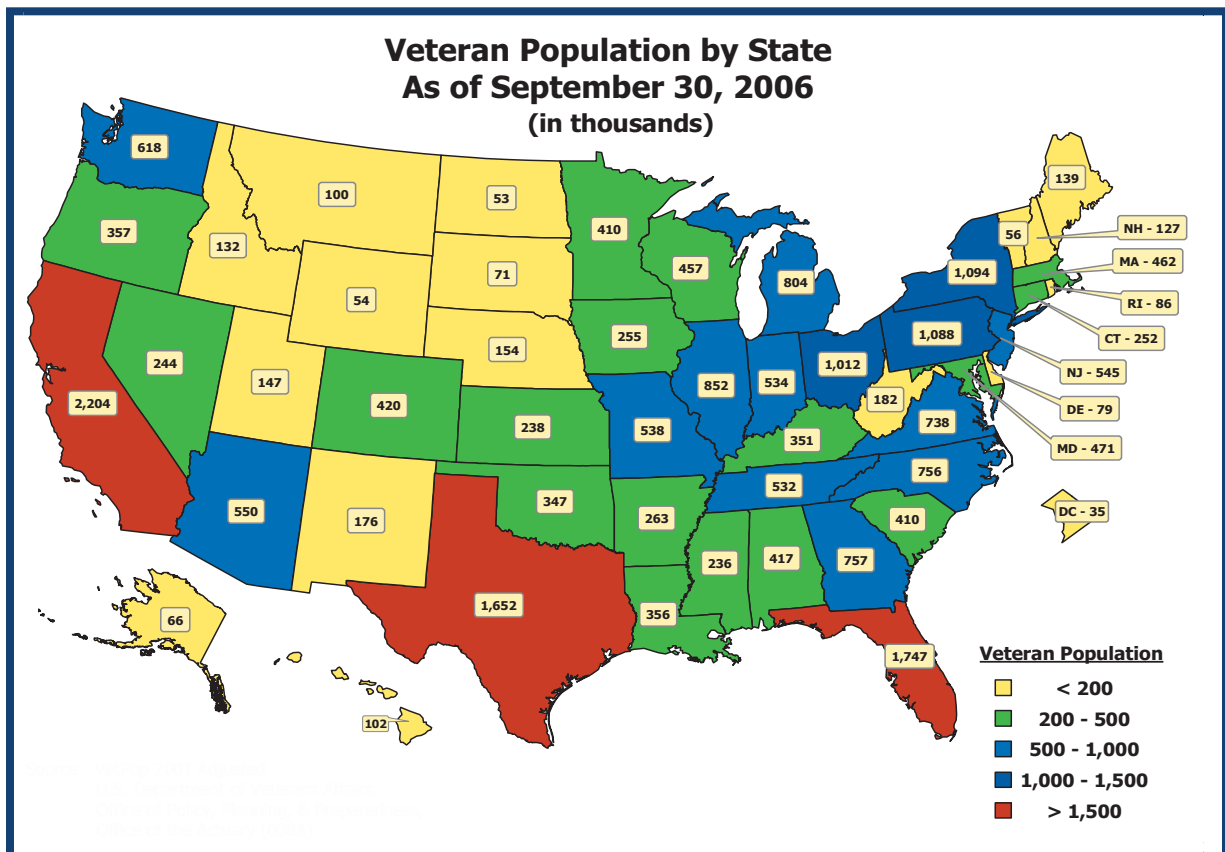
### EXHIBIT 3 – RACIAL COMPOSITION OF VETERANS

Source: Vet Pop 2004 Version 1.0 VA Office of the Actuary Data as of September 30, 2006



### EXHIBIT 4 – VETERAN POPULATION BY STATE

Source: Vet Pop 2004 Version 1.0 VA Office of the Actuary Data as of September 30, 2006



Texas – accounted for nearly one-quarter of all veterans in the United States as of September 2005. The three next largest states in terms of veteran population are New York, Pennsylvania, and Ohio. These six states accounted for more than 37 percent of the veteran population, while the three least populous states in terms of veterans – Wyoming, North Dakota, and Vermont – collectively made up less than 1 percent of the veteran population. See Exhibit 4.

Education plays a critical role in the social and economic achievements of America's veterans. The education benefits available to veterans, servicemembers, reservists, survivors, and dependents are the most commonly used VA benefits. While male veterans are keeping pace with their non-veteran counterparts with respect to educational attainment, female veterans fare better than their non-veteran counterparts. For example, more than 74 percent of female veterans have had at least some college, compared to 62 percent of female non-veterans. In most cases, veterans have 10 years after leaving active duty to use their education benefit.

In general, personal income in 2005 was higher for male veterans than for male non-veterans, due in part to differences in age and to possible differences in job skills and training. The median income of \$32,000 for veterans was 6.7 percent higher than the median income of \$30,000 for their male non-veteran counterparts. Veterans also fared better in employment; in 2005, the annual average unemployment rate of veterans was 4.0 percent, compared to 4.6 percent for their non-veteran counterparts.

VA provides benefits and services to a significant portion of the veteran population. According to the most recent National Survey of Veterans, 74 percent of all living veterans have benefited from one or more VA programs. Nearly 7.7 million veterans are enrolled in the VA health care system. In FY 2007, it is projected that over 5.6 million patients will

receive health care services within the VA health care system, and that almost 3.2 million veterans and 543,000 survivors will receive VA disability compensation or pension benefits.

Since 1776, more than 3.2 million Americans – including veterans of every war and conflict, from the American Revolution to the Global War on Terrorism – have been honored by burial in VA's national cemeteries. VA projects that approximately 102,000 interments were conducted in FY 2006.

Exhibit 5 shows the number of projected participants VA expects to serve in FY 2007 for each major program. The needs, preferences, and expectations of veterans – which directly shape the services VA provides – are the basis for the goals, objectives, and strategies contained in this *VA Strategic Plan FY 2006-2011*. We will continuously seek input from veterans through an array of methods as part of our strategic management process to ensure that we are able to meet their current and future needs.

**EXHIBIT 5 – PROJECTED FY 2007 PARTICIPANTS<sup>2</sup>***Source: FY 2007 President's Budget Submission (Summary, Volume 4 of 4)*

|                           |                                    |           |
|---------------------------|------------------------------------|-----------|
| Medical Care              | Unique Patients                    | 5,616,809 |
| Compensation              | Veterans                           | 2,867,000 |
|                           | Survivors/Children                 | 348,500   |
| Pension                   | Veterans                           | 325,300   |
|                           | Survivors                          | 194,500   |
| Education                 | Veterans / Servicemembers          | 373,400   |
|                           | Reservists                         | 142,300   |
|                           | Survivors / Dependents             | 83,200    |
| Vocational Rehabilitation | Veterans                           | 98,100    |
| Housing                   | Loans Guaranteed                   | 180,000   |
| Insurance                 | Veterans                           | 1,686,200 |
|                           | Servicemembers / Reservists        | 2,417,900 |
|                           | Spouses / Dependents               | 2,984,000 |
| Burial                    | Interments                         | 107,300   |
|                           | Graves Maintained                  | 2,856,100 |
|                           | Headstones / Markers               | 355,300   |
|                           | Presidential Memorial Certificates | 461,400   |

<sup>2</sup> Numbers of participants are estimated projections for FY 2007, and are rounded to the nearest 100.

# WHO WE ARE

**VA'S MISSION IS TO FULFILL  
PRESIDENT LINCOLN'S PROMISE –  
“TO CARE FOR HIM WHO SHALL HAVE  
BORNE THE BATTLE AND FOR HIS WIDOW  
AND HIS ORPHAN” – BY SERVING AND  
HONORING THE MEN AND WOMEN WHO  
ARE AMERICA'S VETERANS.**

President Lincoln's immortal words – delivered in his Second Inaugural Address more than 140 years ago – describe better than any others the mission of the Department of Veterans Affairs. We care for veterans and their families – men and women who have responded when their Nation needed help. Our mission is clear-cut, direct, and historically significant. It is a mission that every employee is proud to accomplish.

By providing world-class, cost-effective benefits and services to veterans and their families, VA continues to fulfill President Lincoln's commitment. To carry out our mission, the President's FY 2007 budget for the Department of Veterans Affairs provides approximately \$80.6 billion for veterans' benefits and services. More than half of the budget (\$42.1 billion) is for entitlement programs, including payments to veterans and survivors receiving disability compensation. Approximately \$38.5 billion is for discretionary programs, primarily for delivering health care services to veterans.

Under our budget for FY 2007, more than 223,000 full-time equivalent (FTE) employees are providing health care and administering benefits to the veterans we serve. Including all full-time and part-time employees, VA currently has over 238,000 employees. As one of the largest health care systems in the United States, the Veterans Health Administration employs almost 200,000 people engaged in the delivery of health care, including more than 13,000 physicians and dentists, and about 42,000 nurses. VA health

care staff are highly trained and dedicated to providing the highest quality health care to our veterans. To ensure that veterans and their dependents receive accurate, timely, and responsive benefits and services, the Veterans Benefits Administration has more than 13,000 employees. Nearly 1,600 National Cemetery Administration employees are engaged in maintaining our national cemeteries as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring veterans' service and sacrifice.

VA has facilities in all 50 states, several U.S. territories, and the District of Columbia. VA delivers health care in 156 medical centers – including facilities damaged by Hurricane Katrina in New Orleans, LA and Gulfport, MS – and more than 1,300 additional sites of care, including 875 ambulatory care and community-based outpatient clinics, 136 nursing homes, 43 residential rehabilitation treatment programs, 207 Veterans Centers, and 88 comprehensive home-care programs. VBA provides benefits and services from 57 Regional Offices and 140 Benefits Delivery at Discharge (BDD) sites (133 are DoD and 7 are Coast Guard). VA also operates 123 national cemeteries and 33 other cemeterial installations. In addition to serving the Nation's veterans, VA's programs enhance the armed forces' recruitment and retention efforts by providing assistance to veterans in their readjustment to civilian life.



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The VA Strategic Plan FY 2006 – 2011 addresses key strategic issues in the areas of health care, benefits and services, memorial affairs, and enabling functions. VA's services and benefits are delivered through nine major business lines or programs:

#### **MEDICAL CARE**

VA operates the largest direct health care delivery system in the country, focusing on services that are uniquely related to veterans' special needs and providing a broad range of primary care, specialized care, gender-specific care for women veterans, and related medical and social support services. As the Nation's single largest provider of health professions education, VA's training programs are designed to maintain an adequate supply of clinical care providers for veterans and the Nation.

#### **MEDICAL RESEARCH**

VA advances research and development by pursuing medical research in areas that most directly address the conditions and diseases that affect veterans. Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of, and ability to treat, disability and disease.

#### **COMPENSATION**

The Compensation program provides monthly payments and ancillary benefits to veterans in recognition of the average potential loss of earning capacity caused by a disability or disease incurred or aggravated during active service. This program also provides monthly payments to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by the veterans' death during active service, or as the result of a service-connected disability.

#### **PENSION**

The Pension Program provides monthly payments to income-eligible wartime veterans at age 65 or over (service pension), or who are permanently and totally disabled (disability pension). This program also grants monthly payments to income-eligible surviving spouses and dependent children of deceased wartime

veterans who died as a result of a disability unrelated to military service.

#### **EDUCATION**

Through the VA Education programs, eligible veterans, servicemembers, reservists, survivors, and dependents are able to achieve their educational or vocational goals. Education programs also assist the armed forces in recruitment and retention, 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 a new program for Reserve and National Guard troops activated in support of the Global War on Terrorism.

#### **VOCATIONAL REHABILITATION AND EMPLOYMENT**

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

#### **HOUSING**

Through loan guaranties, VA's Housing program helps eligible veterans, active duty personnel, surviving spouses, and selected reservists 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.

#### **INSURANCE**

The Insurance program provides servicemembers and their families with universally available life insurance, as well as traumatic injury protection insurance for servicemembers. It also provides for the conversion to a renewable term insurance policy after a servicemember's separation from service. In addition, the program provides

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life insurance to veterans who have lost their ability to purchase commercial insurance at standard (healthy) rates due to lost or impaired insurability resulting from military service. 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.

#### **BURIAL SERVICES**

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

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" has never wavered.

President Lincoln's words guide VA today. The men and women of VA are dedicated to fulfilling the Department's noble mission, and we will employ all of our energies to continue the rich history of serving those who have served the Nation.



## STRATEGIC OUTLOOK

### *DEVELOPING A FUTURE PERSPECTIVE IN THE VA STRATEGIC PLAN*

VA operates in a dynamic environment, influenced by a host of political, social, technological, environmental, and global health factors that affect our programs and operations. The key elements of VA's Strategic Plan – the goals, objectives, strategies, performance measures, and targets – are presented in the next section of this document. This section of the plan presents the strategic outlook for the Department in the areas of health care, benefits, memorial affairs, and enabling functions. It places our goals and objectives into a strategic context. As the basis for the development of this strategic plan, VA has identified the following critical key assumptions that, if altered significantly, could impair our ability to implement this plan:

- VA's budget will be consistent with the President's Government-Wide Budget Plan, and will change, as appropriate, to align with future initiatives and constraints;
- The Department of Defense projects that the size of the military will remain relatively stable at 1.38 million, and VA projects the annual number of servicemembers leaving active duty will be approximately 212,000;
- While the active duty forces will remain stable in number, the demographics of the force will change significantly as minorities and women become a larger component of the force in the future. Indeed, today minorities make up 35 percent of the active duty force and 30 percent of the National Guard and Reserves. It is also estimated that women will comprise 10 percent of the active duty force by 2020;

- VA will continue to implement the President's Management Agenda as a means to improve our overall management and operational efficiency. VA/DoD collaborative efforts could result in substantial improvements in the life cycle continuum between servicemembers and veterans – at the time of recruitment, during their years of service, and their lives as veterans;
- VA will identify legislative proposals necessary to achieve intended program outcomes, and work with the Administration and Congress to achieve their enactment;
- The terrorist threat will continue well beyond 2011, and the United States will be engaged in one or more regional conflicts during this period of the plan; and
- The size of the veteran population will decrease from 24 million to 22 million between the years 2006 and 2011, and will continue declining to 15 million by 2030.

VA has developed this *VA Strategic Plan for FY 2006 – 2011* based on these planning assumptions. What follows is a summary of the key strategic issues in the areas of health care, benefits and services, memorial affairs, and enabling functions.



## VETERANS BENEFITS ADMINISTRATION

### ADMIRAL DANIEL L. COOPER STATEMENT OF THE UNDER SECRETARY FOR BENEFITS



*As the dedicated men and women of the United States military continue to sacrifice for their nation, the Mission of the Department of Veterans Affairs has never been more important - to fulfill President Lincoln's promise by serving and honoring the men and women who are America's veterans. The future of the Veterans Benefits Administration (VBA) requires the organization to adapt to significant internal and external change while maintaining focus on that Mission. It is the balance between that need for change and the need for immediate fulfillment of the Mission that drives VBA's strategic choices. The five programs of VBA - Compensation & Pension, Vocational Rehabilitation & Employment, Education, Insurance, and Home Loan Guaranty - will continue to adapt to meet the need.*

*VBA will confront a number of challenges in the coming years. Disability claims and Vocational Rehabilitation obligations will increase as VBA responds to the needs of those injured in the Global War on Terror. Increased activations of National Guard and Selected Reserve require us to adapt to the changing military force. The challenge of protecting sensitive personal information across myriad VBA offices and systems must continually be evaluated. VBA must seek new efficiencies in its business processes and adapt its IT systems to meet those process changes. In terms of workforce, VBA must recruit and continually train a workforce that*

*will see significant staff turnover and accelerated change.*

*I believe the strategies and initiatives contained in this plan reflect the VA's commitment to positive change; VBA is seeking to alter the way it does business on a number of fronts. Collaboration with the Department of Defense through the Benefits Executive Council will streamline data sharing between organizations and improve consistency of the outreach message with respect to VA benefits. Continued evolution of the Benefits Delivery at Discharge program will bring VA disability claims processing closer to the servicemember than ever before, allowing servicemembers to begin applications processing before they have discharged from the military. Continuing automation improvements of claims processing, incorporating systems such as Virtual VA, will increase operational efficiencies and allow workload flexibility. The findings of the Veterans Disability Commission are likely to provide some guidance for further positive changes to disability claims policy and processing.*

*I hope VBA employees will engage themselves in understanding this Strategic Plan, discussing it within their offices and determining how they can best adapt to future advances. VBA service can be improved through the strategies and initiatives contained here. We have an opportunity to improve VBA and to enhance the vital benefits and services that we provide to our Nation's servicemembers and veterans.*

## STRATEGIC OUTLOOK FOR BENEFITS AND SERVICES

VA will fulfill its mission to provide benefits and services to veterans, servicemembers, and their families in a responsive, timely, and compassionate manner by becoming a more veteran-centric





organization. We will work to enhance the delivery of benefits and services to veterans, servicemembers, and eligible family members through improved processing efficiency, technological innovation, and collaborative efforts with the Department of Defense and other partners. Implementing our strategic priorities will enable VA to meet the needs and expectations of those whom we have been entrusted to serve.

The strategic vision for benefits and services includes six long-term, crosscutting strategies:

- Continuum of Federal Interest;
- Quality and Consistency;
- Partnerships;
- Automation and Innovation;
- Consolidate Processing; and
- Timeliness

#### **CONTINUUM OF FEDERAL INTEREST**

VA will be an active participant in joint VA/DoD programs that focus on outreach, attention, and oversight along the continuum of the servicemember's career and transition to veteran status. That continuum begins with entry into military service, when a Veteran Medical Record will be established. Throughout the course of service in the military, servicemembers will receive information from VA about the benefits they may be entitled to, both while in service and upon discharge. At separation from military service, a combined military discharge and VA physical will become a basic component of the veteran's medical record.

Outreach to servicemembers and veterans is an important element in this process. VA will expand outreach efforts — particularly to veterans with disabilities — through phone contacts, direct mailings, and electronic technology. These outreach efforts also include placing Veterans Service Representatives (VSRs) at specific military treatment facilities to case manage services for severely wounded servicemembers.

#### **QUALITY AND CONSISTENCY**

To ensure quality and consistency, VA will continue to take a proactive approach in evaluating the accuracy of benefits decisions. The accuracy of this data is rigorously assessed to maintain appropriate standards and identify areas of possible improvement. VA will analyze rating and claims data to track any unusual patterns of variance for further consistency review. Integrated systems and better data sharing will improve the quality of decision-making by providing more accurate information to claims adjudicators. We will also develop systems and programs to evaluate employees' information needs and deliver training to address those needs.

#### **PARTNERSHIPS**

VA partnerships with external stakeholders will provide opportunities to improve the seamless delivery of benefits and services. Continuing to cultivate strong relationships with stakeholders — such as veterans service organizations, DoD, the Social Security Administration, the Departments of Labor, Housing and Urban Development, and Health and Human Services, the states, territories and Native American Tribal Governments, schools, lenders, private sector, and community-based organizations — will result in meaningful cooperative efforts that serve veterans and their families.

#### **AUTOMATION AND INNOVATION**

Advancements in technology will help VA improve service to veterans while reducing administrative costs. When veterans (or their representatives) file a claim electronically, they will be able to receive accurate and updated information on the claim's status. Improved interface technology will increase the self-service options available to veterans, beneficiaries, and other program stakeholders in their interactions with VA. Joint initiatives with DoD will allow data sharing to streamline claims processing and eliminate much of the paperwork burden. The VA Registration, Eligibility, and Contact Management Initiative will improve front-end service and back-end data processing.



### CONSOLIDATE PROCESSING

We will continue to analyze opportunities for improved efficiency through consolidation so that work can be moved to the most productive locations. Consolidations in the Loan Guaranty and Education programs offer a template that can be applied to operations in other areas. Disability claims filed at Benefits Delivery at Discharge (BDD) sites will be rated and processed at central locations, and efforts to further consolidate the pension workload will continue. Administrative functions in the Vocational Rehabilitation and Employment program are being centralized.

### TIMELINESS

Improved timeliness continues to be a top priority for VA service. VA is using a variety of management approaches to address increases in workload, including improvements in productivity and shifting work among regional offices in order to maximize resources and enhance performance, as well as simplifying and clarifying benefit regulations. VA is evaluating staffing levels to ensure that rising workload challenges can be met, and improved training is emphasized so that employees will receive essential guidance, materials, and tools to meet the changing and increasingly complex demands on their decision-making responsibilities. VA continues to work with DoD to identify opportunities to improve the timeliness and efficiency of claims processing and transition services, and ongoing process improvements will increase efficiency.



**VETERANS HEALTH  
ADMINISTRATION**

**MICHAEL J. KUSSMAN,  
MD, MS, MACP**  
STATEMENT OF THE  
ACTING UNDER SECRETARY  
FOR HEALTH



*In responding to the needs of our Nation's veterans, the Veterans Health Administration (VHA) will continue to fulfill its commitment to provide the highest standard of quality healthcare to all veterans it serves. To do so effectively, VHA must continue to improve the care it provides today while anticipating the changing needs of our veterans and of healthcare delivery overall. The Global War on Terrorism has already begun to redefine the service and delivery needs of our veterans, and VHA has responded by establishing innovative new programs and resources such as Polytrauma Centers and expanded mental health services.*

*As part of our enduring commitment to providing patient-centered care, our overall perspective has broadened, with substantial emphasis on proactive and preventive care. Programs to treat and manage obesity, avoid diabetes, and support smoking cessation have afforded substantial improvements in the quality of life for many veterans. VHA has also expanded the scope of its mental health services and offers these services within many more locations to improve access. Chronic care and disease management programs, such as our Care Coordination Program, have become an increasingly important part of our comprehensive approach to improving quality of life, not simply treating illness. As the number of veterans over the age of 85 grows consistently, this oldest segment of the veteran*

*population will continue to greatly impact the demand for health care services, particularly in the areas of long-term and home-based care. VHA will expand its offering of non-institutional alternatives to nursing home care and the capabilities of home-based care programs.*

*In an age of incredible advancements in technology, VHA defines its vision in terms of how these advancements can be applied to improve veterans' health. Our focus on research and development of clinical and system improvements are designed to not just treat disease, but also to enhance the overall health and well-being of veterans. This drives our improved capabilities in telehealth and telemedicine, through which VHA can expand its services, enable remote monitoring of clinical conditions, and support prompt diagnosis and treatment of veterans, especially those with chronic conditions who are homebound or live in rural areas. Internet technology, which underlies many of these advancements, has also been employed within our MyHealthVet Initiative, our website portal enabling veterans to monitor and improve their overall health, empower them to make healthy lifestyle decisions, and inform them about their treatment. Our genomic medicine initiative will help us establish the capability to tailor treatment to individual veterans and assess individual risk factors on the basis of an individual's genetic profile.*

*While the creation of new programs, services, and delivery methods is critical to meeting this challenge, VHA realizes that it must also ensure the efficiency and safety of its systems to maximize the effective use of our existing infrastructure. The Advanced Clinical Access initiative improves our ability to manage patients promptly, reduce wait times, and ultimately expand the capacity of our outpatient centers. The Bar Code Medication Administration*



*project has dramatically reduced medical errors, a primary, but avoidable, cause of injuries and death in our Nation's healthcare system. And VistA, our electronic healthcare record, has received national recognition for reducing redundancy in diagnostics and treatment and ensuring continuity of care for veterans amongst multiple healthcare providers at different locations.*

*VHA will continue its longstanding leadership and commitment to partnerships with the Nation's medical universities and clinical affiliates. With the present and anticipated challenges to recruit and retain the best healthcare professionals and promote diversity within our workforce, VHA will lead by offering opportunities for state-of-the-art training and work environments conducive to professional growth and advancement. VHA will renew focus on emergency preparedness programs within the communities we serve and provide critical resources in times of crisis.*

*Our commitment to veterans has never been greater, with an expansion of specially trained social work liaisons, informational resources and programs to ensure that new veterans returning from Iraq and Afghanistan experience a smooth transition from active service into civilian life.*

*As we consider our future as a premier healthcare system, VHA looks to our Nation's veterans and their future needs, particularly in those health conditions associated with military service. A comprehensive understanding of their changing needs will ultimately shape our thinking, our efforts, and our resource allocation. Our progression as a healthcare system will be defined by our ability to ensure safe, effective, efficient, and compassionate care and to continuously seek and discover state-of-the-art solutions to those challenges faced by veterans.*

## **STRATEGIC OUTLOOK FOR HEALTH CARE**

One of VA's primary missions is to honor America's veterans by providing exceptional health care to men and women whose service and sacrifices have preserved our Nation's cherished values of freedom, democracy, and opportunity. Our strategic vision is to operate as a patient-centered, culturally-sensitive, and integrated health care organization – one that is dedicated to the highest standards of medical practice, research, and education; a place where people choose to work and strive to meet those standards; an active partner in the community; and a resource for national emergencies.

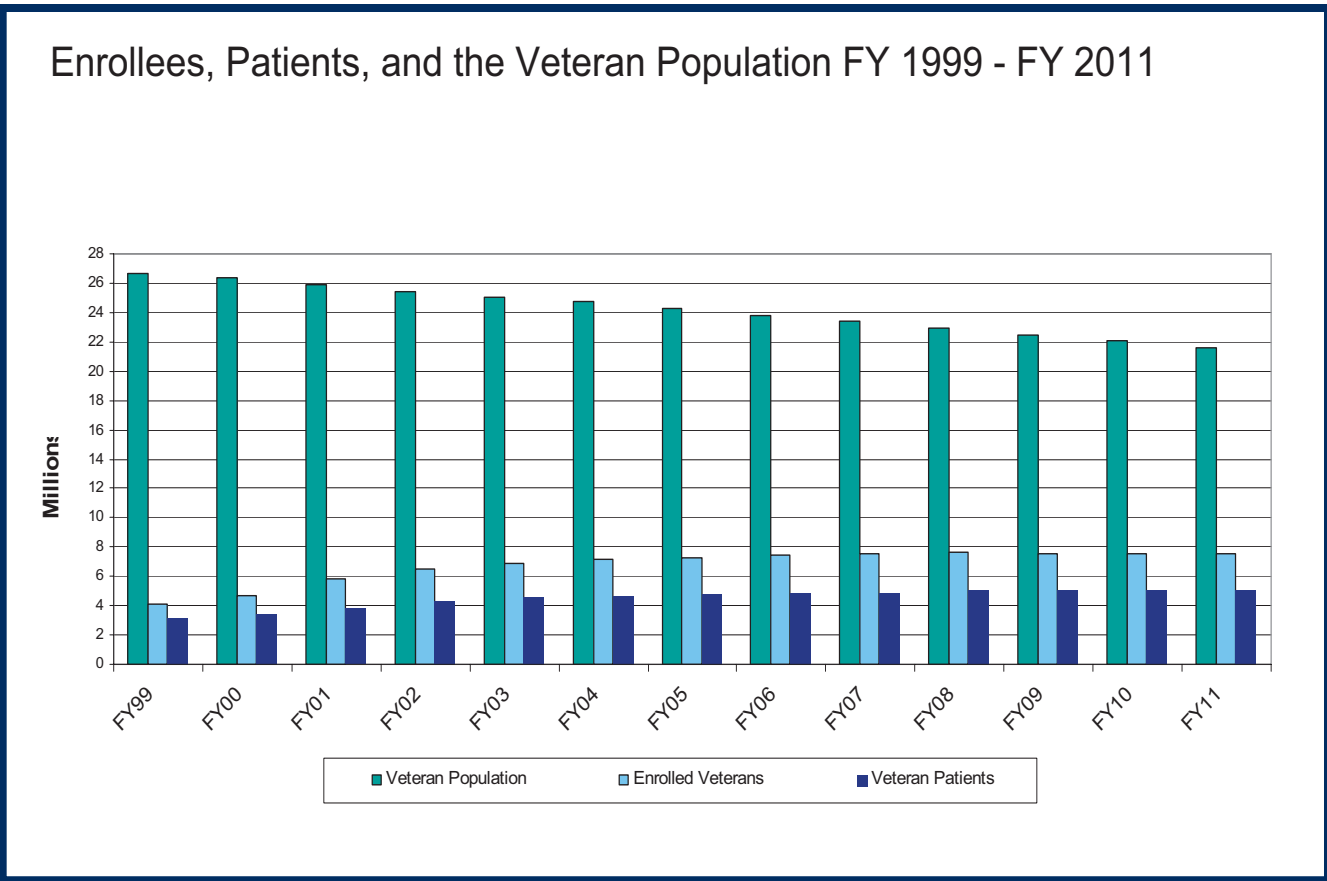
VA will continue to focus on services uniquely related to veterans' health or special needs, with priority given to veterans with disabilities or illnesses related to their military service. We will provide comprehensive and compassionate care to our patients, including a broad range of primary, secondary, and tertiary care.

More than 7.7 million veterans were enrolled in the VA health care system at the end of FY 2005. To make sure VA has the capacity to care for those veterans for whom our Nation has the greatest obligation – those coming home with military-related disabilities, those with lower-incomes, or those who have specialized care needs, such as blindness or spinal cord injuries – enrollment of veterans with the lowest statutory priority, Priority 8, (those without service disabilities and who are in higher income range) was suspended in January 2003. This suspension, which is subject to annual review, and which has been assumed in every budget passed by Congress and enacted into law since 2003, does not affect Priority 8 veterans enrolled before January 18, 2003. Current projections indicate that the number enrolled will decrease in the future, especially with the enactment of a new enrollment fee for Priority 7 and 8 veterans. However, the cost to care for those veterans in the



**EXHIBIT 6 – ENROLLEES, PATIENTS, AND THE VETERAN POPULATION FY 1999 - 2011**

Source: VetPop 2004 Version 1.0 VA Office of the Actuary Data as of September 30, 2006



system will rise significantly as health care utilization and inflation increases. See Exhibit 6.

The key drivers for all VA health operations — the six *Domains of Value* — are the areas critical to the success of our programs:

1. **Quality** – Put quality first.
2. **Access** – Provide easy access to care, expertise, and knowledge.
3. **Function** – Restore, preserve, and improve veterans’ ability to function.
4. **Satisfaction** – Exceed veteran, family, and employee expectations.
5. **Cost-effectiveness** – Optimize resource use to benefit veterans.

**6. Healthy Communities** – Enhance the health of the entire VA community and contribute to the health of the Nation.

Using the *Domains of Value* as a basis, VA has established a set of eight strategies — known as the *Eight for Excellence* — to guide our plan of action for the delivery of services into the future. These eight health care strategies are aligned with the Department’s strategic goals and objectives to make sure that VA priorities are addressed:

1. Continuously improve the quality and safety of health care for veterans, particularly in those issues associated with military service.
2. Provide timely and appropriate access to health care by implementing best practices.



3. Continuously improve veteran and family satisfaction by promoting patient-centered care and excellent customer service.
4. Promote diversity, excellence, and satisfaction in the workforce and foster a culture which encourages innovation.
5. Promote excellence in business practices through administrative, financial, and clinical efficiencies.
6. Focus research and development on clinical and system improvements designed to enhance the health and well-being of veterans.
7. Promote excellence in the education of future health care professionals and enhance VA's partnership with affiliates.
8. Promote health within VA, local communities, and the Nation, consistent with VA's mission.

VA will undertake specific strategies and actions to fully implement the *Eight for Excellence* strategies.

The framework emphasizes VA's vision of how to best provide safe, effective, efficient and compassionate care over the next ten years. This vision encompasses a range of initiatives to assure seamless transition and improved care for our younger, new veterans. These include full deployment of Advanced Clinical Access (ACA) to reduce the number of missed appointments and clinical performance improvements by better use of "bundled measures." Clinical program and evaluation measures include the Inpatient Evaluation Centers (IPEC) initiative and improved clinical management of Methicillin-Resistant Staphylococcus Aureus (MRSA). The framework also describes business performance improvements through better measurement and accountability; and information technology business process improvements through measurement and management.

Key areas of focus over the next one to three years include: collaborative health professions education and training programs for safety and quality to ensure the provision of optimal health care; the delivery of compassionate, patient-centered care that anticipates patient needs and is seamless across environments

and conditions; and workforce development through succession planning and implementation of the Civility, Respect, and Engagement in the Workplace program. Over the next ten years, VA's long-term strategy will include a focus on evidence-based personalized health care through investigating the potential of genomic medicine to anticipate the health needs of veterans.

VA will maintain a health care system in which integrated information systems allow seamless movement of patients across the system to ensure high-quality care, promote consistent execution of policy, and make our patients the best-informed in the world. We will always maintain our leadership role in medical and mental health services for conditions uniquely related to veterans' health care — for veterans suffering from spinal cord injury, blindness, traumatic brain injury, amputation, post-traumatic stress disorder (PTSD), serious mental illness, illnesses related to Agent Orange, homelessness, and substance abuse.

Several planned and expanded initiatives support patient-centered care within our health care programs. In concert with VA's shift from inpatient to outpatient care, which provides primary care near where veterans live, patient-centered care has become and will remain increasingly important. Patient-centered care means partnering with patients, rather than just treating patients. It requires arranging health care in such a way that patients routinely participate in decisions about their own treatment, creating an environment in which physicians and health care staff routinely solicit the patient's input and honor the patient's preference for care. Patient-centered care means building a system that uses the patient's time efficiently, offers easy access to care, and meets the patient's needs for information, education, and prevention. Most important, patient-centered care leads to better outcomes for veterans and their families.



VA will continue to make advances in hospice and palliative care. We are strengthening our collaborations throughout the health care system — from acute inpatient care to our partnerships with community hospice agencies — so that veterans who choose palliative care have the flexibility to receive this care in an appropriate setting.

In addition to offering a full spectrum of institutional and non-institutional long-term care options, including nursing home care, we will invest in home and community-based care, state veterans homes, and community nursing home programs. VA recently completed a comprehensive plan to improve access to, and enhance the quality of mental health care.

VA will aggressively pursue preventive medicine initiatives aimed at life style changes, including nutrition and physical activity counseling, to address issues such as smoking, chemical dependency, or dietary habits that can contribute to diabetes and obesity. Key factors in these efforts will be patient education and an emphasis on patient responsibility in health maintenance and prevention.

VA/DoD collaboration has achieved significant improvements in a number of critical areas: information technology, information management, financial management, joint facility utilization, capital asset planning, pharmacy and medical-surgical supplies procurement, patient safety, deployment health, evidence-based guidelines, contingency planning, graduate medical education, continuing education, and benefits delivery. Local and regional cooperation has increased due to innovative projects that extend resources and increase operational readiness through shared staffing, services, and facilities. Over the next few years, VA and DoD will collaborate on efforts designed to improve access to benefits, streamline the medical exam and disability claims application process, and eliminate duplicative requirements. In addition, this collaboration can further promote best business practices contributing to easing the complex process facing servicemembers

transitioning from active duty to veteran status. VA will continue to invest in innovative information technology, such as its Health Data Repository (HDR), a patient-centric, standardized data system that will become the foundation for making medical decisions. HDR will provide automated clinical decisions that support real-time information access across all sites of care.

VHA will continue its commitment to identifying and deploying advanced technologies which benefit the safety and quality of health care services provided to veterans and their dependents. Primary examples of VHA's significant progress in this arena include state-of-the-art applications such as VistA, our electronic health record, MyHealtheVet, our online, client-oriented health resource, and our deployment of Bar Code Medication Administration technology designed to reduce medical errors associated with pharmaceutical delivery and lab specimen processing. And while such technologies may present unique risks related to their application or storage and exchange of VA protected information, VHA will aggressively and proactively identify and mitigate these risks, in recognition of their overwhelming life-saving and quality improvement capabilities for our Nation's veterans. VHA's major commitment of time and resources towards becoming the *Gold Standard* for data security includes:

- Executive level focus and oversight and stewardship of security and privacy strategies;
- Realignment of existing information security resources and personnel;
- Advanced encryption of sensitive data;
- Risk reduction through comprehensive security controls applied not only within VHA but also towards contractors, business partners, and researchers; and
- Compliance with VA's comprehensive security and privacy training and awareness programs to ensure the entire workforce understands their roles and responsibilities for protecting VA's information assets.



VA will continue to conduct nationally recognized research that addresses veterans' health issues — to improve their health as well as benefit the Nation as a whole — and employ a comprehensive system of performance measurement. Through our affiliations with the country's medical schools, we will provide high-quality training to physicians and other health care personnel to enhance our quality of care. As the Nation's largest integrated health care provider, VA is recognized as a major contributor to emergency response efforts related to natural disaster or acts of terrorism. We will work closely with other government agencies to ensure that our health care system continues to operate effectively in the event of a national emergency.

VA is moving to a delivery model in which care is tailored specifically to the needs and challenges of individual patients. Genomic medicine will help us move from providing medicine that is preventative to medicine that is predictive. VA's new Genomic Medicine Program Advisory Committee will help the Department establish policies for using genetic information to optimize medical care of veterans, and to enhance development of tests and treatments for diseases particularly relevant to veterans.

VA will regularly evaluate clinical and administrative programs to identify areas requiring standardization, improvement, or changes related to focus, priorities, and timelines. Key indicators include significant changes in treatment modalities or clinical practices, as well as an identification of recurring issues for improvement in individual program areas. Criteria for determining that a program evaluation should be conducted may come from a range of sources, including internal evaluations; performance monitors; System-wide Ongoing Assessment Review (SOAR) site visits; Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Commission on Accreditation of Rehabilitation Facilities (CARF) inspections; Government Accountability Office (GAO) and VA Office of Inspector General (OIG) reports;

and information published in medical and scientific literature.

As a testament to the VA's commitment to promote excellence in business practices through administrative, financial and clinical efficiencies, the VistA electronic health record recently received the prestigious "Innovations in American Government 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. The award, which honors excellence and creativity in the public sector, recognizes the significant positive impact that electronic health records can have on quality healthcare. These benefits are accomplished through the unique advantages that electronic health records can offer, such as increased medical information sharing and the use of performance measures. For our Nation's veterans, these advantages translate into resultant reductions in redundant diagnostic services and improved accuracy and timeliness of treatment.

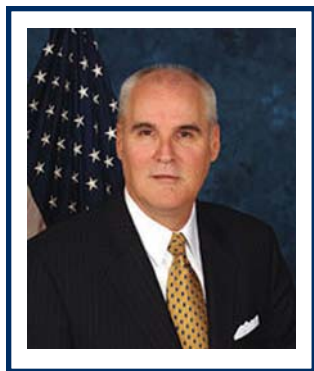
For example, *VistA* has helped VA save 6,000 lives by improving the rates of pneumonia vaccination among veterans with emphysema, cutting pneumonia hospitalizations in half and reducing costs by \$40 million per year. Patient waiting times have declined while customer service has improved, and access to care has increased because of on-line availability of health information. In addition to saving money, *VistA* saves lives and ensures continuity of care even under the most extreme circumstances. Many of the thousands of residents who fled the Gulf Coast because of Hurricane Katrina left behind vital health records. Records for the 40,000 veterans in the area were almost immediately available to clinicians across the country, even though the VA Medical Center in Gulfport, Mississippi, was destroyed and the New Orleans VA Medical Center was closed and evacuated. Veterans were able to resume their treatments, refill their prescriptions, and get the care they needed because their medical records were immediately accessible to providers at other VA facilities.





**NATIONAL CEMETERY  
ADMINISTRATION**

**WILLIAM F. TUERK**  
STATEMENT OF THE  
UNDER SECRETARY FOR  
MEMORIAL AFFAIRS



*The National Cemetery Administration (NCA) honors the service and sacrifices of America's veterans by providing burial space in VA national cemeteries; by assisting states in establishing state veterans cemeteries; by providing headstones, markers and Presidential Memorial Certificates that commemorate the service of all our Nation's veterans; and by maintaining veterans cemeteries as national shrines.*

*Now implementing the largest expansion of the national cemetery system since the Civil War, VA will have opened six new national cemeteries by 2007 and six more by January 2009. Complementing this unprecedented expansion, more than 20 new state veterans cemeteries, funded by VA and maintained and operated by the states, will have begun interment operations by 2010. These efforts, along with the expansion of several existing national and state veterans' cemeteries, will ensure that VA continues to fulfill the burial needs of veterans and their families. By 2010, VA will have increased the percentage of veterans served by a burial option within a reasonable distance (75 miles) of their residence to 90 percent from 81.6 percent in 2006.*

*Headstones and markers are furnished by VA to memorialize veterans by marking their graves in national, state, public and private cemeteries*

*throughout the world. Presidential Memorial Certificates, which bear the signature of the President of the United States, convey the gratitude of the Nation for a veteran's service. We will ensure that these memorializations are provided in a timely manner so bereaved family members may be comforted by America's recognition of their loved one's service.*

*VA national cemeteries are maintained as national shrines as an expression of gratitude for the service and sacrifice of America's veterans. National cemeteries carry expectations of appearance that set them apart from private cemeteries, and VA is committed to maintaining the high standards that the American people expect in honoring those who have served our Nation. As national shrines, VA's national cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and the visits of families and loved ones have ended.*

*All NCA employees play an important role in accomplishing our mission to honor and memorialize veterans. We are committed to maintain and even improve NCA's high levels of customer satisfaction by serving all veterans and their families with the utmost dignity, respect, and compassion. Further, we will ensure every national cemetery is a place that inspires visitors to understand and appreciate the service and sacrifice of our Nation's veterans.*

*I am honored to serve as Under Secretary for Memorial Affairs and to lead the people of VA's National Cemetery Administration in achieving its vital mission. As we address the challenges ahead, NCA remains committed to providing each veteran's final benefit with the full dignity and solemnity that benefits a veteran's service to country.*



## STRATEGIC OUTLOOK FOR MEMORIAL AFFAIRS

VA will honor veterans with final resting places in national cemeteries and with lasting tributes that commemorate their service to our Nation. Our strategic vision during the FY 2006 – 2011 timeframe is guided by demographic projections of veteran deaths and historical utilization of services. VA projects 688,000 veteran deaths in FY 2006 and 663,000 in 2011.<sup>3</sup> Annual interments in VA national cemeteries are expected to increase from 102,000 in FY 2006 to 117,000 in FY 2011. The number of graves VA maintains is estimated to increase from 2.8 million in FY 2006 to 3.2 million in FY 2011.

We will deliver timely and compassionate services to veterans and their family members by achieving continuous improvement in all areas and by implementing three integrated strategic priorities:

- Meet Burial Needs;
- Provide Symbolic Expressions of Remembrance; and
- Maintain National Cemeteries as National Shrines.

### MEET BURIAL NEEDS

VA will provide enhanced service at existing national cemeteries by completing phased development projects that make additional gravesites or columbaria available. National cemeteries that may be expected to close due to depletion of gravesites will be identified, and VA will determine the feasibility of extending the service of those cemeteries by acquiring adjacent or contiguous land, or by constructing columbaria on existing property. As public acceptance of cremation as a burial option continues to grow and demand for this alternative increases, construction of columbaria is an option to maximize service delivery. VA will continue to develop columbaria, particularly in areas where land is scarce and the demand for cremation burials is high. As VA outlined in its *Study on Improvement to*

*Veterans Cemeteries – Volume 1: Future Burial Needs*, transmitted to Congress in May 2002 (with revised population estimates further transmitted to congress in mid-2003), we will open new cemeteries to give more veterans reasonable access to a burial option in a national or state veterans cemetery.

### PROVIDE SYMBOLIC EXPRESSIONS OF REMEMBRANCE

We will furnish headstones and markers for the graves of eligible persons in national cemeteries, state veterans cemeteries, and other public and private cemeteries. Presidential Memorial Certificates, bearing the signature of the President of the United States, will be issued to recognize the contributions and service of honorably discharged deceased veterans. VA will also provide an American flag to drape the casket of eligible deceased veterans.

### MAINTAIN NATIONAL CEMETERIES AS NATIONAL SHRINES

VA will maintain the appearance of our cemeteries as national shrines, dedicated to preserving the Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made. We will take action on repairs needed to ensure a dignified setting appropriate for each national cemetery, as well as address deferred maintenance issues and preventive steps to minimize future maintenance costs. We will use standards and performance measures to evaluate our effectiveness and efficiency.

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<sup>3</sup> Source of demographic estimate and projection is Department of Veterans Affairs, Office of the Actuary, VetPop2004 Version 1.0, December 2004



## **STRATEGIC OUTLOOK FOR PEOPLE, COMMUNICATION, TECHNOLOGY AND GOVERNANCE**

### **PEOPLE**

Our strategic vision is to maintain a skilled, dedicated, and high-performing workforce. Because the VA workforce is our key asset in delivering services and benefits to veterans and their family members, we will focus on recruitment, development, and retention strategies. We will also align our efforts with the government-wide emphasis on a prepared workforce, a secure workforce, a quality workplace, and a competitive workforce.

### **COMMUNICATION**

Enhanced outreach and communication will ensure that veterans and their families, stakeholders, and employees are well-informed about VA benefits and services, as well as VA's vision, mission, goals, and objectives. To ensure that servicemembers and veterans receive information that is critical to their understanding of benefits and services, we will systematically pursue an array of communication and outreach strategies. Enhanced communication and outreach will be especially important in the areas of seamless transition and VA/DoD collaboration.

### **TECHNOLOGY**

A renewed focus on enhanced management oversight of VA's information technology investments will improve the delivery of veteran-centric, IT-enabled health care and benefits. VA will develop a clear, causal relationship between IT-related investments and specific outcomes.

### **GOVERNANCE**

To support our goal of being an integrated, veteran-centric organization, VA will improve the overall governance and performance of the Department by applying sound business principles and effective management oversight; optimizing resources; increasing revenue and efficiency; and expanding federal, state, local, tribal and private partnerships.

*The following vision statements outline the perspectives of the Assistant Secretaries for Human Resources and Administration, Information and Technology, and Management.*



**HUMAN RESOURCES AND  
ADMINISTRATION**

**R. ALLEN PITTMAN**  
STATEMENT OF THE ASSISTANT  
SECRETARY FOR  
HUMAN RESOURCES AND  
ADMINISTRATION



*VA is committed to continuing the implementation of the goals for managing our workforce as described in the President's Management Agenda. The success of our strategic management of human capital depends, in part, to our ability to effectively and efficiently automate our human resources information systems (HRIS). I intend to set a Gold Standard for an enhanced HRIS architecture. This state-of-the art system will include such initiatives as the digitization of all official personnel folders (OPFs) within VA. Additionally, the continued development and future deployment of the Learning Management System, aligned with E-Government initiative, will improve workforce development throughout the Department. This enhancement of VA's HRIS system will improve human resources business processes and result in increased information security for all of our stakeholders.*

*Succession planning for VA's workforce is another prime focus. Federal legislation supports the position of a Chief Human Capital Officer (CHCO). Within VA, the Assistant Secretary of Human Resources and Administration is aggressively planning, implementing, and enhancing human resources developmental programs for employees at all levels within the Department. These initiatives*

*will result in the career progression of pools of qualified employees who develop the needed skill-sets to move into appropriate levels of leadership within VA. Critical to the success of all these activities is the level of competence within the human resources (HR) profession. The Department's CHCO is leading the "Transformation of HR" initiative to successfully transition the primarily transaction-based occupation to a community of professionals who possess the consulting expertise necessary to effectively function as strategic partners as they advise supervisors and managers within VA.*



**INFORMATION AND  
TECHNOLOGY**

**ROBERT HOWARD**

**STATEMENT OF THE  
ASSISTANT SECRETARY FOR  
INFORMATION AND  
TECHNOLOGY**



*To aptly serve Veterans, OI&T must improve the utilization of People, Processes and Technology. Our continuous efforts to strive for and enable veteran centric services from VA's lines of business must be deliberate and derived from effective investments in technology, architecting, security, and strategic planning.—The enterprise architecture and operational infrastructure must support business enablement and represent key strategies within the functional domain of the CIO to install a world class operational infrastructure. In this context, OI&T's investments and priorities must embrace veterans preferences to be personally and directly involved in the administration and upkeep of their healthcare, benefits, and personal data. The strategic veteran centric "end state" will be one where individuals are capable of self-service access to VA systems, data and services through multiple technology means in very simple straightforward ways. OI&T must ensure that veteran access to data, services and personal information is secure and maintained with absolute privacy by establishing the Gold Standard in security operations.*

*VA's strategic investments in IT operations will ensure that information and data is shared and collaborated across the lines of business and departs from legacy stovepipe approaches. Access to systems,*

*services and applications will be web enabled to the maximum extent possible. The IT infrastructure implemented will reflect a consolidated and optimized regional computing and storage network to better serve veterans. VA will continue to collaborate with partners such as DoD to exchange data and information about veterans in order to better serve them and create a smooth transition between active duty and veteran status. VA's ability to define, relate and manage our relationships with veterans must also be directly portable through health care information and data practices external to VA. VA will establish the standard for identity and access management as a fundamental requirement for effective administration of veteran data and the facilitation of their involvement in management of their personal data.*

*The achievement of these strategies in implementing the future VA IT infrastructure and architecture will transform VA services and processes. The end state will make use of technology for self-enabled access by veterans, as well as, sound service practices and processes for veterans to interface with the agency and receive integrated benefits and health care. To accomplish this we will employ world class planning, architecting and implementation of: Infrastructure, Operations, Architecting and Security.*



## MANAGEMENT

### ROBERT J. HENKE STATEMENT OF THE ASSISTANT SECRETARY FOR MANAGEMENT



*In support of the overall mission of the Department of Veterans Affairs, the Office of Management will continue to provide Departmental leadership, stewardship and oversight, with a vision for being a trusted advisor and partner in the goal of achieving budgetary, financial, acquisition, and capital asset management excellence. Working in support of, and in collaboration with, the Department's three Administrations and staff offices, we will continue to pursue initiatives that will improve VA's ability to provide quality and cost-effective services, increase efficiencies in VA operations, standardize business processes and operating procedures, and maintain effective stewardship over VA resources.*

*Some of our major efforts over the next five years will center on maintaining VA's unqualified "clean" audit opinion on the Department's consolidated financial statements, remediating existing material weaknesses identified by our auditors regarding our financial systems and operational processes, avoiding the occurrence of new weaknesses, and leveraging technology to improve operations. Extensive work is continuing on eliminating the existing material weakness – Lack of an Integrated Financial Management System – through implementation of a 4-year remediation plan to substantially improve the quality and timeliness of VA's financial and logistics data. This will be accomplished through a program called FLITE, VA's Financial and Logistics*

*Integrated Technology Enterprise. The Department is also implementing Hyperion Financial Management reporting software to improve preparation of VA's consolidated and quarterly financial statements and FACTS II reports, and a Financial Reporting Data Warehouse to assist in improving financial reporting. We are also committed to ensuring the success of our efforts on the President's Management Agenda initiatives for e-Payroll and e-Travel, through our planned migration of payroll services to the Defense Finance and Accounting Service, VA's future payroll provider, and implementation of a more robust electronic travel system. Continuing the success of VA's Franchise Fund Enterprise Centers, we will pursue entrepreneurial means to deliver operationally sound and cost-effective services to our internal and external customers.*

*Over the next five years, we intend to leverage VA's purchasing power by deploying an electronic contract management system (eCMS) that will enhance enterprise level procurement processes, and by implementing a comprehensive strategic sourcing program that will assist VA in acquiring commodities and services more effectively and efficiently. In addition, we intend to transform VA's logistics program to include guiding principles, processes, systems and training. This transformation will be imbued in the FLITE program.*

*Our success in these efforts will be dependent on our ability to anticipate future needs in all our programmatic areas, and to recruit and retain a diversified workforce, particularly in light of the number of experienced staff who will retire over the next several years. It will be critical for us to hire staff with the requisite subject matter expertise, knowledge of how to apply and incorporate advanced technology and best business practices into VA's business, and the capabilities to make marked improvements in all aspects of VA. As envisioned by this strategic plan, our collective efforts will improve our abilities to provide benefits and services to America's veterans and dependents.*



# VA STRATEGIC AND ENABLING GOALS

The following section of the strategic plan presents VA's four strategic goals and its enabling goal. These goals are crosscutting in nature and are intended to reflect the combined effort of all organizational elements to deliver important outcomes to disabled veterans, veterans in transition from active service, the overall veteran population and their families, and the Nation at-large. Each goal has a number of associated objectives that define intended outcomes that will result from the implementation of VA's major programs and management functions. Each objective includes the following elements:

**PURPOSE AND OUTCOMES** – This section highlights what VA plans to do and why it is important. In so doing, each objective presents the intended result of VA's program activities and addresses how the lives of veterans and their families will improve from the receipt of benefits and services delivered by the Department. This portion also presents the policy and programmatic outcomes for major programs carried out by VA.

**STRATEGIES AND INITIATIVES** – This portion of the objective describes how the outcomes will be achieved. It identifies specific issues the Department will address and highlights key initiatives and activities that are planned to achieve results and enhance service delivery. Strategies explain how VA intends to achieve outcome-oriented success for each respective objective.

**EXTERNAL FACTORS** – This portion identifies factors and issues external to VA that are, for the most part, beyond the Department's control and could significantly impact VA's ability to achieve its goals and objectives.

**PERFORMANCE MEASURES** – The Government Performance and Results Act (GPRA) requires federal agencies to provide a description of how the performance measures and targets included in the President's Budget relate to the goals and objectives in the Strategic Plan. VA has fully met this GPRA requirement by developing performance targets that identify anticipated levels of performance to be achieved during the FY 2006-2011 timeframe. In many instances, these out-year performance targets represent stretch goals or "ideal state" levels of outcome and service delivery. Since these performance targets are strategic in nature, it is anticipated that they may be modified in future years. In some cases, performance targets are still under development pending programmatic assessments and development of baseline performance information, or program evaluations.





# STRATEGIC GOAL ONE

*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.

## 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.

## 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.

## OBJECTIVE 1.4

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



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

**PURPOSE AND OUTCOMES**

VA will maintain its standards of excellence and leadership in providing medical services to maximize the functional status of veterans with disabilities and diseases. Nine specific areas, focused on rehabilitation, are designated as special emphasis programs due to their prevalence in the veteran population: Spinal Cord Injury, Blindness, Traumatic Brain Injury, Amputation, Serious Mental Illness, Post-Traumatic Stress Disorder, Adaptive Housing, Homelessness, and Substance Abuse. VA will build on existing expertise and ensure that our programs in these areas reflect the latest technology, research, and medical advances. To maximize successful rehabilitation, VA will coordinate medical care and benefits delivery for veterans in these programs.

VA will continue to respond as quickly as possible to the changing needs of the veterans we serve. Due to improvements in modern force protection, such as body armor and a vastly improved DoD medical logistics infrastructure, servicemembers from Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) are surviving many traumatic injuries that in the past would have been fatal. To respond to the needs of these veterans, VA created four polytrauma rehabilitation centers designed to provide state-of-the-art health care and rehabilitative services. Polytrauma rehabilitation centers emphasize independent functioning, in addition to physical and mental rehabilitation, through coordination of care for veterans with multiple injuries. VA will increase the number of Level II polytrauma rehabilitation centers by 16 over the next three years to extend the availability of polytrauma treatment to more geographic areas, and to ensure the continuum of care as patient's transition from acute rehabilitation to long-term rehabilitation and reintegration into the community.

Recent increases in the incidence of Post-Traumatic Stress Disorder (PTSD) and other mental health issues have illustrated the need for expanded access to mental health services. VA will seek innovative ways to increase access to and availability of mental health services in a timely, effective, and consistent manner.

In recognition of the unique challenges faced by returning servicemembers with disabilities, VA will improve and expand seamless transition initiatives. These initiatives are designed to reduce the burden on servicemembers transitioning from active duty to veteran status, with special emphasis on servicemembers suffering from catastrophic injuries or illnesses. Seamless transition initiatives cover the spectrum of VA benefits and health care services from DoD to VA to the community, and focus on delivering the right benefit at the right time.

**STRATEGIES AND INITIATIVES**

***Improve outreach, collaboration, and data sharing to assist veterans in identifying and receiving appropriate benefits and services.***

VA will improve the methods, content, and distribution of our outreach efforts. To ensure a smooth transition from active duty to veteran status, VA will collaborate with DoD to ensure that outreach materials and briefings – provided by VA, DoD, or both – contain consistent information on health care and benefits.

VA will increase the number of sites where VA staff are stationed at military treatment facilities (MTFs). VA has assigned full-time social worker liaisons and benefits counselors at eight major MTFs, including Walter Reed Army Medical Center and Bethesda National Naval Medical Center. Together with the MTF personnel, VA employees coordinate the transfer of active duty servicemembers and recently discharged veterans to appropriate VA health care facilities, enroll them into the VA health care system, and assist them in understanding and applying for VA benefits. The success of this initiative merits continuation and expansion so that these transition services are available to all injured or ill returning servicemembers. VA will provide continuous training to staff located at MTFs to ensure that the information and assistance provided to returning veterans is accurate and up-to-date.

VA will seek additional opportunities at the state and local level to partner with military services, veteran organizations, community organizations, and social service networks to expand awareness and understanding of VA benefits and services. Recently, VA partnered with the National Guard (NG) and trained 54 new VA/NG State Benefits Advisors (SBA). This training program covers information

on the seamless transition process, health risks in the combat environment, post-deployment mental health challenges, the roles of the state veterans affairs offices, veterans service organizations, women veterans' health programs, and VA health care eligibility. This partnership will increase VA outreach opportunities to returning National Guard and Reserve servicemembers and their families.

VA will increase collaboration with DoD in the area of shared data. VA and DoD have made great improvements in sharing the electronic data necessary to make eligibility determinations for VA benefits and services. Increased data sharing between VA and DoD lessens the burden on the veteran for providing requested information, thus shortening the time necessary for VA to complete decisions and for the veteran to receive benefits and services.

***Implement programs and services designed to meet the needs of service-connected disabled veterans and to optimize rehabilitation and independent living.***

VA will increase the number of polytrauma rehabilitation centers to 21 by 2011. Polytrauma rehabilitation centers provide coordinated health care and rehabilitation services to veterans and active duty service members who have experienced multiple traumas, e.g., spinal cord injuries, traumatic brain injuries, visual impairment, amputations, combat stress, and PTSD. In response to the varying intensity of care required, VA will establish two levels of polytrauma rehabilitation centers.

***Level 1*** – For individuals with varying levels of activity and complexity as a result of complex traumatic injuries, Level 1 polytrauma rehabilitation centers will provide specialized comprehensive medical rehabilitation, such as comprehensive interdisciplinary evaluations, acute interdisciplinary inpatient rehabilitation, transitional and community re-entry services, outpatient interdisciplinary rehabilitation, and reevaluation. Level 1 polytrauma rehabilitation centers also provide all Level II services.



***Level II*** – The Level II polytrauma rehabilitation centers will provide post-acute rehabilitation services for individuals who suffered complex traumatic injuries. These services include transitioning to the home community from a polytrauma rehabilitation center; coordinating the post-acute plan of care; outpatient interdisciplinary rehabilitation; and lifelong follow-up.

VA will employ the newly developed referral network established between three MTFs and the four VA traumatic brain injury (TBI) centers to facilitate the smooth transition of veterans with traumatic brain injuries.

VA will maximize the independent functioning of veterans in the least restrictive setting. Through personalized Vocational Rehabilitation and

Employment services, we will provide service-disabled veterans with the necessary tools to obtain and maintain productive employment. In situations where employment is not feasible, VA will enroll the veteran in the Independent Living Program (ILP). ILP provides training specifically tailored for the disabled veteran to maximize independent living skills through training, assistive technology, and connections to community-based support services. Eligible veterans or dependent spouses who are patients

in a licensed nursing home because of mental or physical incapacity, or who are otherwise determined to be in need of the regular aid and attendance of another person, will receive higher compensation or additional benefits.

VA will continue to administer two grant programs designed to assist veterans modify or purchase homes to accommodate their disabilities and maximize their ability to live independently.

***Improve the quality and expand the availability of comprehensive mental health services.***

VA will implement programs to tailor services for patients with a serious mental illness (SMI) through the development of individual care plans, which may also include family members. We will increase our capacity to treat veterans with PTSD, substance

abuse, or SMI through an expanded network of residential rehabilitation services.

By implementing strategies from the Comprehensive Mental Health Strategic Plan, we will strengthen the quality of and access to mental health services. This will include reducing variability in access to care in the areas of mental health, substance abuse, long-term psychiatric care, and homeless services. VA will expand availability of specialty mental health services within Community Based Outpatient Clinics (CBOCs). Telehealth approaches will be initiated for smaller sites to provide access to specialized services such as PTSD and substance abuse counseling.

Further demonstrating VA's commitment to improving the quality and availability of comprehensive mental health services, VA has designated three locations – Waco, TX; San Diego, CA; and Canandaigua, NY – as special centers of excellence devoted to advancing research on the mental health conditions that affect some American veterans and enhancing patient care. The new centers will provide a concentration of expertise on mental health issues.

***Ensure the continued availability of quality readjustment counseling services.***

VA will continue to leverage the capabilities of its Vet Center Program to improve the quality and expand the availability of community-based readjustment counseling for veterans and family members. Readjustment counseling is designed to help veterans transcend traumatic wartime experiences and improve their post-military social, economic, and family functioning.

Readjustment counseling is a more-than-medical system of care rather than a medical treatment program. Readjustment counseling is a unique VA service consisting of professional psychological counseling for war trauma; family counseling when needed for the veteran's readjustment; community outreach and education, and a number of other community-based service functions. As provided by Vet Centers, readjustment counseling is community-based, meaning that the services are easy to access, provided in or near the veteran's home community, tailored to meet local needs, and are connected with other, local agencies to ensure appropriate attention is given to all of the veteran's service needs. The 207 Vet Centers are located in all 50 states, the District of

Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The Centers are staffed by small, multi-disciplinary teams of dedicated providers, many of whom are veterans themselves.

***Maximize vocational functioning for veterans with mental health diagnoses.***

The Compensated Work Therapy (CWT) program will promulgate evidence-based models of supported employment to veterans with the most serious of mental and physical disabilities as a major component of its broader continuum of vocational rehabilitation services. CWT will continue to enhance its efforts to be an effective therapeutic work-for-pay program in which private businesses or Federal agencies contract with VA for work to be performed by veterans. VA will provide the support, encouragement, job placement activities, and counseling services necessary for participants to successfully obtain and maintain competitive employment. The CWT program will serve veterans from a diverse population base, often with co-morbid issues requiring treatment attention; homelessness, PTSD, Severely Mentally Ill, substance use disorders. The CWT program will also continue to serve others exhibiting severe occupational impairments such as veterans with catastrophic physical disabilities like spinal cord injury and veterans with polytrauma injuries. VA will explore different options – such as the Veterans Construction Team initiative – to assist veterans, as appropriate, who have problems with substance abuse or serious mental illness.

***Emphasize preventive medicine for veterans receiving specialized services.***

VA will continue to stress preventive medicine through a comprehensive program of education and outreach. We will make sure that veterans receiving specialized services are informed about the importance of receiving immunization for influenza and pneumococcal pneumonia, as well as regular testing for cholesterol levels, osteoporosis, and breast, cervical, colorectal, and prostate cancers, as appropriate. Success in providing preventive care will be measured through the Prevention Index III for special populations.

***Provide specialized care for homeless veterans.***

VA's specialized homeless treatment program will restore patient function through aggressive outreach to veterans living on the streets and in shelters; clinical assessment and referral to needed medical

treatment for physical and psychiatric disorders; long-term sheltered transitional assistance, case management, and rehabilitation; employment assistance and linkage with available income supports; and supported permanent housing.

We will partner with national homeless advocacy groups, local homeless organizations, and faith-based organizations, and other federal and state agencies across the country to identify and intervene on behalf of homeless veterans.

***Enhance crosscutting efforts in health care.***

By continuing to develop sharing agreements with DoD, VA will increase access to and improve the quality of medical care for veterans. These collaborative efforts will help both Departments provide care to special populations, such as those in need of prosthetic services and those with spinal cord or traumatic brain injury.

VA will also expand collaboration with other entities, such as the Department of Housing and Urban Development (HUD), in areas related to home care and Medical Foster Home care.

**EXTERNAL FACTORS**

Improvements in special emphasis areas and the overall health care delivery system will continue to be affected by constituencies that influence these programs, including other government agencies, veterans service organizations, and private interest groups.

***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.***

**PURPOSE AND OUTCOMES**

The United States has provided benefits to war veterans since the days of the American Revolution. Through the Veterans Benefits Administration (VBA) compensation program, veterans with disabilities or diseases occurring during their military service receive monthly payments. Disability compensation is payment to the veteran for disabilities that are determined to have occurred during, or to have been aggravated by, the veteran's military service, with the notable exception of a disability resulting from willful misconduct of the veteran.

**PERFORMANCE MEASURES**

**Objective 1.1 Performance Measures**

**Improve outreach, collaboration, and data sharing to assist veterans in identifying and receiving appropriate healthcare, 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:*

(FY 2006: Baseline data currently being developed  
FY 2011: 95%)

**Implement programs and services designed to meet the needs of service-connected disabled veterans and to optimize rehabilitation and independent living.**

*Increase the total number of Level I and Level II designated polytrauma centers.<sup>4</sup>*

(FY 2006: 18      FY 2011: 21)

*Increase the percent of Specially Adapted Housing (SAH) grant recipients who respond that the SAH program has helped them live more independently.*

(FY 2006: 98%      FY 2011: 99%)

**Improve the quality and expand the availability of comprehensive mental health services.**

*Percent of Community Based Outpatient Clinics (serving more than 1,500 unique patients) that provide Mental Health specialty services for encounters in at least 10 percent of patient visits:*

(FY 2006: 86%      FY 2011: 90%)

**Emphasize preventive medicine for veterans receiving specialized services.**

*Maintain Prevention Index III (for Special Populations) scores:*

(FY 2006: 86%      FY 2011: 86%)

**Provide specialized care for homeless veterans.**

*Percent of homeless veterans entering a homeless program who receive timely mental health or substance use disorder specialty services.*

(FY 2006: 85%      FY 2011: 95%)

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<sup>4</sup>Includes 4 Level I centers and 17 Level II centers.

The primary outcome of the program is to:

- Improve the financial security of veterans with disabilities by making payments that offset the average loss of earning capacity resulting from the service-connected disability or disease.

To achieve the compensation program's outcome, VA will:

- Apply technological and business process advances to improve claims processing timeliness, accuracy, and service quality;
- Make sure servicemembers and veterans understand and have access to all benefits for which they are eligible for as a result of service-connected disability or disease; and
- Make sure servicemembers and veterans are confident that VA will properly compensate them for service-related disabilities.

Although a high percentage of beneficiaries are compensated for disabilities rated at 30 percent or less, most of the actual dollar value of VA benefits is paid to veterans with more severe disabilities. The number of veterans receiving compensation is expected to increase to 2.9 million in FY 2007, and then rise only slightly through 2011. The complexity of multi-issue claims, evolving changes in legal precedents, and legislation influence the speed of the adjudication process for new claimants and existing claimants requesting additional compensation.

#### **STRATEGIES AND INITIATIVES**

##### ***Improve claims processing timeliness and accuracy through technological advances, systematic monitoring, and comprehensive training.***

We will employ advances in technology to provide comprehensive training, including the VA Learning Catalog, VA Learning Online (VALO), and the VA Knowledge Network (VAKN). The VA Learning Catalog makes available a range of learning products, from videotapes and CD-ROMs to online courses and downloads.



Claims processing employees will develop expertise from more than 2,400 different courses, covering topics from job skills to personal improvement. VAKN, VA's first digital satellite network, broadcasts education and communication programming on four channels, 24 hours a day, seven days a week.

VA will implement a comprehensive succession planning strategy to offset anticipated retirements of more experienced rating specialists. This strategy will feature Employee Individual Development Plans and the High Performance Development Model. VA will consider flexibility in work schedules and locations as incentives for workforce recruitment and retention. Our strategy will include specific guidelines on required training for employees.

##### ***Eliminate redundancies in medical examinations.***

We will continue to conduct discharge medical exams for compensation claims. Through the cooperative efforts of VA regional offices and medical centers, and in partnership with DoD, VA is now performing one cooperative separation examination at 130 Benefits Delivery at Discharge (BDD) sites using one physical examination protocol that is acceptable for both military service separation and VA's disability compensation requirements. This initiative advances our commitment to be more accessible to servicemembers separating from service and to streamline the eligibility process for compensation, health care, and vocational rehabilitation benefits.

##### ***Ensure consistency and quality of the physical exams for compensation and pension.***

The continuing goal of the Compensation and Pension Examination Program (CPEP) is to reduce variations among the exams by establishing consistent standards and by taking a pragmatic approach to quality improvement – based on reliable performance data and accountability. In FY 2007, VA will complete production of computer templates for all disability examinations conducted at VA Medical Centers. These templates will require each examiner to obtain and include all relevant information needed for VA to properly adjudicate a claim. In FY 2007, quality review of diabetes mellitus examinations will be added to the ten

existing most frequently requested compensation and pension exam types currently reviewed – general medical, joints, spine, foot, skin, mental disorders, initial and review post traumatic stress disorder, audiology, and eye – which account for 65 percent of all exam requests.

***Clarify claims processing rules and regulations to improve accuracy of decisions and facilitate clear communication with veterans and other beneficiaries.***

VA will strive to reduce the appeals resolution time of cases before the Board of Veteran Appeals (BVA). The appeals resolution time is the average length of time it takes to process an appeal, from the date a claimant files a Notice of Disagreement until the case is resolved, either at a regional office or by a BVA decision. *Appeals Resolution Time* has grown as a result of the increased number and complexity of claims filed, as well as the number of benefits sought per claim. In addition, the complexity of the legal environment has required increased training of employees involved in the VA adjudication process.

VA will rewrite regulations with greater clarity and consistency to make the disability claims process easier for veterans and their beneficiaries to understand. These improvements in regulatory language include rewriting the adjudication regulations in 38 CFR, Part 3. VA expects these revisions to reduce processing time and increase the accuracy of rating decisions.

***Administer appropriate benefits at the appropriate time.***

In November 2003, President Bush signed P.L. 108-136, which established the Veterans' Disability Benefits Commission. This commission is conducting an independent study of the benefits provided to compensate and assist veterans and their survivors for disabilities and death attributable to military service. The commission will make recommendations concerning the appropriateness of benefits, the level of benefits, and the standards for determining whether a veteran's claim should be compensated.

## PERFORMANCE MEASURES

### Objective 1.2 Performance Measures

#### **Improve claims processing timeliness and accuracy through technological advances, systematic monitoring, and comprehensive training.**

*Rating-related compensation actions – average days pending:*

(FY 2006: 150 days    FY 2011: 100 days)

*Compensation & Pension rating-related actions – average days to process:*

(FY 2006: 185    FY2011: 125)

*National Accuracy Rate (Compensation core rating work):*

(FY 2006: 87%    FY2011: 98%)

*Appeals Resolution Time (Joint VBA and BVA Measure) – Number of days from the receipt of Notice of Disagreement (NOD) in VBA to the rendering of a final decision, not a remand, by either VBA or BVA:*

(FY 2006: 600 days    FY 2011: 675 days)

#### **Clarify claims processing rules and regulations to improve accuracy of decisions and to facilitate clear communication with veterans and other beneficiaries.**

*Overall satisfaction rate percent (Compensation)*

(FY 2006: 58%    FY 2011: 90%)

#### **Administer appropriate benefits at the appropriate time.**

*Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life:*

(FY 2006: Baseline data currently being developed<sup>5</sup>  
FY 2011: 70%)

<sup>5</sup>Baseline data will be developed based on the results of the Veterans' Disability Benefits Commission Report. The FY 2011 performance target may be modified at that time.

***Enhance information technology capabilities to streamline all aspects of claims processing and improve veterans' access to certain payment information.***

VA will make technological enhancements to current software applications to streamline our claims processing. We will continue to give higher priority to the oldest claims in our inventory as well as claims from our older veterans.

***Administer traumatic injury insurance for active duty servicemembers and veterans.***

The new Servicemembers' Group Life Insurance Traumatic Injury (TSGLI) insurance program will provide timely financial help to military families through extended periods of medical care and healing. Benefits are also payable retroactively to October 7, 2001, for servicemembers and veterans who suffered certain traumatic injuries while serving in Operation Enduring Freedom or Operation Iraqi Freedom.

***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.***

**PURPOSE AND OUTCOMES**

The Vocational Rehabilitation and Employment (VR&E) program provides services and assistance necessary to enable veterans with service-connected disabilities and employment handicaps to prepare for, find, and keep suitable employment. The program also provides independent living services for severely disabled veterans who may not have employment aspirations or capabilities.

VR&E also offers educational and vocational counseling to servicemembers and veterans who have recently separated from active duty. In addition, VR&E provides educational counseling, vocational counseling, and special rehabilitation services to dependents of veterans who meet certain program eligibility requirements.

At the end of FY 2005, there were 94,330 program participants in the VR&E program. In FY 2006, we project 93,500 participants. The future number of program participants may be affected by the impact of new legislation or economic factors. The

purpose of the VR&E program is to enable veterans with a service-connected disability and employment handicap to:

- Become employable and to obtain and maintain suitable employment; and
- Achieve the highest level of independence in daily living.

During FY 2005, almost 19,000 veterans ended their participation in a rehabilitation program. Of these, 63.3 percent successfully completed the program (48.9 percent ended with employment and 14.4 percent ended with veterans achieving their independent living goals). VA's performance target for successful rehabilitation by FY 2011 is 80 percent.

**STRATEGIES AND INITIATIVES**

***Identify and address obstacles to the successful completion of vocational rehabilitation programs.***

In conjunction with the VA Office of Policy and Planning, VBA is conducting a survey on why veterans drop out of the VR&E program or interrupt their rehabilitation plans. We will use the results of this survey in designing and implementing a risk mitigation program to improve the VR&E rehabilitation rate.

The Five-Track Employment Model is an improved, integrated, employment-driven service delivery system that renews the focus on presenting employment options early in the rehabilitation planning process. Depending on their circumstances, veterans will be considered for one of the following of services:

- Reemployment with a former employer;
- Rapid access to employment services for new employment;
- Self-employment;
- Employment through long-term services; and
- Independent living services.

VA will continue to utilize contractors to supplement and complement the services provided by VR&E staff. A National Acquisition Strategy has standardized and streamlined the acquisition procedures used by VR&E to obtain qualified contractors. The combination of VA staff with contractor support will assist veterans significantly because program participants are able to begin their rehabilitation programs earlier.



***Customize rehabilitation programs to ensure maximum benefit to veterans.***

VA will maximize direct contact with veterans through effective case management, improved contract management, and information technology. These efforts will result in improved timeliness, improved accuracy, and increased customer satisfaction.

***Create, foster, and maintain relationships with partners.***

VA will expand outreach efforts through joint training initiatives, information exchanges, and aggressive oversight focused on improved cooperation, coordination, and measurable interaction on behalf of disabled veterans in the VR&E program. As part of this outreach effort, we will continue to foster partnerships with local, state, and federal agencies, such as the Department of Labor and state employment services.

***Design and manage programs and training that focus on obtaining and maintaining employment.***

VA will expand the number of Job Resource Labs in VBA Regional Offices. These labs will include the necessary resources to aid VBA staff and veterans in conducting comprehensive analyses of local and national job outlooks, preparing veterans for interviews, developing resumes, and conducting job searches.

***Provide comprehensive employment assistance.***

VA will continue to use Employment Coordinators as an integral resource in the delivery of employment exploration, job readiness, and job placement services. To ensure that we provide these services in a comprehensive, timely, and individualized manner, Employment Coordinators will partner with state-employed Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) staff. As partners, they will assess the feasibility of employment services, recommend an appropriate vocational rehabilitation plan with the goal of suitable employment or independent living, and deliver job skills training and job placement services.

## PERFORMANCE MEASURES

### Objective 1.3 Performance Measures

#### **Identify and address obstacles to the successful completion of vocational rehabilitation programs.**

*Percent of veterans exiting the VR&E program who obtain and maintain suitable employment or achieve their independent living goals:*

(FY 2006: 69%                      FY 2011: 80%)

*Percent of veterans with a serious employment handicap exiting the VR&E program who obtain and maintain suitable employment or achieve their independent living goals:*

(FY 2006: 65%                      FY 2011: 80%)

#### **Customize rehabilitation programs to ensure maximum benefit to veterans.**

*Percent of veterans expressing satisfaction with VA services:*

(FY 2006: 82%                      FY 2011: 92%)

#### **Design and manage programs and training that focus on obtaining and maintaining employment.**

*Percent of participants gainfully employed within one quarter of VR&E Program completion:*

(FY 2007: 70%\*\*                      FY 2011: 80%)

*Percent of veterans completing VR&E Program that remain employed after three quarters:*

(FY 2007: 70%\*\*                      FY 2011: 80%)

*Average cost of placing participant in employment:\**

(FY 2007: \$8,000\*\*                      FY 2011: \$6,500)

\* The average cost of placing a service-disabled veteran in employment is calculated by dividing VR&E program obligations by the number of veterans rehabilitated. The OMB calculation doesn't include a provision for inflation or consideration for rates of increase in tuition costs, which are higher than the consumer price index. Comparison to other vocational rehabilitation programs may not be conclusive because non-Federal dollars are excluded when calculating their cost to place an individual in employment.

\*\* Baseline data currently being developed; performance measure will be implemented in 2007

## EXTERNAL FACTORS

**Economic Conditions** – Program participation and successful attainment of vocational rehabilitation goals are closely related to the strength of the economy and the employment market.

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

## PURPOSE AND OUTCOMES

VA programs for the families of service-disabled veterans include Dependency and Indemnity

Compensation (DIC), Survivors' and Dependents' Educational Assistance, the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), and life insurance.

Through the DIC program, VA makes monthly payments to a deceased veteran's survivors, in recognition of the veteran's sacrifice made in defense of the Nation and to redress the loss the family suffered. The DIC program focuses on the following outcomes:

- Recognize and compensate the surviving spouse and dependent children of each veteran whose death is determined to be service-connected;
- Ensure a minimum standard of living and acceptable level of income for surviving spouses and dependent children eligible for DIC; and
- Provide a measure of security to low-income parents of veterans whose deaths were related to military service.

Survivors' and Dependents' Educational Assistance (DEA), under Chapter 35 of Title 38, U.S. Code, is a monetary educational benefit payable to eligible

dependents and survivors of veterans. It is the only VA educational assistance program not designed for veterans, but for students who are dependents of eligible veterans. Each student's eligibility is based on the veteran's service-connected death, total and permanent service-connected disability, or MIA/POW/hostage status.

CHAMPVA is a comprehensive health care program for dependents and survivors, in which VA shares the cost of covered health care services and supplies with eligible beneficiaries. To be eligible for CHAMPVA, recipients cannot be eligible for TRICARE (the medical program for civilian dependents provided by DoD), and they must meet specific VA guidelines.



VA life insurance programs provide additional financial security to veterans and their families through standard-priced life insurance coverage that may not be available from the commercial insurance industry due to lost or impaired insurability resulting from military service. The VA life insurance programs specifically targeted to service-disabled veterans are Service-Disabled Veterans' Insurance (S-DVI) and Veterans' Mortgage Life Insurance (VMLI). The program outcomes from S-DVI and VMLI, respectively are to:

- Provide reasonable amounts of life insurance coverage at standard premium rates during a reasonable time period following the establishment of a service-connected disability; and
- Provide reasonable amounts of mortgage life insurance coverage at standard premium rates to severely-disabled veterans who have been awarded a specially-adapted housing grant.

## STRATEGIES AND INITIATIVES

**Identify and remove obstacles to participation in survivor benefits programs by eliminating redundancies and improving outreach.**

VA conducts outreach efforts to family members and has streamlined the application process for DIC benefits. To assist in the timely processing of insurance claims, this expedited process includes the electronic exchange of information between VA

headquarters in Washington and the VA Philadelphia Regional Office and Insurance Center.

VA will continue to administer a wide range of life insurance programs that provide comprehensive coverage and security for veterans and their families. These include special life insurance for disabled veterans and home mortgage life insurance coverage, as well as the widely utilized Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs.

***Administer insurance programs to protect survivors of service-disabled veterans and active duty servicemembers.***

VA will continue to administer a wide range of life insurance programs, such as those carried out in Objective 3.3, to provide comprehensive coverage and security for veterans and their families. This includes life insurance and mortgage protection insurance for service-disabled veterans, as well as life insurance and injury protection coverage for servicemembers, reservists, and veterans.

## PERFORMANCE MEASURES

### Objective 1.4 Performance Measures

#### **Identify and remove obstacles to participation in survivor benefits programs by eliminating redundancies and improving outreach.**

*Average days to process – DIC actions (Compensation):*  
(FY 2006: 120                      FY 2011: 90)

*Percent of DIC recipients above the poverty level (Compensation):*

(FY 2006: Baseline data currently being developed <sup>6</sup>  
FY 2011: 100%)

*Percent of DIC recipients who are satisfied that the VA recognized their sacrifice (Compensation):*

(FY 2006: Baseline data currently being developed  
FY 2011: 90%)

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<sup>6</sup> Pending results of the Veterans' Disability Benefits Commission that began work in May 2005, and will conclude its work in October 2007.



# STRATEGIC GOAL TWO

*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.

## **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.



***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.***

**PURPOSE AND OUTCOMES**

VA will increase active duty and recently separated servicemembers' awareness of their benefits, and means of access to benefits, thus ensuring a smooth transition to civilian life.

In addition, National Guard and Reserve personnel are eligible for a wide variety of benefits that VA will continue to provide. Through interagency collaboration with DoD and DOL, we will partner with the National Guard and Reserve to address the outreach challenges that are unique to those components of the veteran population.

**STRATEGIES AND INITIATIVES**

VA will provide priority health care for veterans returning from a combat zone. Priority access is particularly important to veterans at risk for psychological trauma from duty in theaters of combat operation or from military-related sexual assault. A major component of care is readjustment counseling as provided through VA's community-based Vet Center Program. This will include cultural- and gender-sensitive professional readjustment counseling, community education, and preventative healthcare information. These efforts will also require outreach to special populations, and brokering of services through community agencies. VA is currently conducting a survey to improve our overall outreach efforts and their coordination.

***Improve understanding of services through clear and consistent communication with future veterans and their families.***

Awareness of eligibility for VA benefits has a direct and lasting impact on the degree to which VA is able to meet the needs of new veterans. VA will partner with DoD to conduct outreach activities and transition assistance to separating servicemembers. For instance, increased interagency collaboration in

the Transition Assistance Program (TAP) / Disabled Transition Assistance Program (DTAP) will improve servicemembers' understanding of VA benefits. Through readjustment counseling and other services, VA will assist veterans in fully reintegrating into their communities with minimal disruption to their lives.

***Improve access to VA health care through the use of technological advances.***

VA will provide timely and appropriate access to health care by adhering to clinical best practices. An important effort to improve timely and appropriate care involves fully implementing Advanced Clinical Access (ACA) system-wide. ACA promotes the smooth flow of health care delivery by anticipating patient needs before the time of their appointment and taking steps to:

- Make sure specific equipment is available;
- Arrange for tests that should be completed either prior to or at the time of the visit; and
- Synchronize the patient, the provider, and all necessary health information.

The success of ACA is dependent on completing the necessary planning properly to ensure that all elements of care are in place at the time they are needed. For veterans returning from combat, we will measure success by our ability to provide primary care appointments within 30 days of the desired date and through patient care satisfaction surveys.

We will continue to work with DoD to fully implement the Joint Electronic Health Record, which will enable VA and DoD to share medical records of transitioning servicemembers, thus improving accuracy and timeliness for processing disability claims. VA and DoD will also develop implementation guides for the Consolidated Health Informatics (CHI) Standards, which are part of the VA/DoD collaborative and Joint Strategic Plan information technology efforts. VA will continue to assume a position of leadership in health care delivery, leading private and public health care providers in computerized records, tele-health and, tele-medicine.



*Partner and coordinate with DoD to ensure that the transition from active duty to veteran status is seamless.*

VA and DoD are committed to increasing collaborative and sharing activities between the Departments. This commitment is embodied in the work of the VA/DoD Joint Executive Council established to facilitate collaborative initiatives and the Joint Strategic Plan. Additional efforts to enhance cooperation and collaboration between the Departments have been initiated by individual offices and interest groups.

We have placed VA/DoD Social Work Liaisons at key military treatment facilities to coordinate the seamless transfer of health care for severely wounded servicemembers. VA Medical Centers across the nation have designated OEF/OIF points-of-contact and Case Managers to ensure initial and continuing care coordination.

VBA staff at key military treatment facilities (MTFs) are available to assist severely wounded OEF/OIF servicemembers. Additionally, each Regional Office has designated an OEF and OIF Coordinator and alternate to act as a liaison with VA medical facilities, and other Regional Office divisions. Claims from seriously disabled OEF and OIF veterans will be case-managed for expeditious processing. For the veteran, these are key access links with other VA and non-VA services.

The new Office of DoD Coordination will augment development and evaluation of mechanisms to enhance transitioning from active duty to veteran status. Mechanisms that prove effective and efficient and that promote patient satisfaction will be standardized for deployment system-wide.

#### **EXTERNAL FACTORS**

Continued interagency collaboration between VA and DoD is critical to ensure a smooth transition from military to civilian life.

## PERFORMANCE MEASURES

### **Objective 2.1 Performance Measures**

**Provide coordinated information and access to benefits and health care services at the earliest possible time.**

*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:*

(FY 2006: 53%                      FY 2011: 65%)

Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone:  
(FY 2006: Baseline Information Being Developed  
FY 2011: 94%)

**Improve understanding of services through clear and consistent communication with future veterans and their families.**

*Percent of veterans returning from a combat zone who respond "yes, completely" to survey questions regarding how well they perceived that their VA provider listened to them and whether they had trust and confidence in their VA provider:*

(FY 2006: Baseline Information Being Developed  
FY 2011: 72%)

**Improve access to VA health care through the use of technological advances.**

*Number of implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD:*

(FY 2006: 3                              FY 2011: 9)

**Partner with DoD to ensure that the transition from active duty to veteran status is seamless for servicemembers.**

*Percent of separating, deactivating, and retiring servicemembers who participate in VA benefits and TAP/DTAP briefings prior to separation, deactivation, or retirement:*

(FY 2006: 53%                      FY 2011: 85%)

***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.***

**PURPOSE AND OUTCOMES**

The GI Bill of 1944, one of America's most significant pieces of domestic legislation, established the precedent for providing educational assistance to the Nation's veterans. Today, VA administers seven education and training programs for veterans, servicemembers, reservists, and certain family members, in addition to vocational rehabilitation training offered through the VR&E program. These programs provide education resources to supplement opportunities missed because of military service, act as incentives to help the armed forces recruit and retain members, and assist servicemembers in readjusting to civilian life. On a broader scale, these benefits enhance the Nation's economic competitiveness by developing a more highly educated and productive workforce.

The Montgomery GI Bill (MGIB) provides up to 36 months of education benefits for college; business, technical, correspondence, and vocational courses; apprenticeship and job training; or flight school. Active duty and reserve members account for more than 86 percent of participants.

P.L. 108-375 created a new education benefit, the "Reserve Educational Assistance Program" (REAP), targeting members in the Reserves and National Guard who are called up to active duty. While REAP is a DoD program and the military services determine who is eligible, the law requires VA to administer the program in a manner similar to other VA education programs. REAP provides an intermediate level of benefits between those who serve a full two years of active duty and those who serve in a drilling status in the Selected Reserve, but are not activated. The first REAP payments were processed in December 2005.

The objectives of the education programs are to:

- Assist in readjustment to civilian life;
- Assist in obtaining affordable higher education;
- Provide vocational readjustment and restore missed educational opportunities;
- Assist in the recruitment and retention of active duty and reserve personnel; and
- Enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

**STRATEGIES AND INITIATIVES**

VA will continue its outreach efforts to ensure that all potential beneficiaries receive timely information about the VA education programs available to them. This action is in direct response to one of the recommendations from the program evaluation completed in 2000, which indicated that VA

should improve its communication of information to beneficiaries and ensure that this communication is correct, consistent, and coordinated across departments of the Federal government.

***Improve timeliness and accuracy of claims decisions and payments through technology and consolidation.***

To improve overall processing time, VA will continue our efforts to migrate all claims processing work from the legacy system to the new corporate environment. The Education Expert System (TEES) is a multi-year initiative that will result in the implementation of a claims processing system designed to receive application and enrollment information and process that information electronically.

This system will dramatically improve the timeliness and quality of education claims processing. In the interim, VA will promote an electronic education certification program (VA-ONCE) that allows schools to send enrollment certifications to VA electronically. At this time, over half of all schools use VA-ONCE.









## STRATEGIC GOAL THREE

*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 cost, and those statutorily eligible for care.

### 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.

### OBJECTIVE 3.3

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

### OBJECTIVE 3.4

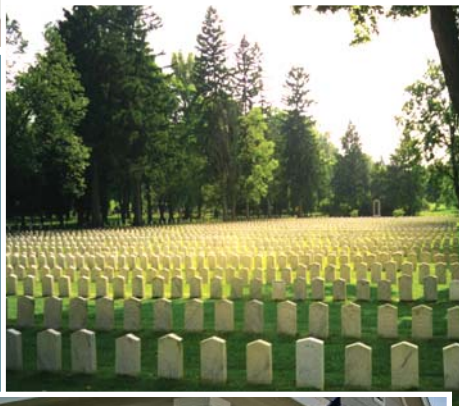
Ensure that the burial needs of veterans and eligible family members are met.

### OBJECTIVE 3.5

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

### 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.



**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.**

#### **PURPOSE AND OUTCOMES**

The purpose of this objective is to provide health care for all veterans enrolled in the VA health care system, with priority access given to veterans with service-connected disabilities rated 50 percent or more, and for two years after release from active duty to all new veterans returning from a combat theater of operations. The VA health care system will strive to treat the “whole person” by providing a continuum of patient-centered medical, surgical, psychological, and social services. We will remain focused on meeting the needs of special populations, such as disabled, women, minority, Gulf War, and OEF/OIF veterans.

VA will continuously enhance our national integrated health care delivery system by expanding opportunities to operate in concert with public and private health care facilities. While providing optimal access for the veteran population, VA will always strive to achieve a level of quality and access that sets a national standard of excellence for the health care industry. To meet the needs of the enrolled population and to minimize duplication of services, we will continue to focus on efficiency, high-quality care, and customer satisfaction.

#### **STRATEGIES AND INITIATIVES**

VA will continuously improve veteran and family satisfaction by promoting patient-centered care and excellent customer service. We will implement methods for advancing competence in patient self-management, so that patients and caregivers can share in decision-making and improve health outcomes. Interactive technology strategies will be implemented to provide care in the least restrictive environments, thus allowing patients and families maximum participation in disease management and health maintenance. VA will work to improve the overall health of veterans by emphasizing prevention and wellness, chronic disease management, quality, and safety.

***Ensure quality health care delivery and outcomes through care coordination, disease management, and prevention.***

VA will achieve the highest quality health outcomes by using the best scientific evidence available in clinical practice. Relying on a comprehensive performance management system to measure progress in realizing our goals and objectives, we will continue to set national benchmarks for quality of care and patient safety. By increasing the use of care management, we will offer alternatives to hospital and institutional-based care by maximizing the independent functioning of veterans, which may include home care services where feasible. To provide the right care in the right place at the right time, VA will continue to expand the Care Coordination program and to apply case management principles that employ health informatics, disease management, and telehealth technologies.

A large percentage of veterans enrolled in the VA health care system have one or more chronic diseases. To improve our management of chronic diseases and health outcomes for veterans, VA will adhere to the nationally-recognized Clinical Practice Guidelines Index for the treatment and care of patients experiencing one or more high-volume diagnoses. This index is a composite measure comprised of 82 evidence and outcome-based indicators for high-prevalence and high-risk diseases that have significant impact on overall health status, including:

- Ischemic heart disease;
- Hypertension;
- Diabetes mellitus;
- Schizophrenia;
- Major depressive disorder;
- Chronic obstructive pulmonary disease; and
- Tobacco use cessation.

Consistent with VA’s mission, we will partner with community and private sector organizations, as well as with other Federal agencies, to promote health initiatives that benefit local communities and the Nation as a whole. VA and the Department of Health and Human Services are coordinating a campaign to educate veterans and their families about ways to combat obesity and diabetes. Veterans are more likely than the general population to suffer from diabetes, one of the major complications associated with being overweight. These efforts include awareness of healthy lifestyle choices, as well as

advancement of genomic research and medicine. VA has developed a program for Managing Overweight/Obesity for Veterans Everywhere (MOVE). Every overweight VA patient will be exposed, at a minimum, to an intervention focusing on behavior, nutrition, and physical activity. Pilot studies are being conducted at 18 sites; following evaluation of the results, VA will deploy best practices throughout the system.

VA will also focus on efforts to prevent *diabetes mellitus*, one of the most common and serious chronic diseases in the United States – and a disease that affects veterans at a higher rate than the general population. Each year, approximately 800,000 people are diagnosed with diabetes. Of the 16 million Americans who suffer from diabetes, 5.4 million do not know they have the disease. The incidence of diabetes in the U.S., which has increased steadily during the last 50 years, will continue to rise with the aging population (the population most susceptible to Type 2 diabetes) and with the increasing prevalence of obesity. The direct health care costs associated with diabetes are estimated to be around \$286 billion worldwide, with the majority of these costs linked to treating diabetes-related complications. VA will continue to aggressively screen patients at risk and emphasize prevention and early detection.



We will extend our comprehensive program of education and outreach in the area of preventive medicine to ensure that veterans are informed about getting immunizations for influenza and Pneumococcal pneumonia; screening for cholesterol levels and osteoporosis; and testing for breast, cervical, colorectal, and prostate cancers. Success in providing preventive care will be measured through the Prevention Index II. VA will further promote counseling services related to tobacco consumption as well as alcohol and substance abuse. To improve veteran health and reduce health care costs, VA will promote wellness, fitness, and the prevention of chronic disease. A campaign called “Healthier US Veterans” will encourage good eating habits and physical activity among veterans, their families, and others in their communities.

VA will conduct research aimed at understanding the impact of military service on health, while maintaining full compliance with regulatory requirements and standardized protection of human subjects. We will develop innovative approaches to the design and evaluation of health care delivery systems, reengineer health care processes to incorporate proven advances, and take full advantage of research-related intellectual property opportunities. As in the past, we will look for wider applications to the general public so that the Nation as a whole will benefit from VA research results.

VA will promote diversity, excellence, and satisfaction in the workforce by fostering a culture that encourages innovation and strives to eliminate medical errors. We will expand our efforts to implement a system-wide program for recruiting personnel in scarce professions and career fields, as well as strengthen our ability to recruit highly-skilled workers in non-scarce professions.

The existing nurse and physician shortage will continue to present the Department with major challenges. We will enhance management flexibility to permit more performance-based incentives; correct skill imbalances by offering the right kind of training and identifying the people who need it; and provide the tools necessary for successfully recruiting, retaining, and rewarding a high-quality work force.

***Improve access to health care through the use of advanced technologies for diagnosis, testing, data exchange, and scheduling.***

VA will improve access to clinic appointments and timeliness of service, including reduced waiting times for appointments in primary care and specialty clinics. We will fully implement Advanced Clinical Access (ACA) to promote the smooth flow of patients receiving care at VA clinics by anticipating patients’ needs before the time of their appointment. Through ACA, we will be better able to ensure the availability of specific equipment; arrange for tests that should be completed either prior to or at the time of the visit; and synchronize the patient, the provider, and all necessary health information.

Timely access to health care will be measured by our ability to provide veterans primary and specialty care appointments within 30 days of the desired date for an appointment, seeing patients within 20 minutes of their scheduled appointment, and evaluating inpatient and outpatient satisfaction with VA health care services.

As part of improving VA patient and family satisfaction, we will further implement Service Recovery (SR), which includes standardized patient satisfaction surveys that provide reliable data and real-time results. SR is a systematic approach for proactively soliciting veteran feedback, responding to complaints in a manner that encourages trust, and using information on complaints to make system improvements. Where appropriate, VA will adopt several approaches to SR now used in other organizations, including guidelines, standards, scripted apologies for handling specific types of complaints, telephone follow-up, and store coupons, such as canteen vouchers.

VA will fully implement My HealtheVet, an Internet-based program that creates an online environment where veterans, family members, and clinicians can collaborate to optimize veterans' health care. My HealtheVet will provide secure, reliable information, online services, health record access, and messaging between veterans and clinicians.

The transition to VA's next generation electronic health record, HealtheVet-Vista (Veterans Health Information Systems and Technology Architecture) will offer greater flexibility in meeting future health care needs and compliance with the One VA Enterprise Architecture. It will allow seamless data sharing among all components of VA to benefit veterans and their families. Information technology, along with technologies such as telehealth, will be applied to streamline care delivery, administrative functions, and business processes, which in turn will improve the interface between the care provider and patient, minimize wait times, and reduce errors.

VA will continue its partnership with DoD to develop an interoperable VA/DoD medical information system and ensure the availability of veterans' military health records to VA care providers. We will continue working with DoD to implement joint clinical practice guidelines, which will assure continuity of health care and seamless transition

for a patient moving from active duty to veteran status. Collaboration will continue on developing joint guidelines and policies for the delivery of high-quality care and assurance of patient safety; joint training in multiple disciplines, including ancillary services; and exploration of opportunities to enhance collaborative activities in Graduate Medical Education. VA and DoD will foster other opportunities for sharing information and resources in the areas of deployment health surveillance, assessment, follow-up care, and health-risk communications. VA is working to improve medical system linkages through participation in a VA/DoD Joint Working Group on Telehealth.

In addition to DoD, VA collaborates with a variety of organizations. We work with the Department of Health and Human Services (HHS) to develop non-VA benchmarks for bed-days of care obtained from the Center for Medicare and Medicaid Services database, and we receive data on ambulatory procedures from the National Center for Health Statistics. VA collaborates with the Merchant Marine Academy, Department of Agriculture, General Services Administration, Indian Health Service, National Park Service, and others to maximize resources available for direct patient care. These efforts enhance VA's management of facility infrastructure and real property utilization, allocation of excess property, and acquisition of energy and utility services.

VA is also working with HHS to implement a nationwide electronic medical records system, patterned after the VA system. Our role is to provide assistance and expertise, along with lessons learned, about implementing the electronic medical record in large health care systems.

***Respond to the changing health care needs of our beneficiaries through the development and implementation of specialized health programs, services, and policies.***

In recent years, there has been greater focus on VA's ability to meet the increasing long-term care needs of aging veterans. Between 2005 and 2011, the number of enrolled veterans is projected to decrease from 7.7 million at the end of FY 2005 to 6.8 million in FY 2006 and to 6.6 million in FY 2007. During this same time period, the number of enrolled veterans aged 65 and older is projected to decrease from 3.52 million at the end of FY 2005

to 2.98 million in FY 2007, and then increase to 3.1 million through FY 2011. The number of enrolled veterans aged 85 and over will steadily increase over the same time period, from 351,175 at the end of FY 2005 to 569,075 in FY 2011. Eligibility for extended institutional benefits, prescribed by statute, is increasingly reserved for the highest priority veterans. VA is responding to the need for long-term care by investing in home and community-based care, homemaker and home health aide services, and medical foster homes as alternatives to nursing home care.

The need for increased non-institutional long-term care alternatives to nursing home care is driven by market forces, consumer demand, enhanced quality of life, and equity of access across the system, including rural areas. VA is working to increase uniformity of services provided across the country, and to explore opportunities to add and expand innovative programs. In an effort to reduce the need for long-term care following hospitalization, particularly as new technologies and therapies are developed, VA will emphasize rehabilitation and longitudinal home care as alternatives to institutionalization. While VA continues to develop and promote innovative alternatives to institutional care, it is important to recognize that long-term care represents a dynamic array of services provided in residential, outpatient, and inpatient settings. As an example, inpatient nursing home care may actually include short stays providing wound care, rehabilitative therapies, or antibiotic regimens which allow veterans to receive medically-necessary recuperative services outside of hospitals before they return home. To that end, VA will pursue innovations in care coordination and telehealth technologies. We will measure our success by our ability to increase the capacity and utilization of non-institutional, long-term care services while maintaining a complement of institutional care.

VA will continue to expand the Women Veterans Health Program, designed to ensure equity of access, services, and care to female veterans. To achieve this goal, the program integrates clinical care, education, and research activities for a comprehensive program that includes outreach, primary care, gender-specific services, general reproductive health care, appropriate health care environments, and mental health services. The growing number of women in the armed forces means concomitant growth in the number of female veterans, today numbering 1.7 million. As the

## PERFORMANCE MEASURES

### Objective 3.1 Performance Measures

**Ensure quality health care delivery and outcomes through care coordination, disease management, and prevention.**

*Clinical Practice Guidelines Index II:*

(FY 2006: 77%                      FY 2011: 87%)

Prevention Index III:

(FY 2006: 86%                      FY 2011: 88%)

*Supervision of Residents from Academic Affiliates*

– *Percent of resident-associated inpatient admissions to medicine, psychiatry, or surgery bed service for which the supervising attending practitioner receives an independent progress note from the attending physician within one day of admission:*

(FY 2006: 85%                      FY 2011: 95%)

*Percentage of patients rating VA health care service as very good or excellent:*

(Inpatient:    FY 2006: 74%            FY 2011: 77%)

(Outpatient: FY 2006: 73%            FY 2011: 76%)

**Improve access to health care through the use of advanced technologies for diagnosis, testing, data exchange, and scheduling.**

*Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities:*

(FY 2006: 68%                      FY 2011: 90%)

*Percent of primary care appointments scheduled within 30 days of the desired date:*

(FY 2006: 96%                      FY 2011: 96%)

*Percent of specialty care appointments scheduled within 30 days of the desired date:*

(FY 2006: 93%                      FY 2011: 94%)

**Respond to the changing health care needs of our beneficiaries by developing and implementing specialized programs, services, and policies.**

*Percent increase of non-institutional, long-term care utilization:*

(FY 2006: 7.4%                      FY 2011: 67.8%)

overall veteran population decreases, the percentage of female veterans continues to grow, and this change challenges VA to continue developing programs and services to meet their needs. Typical female veterans are younger than their male counterparts and are more likely to belong to a minority group.

VA will continue to work with the Indian Health Service (IHS) and tribal governments to develop programs and conduct outreach to meet the health care needs of American Indians and Alaskan Native veterans, who have a distinguished history of exemplary military service to the United States. Historically, a higher percentage of American Indians have served in the armed forces compared to the general U.S. population (24 percent compared to 19 percent). Surveys of Vietnam Era veterans indicate that American Indians frequently served in forward combat areas, and 42 percent were exposed to heavy combat. As a result, these veterans have a high level of service related health care needs, including the highest rate of PTSD among ethnic groups studied.

VA will implement programs to tailor services for patients with a serious mental illness (SMI) through the development of individual care plans, which may include family members. We will increase our capacity to treat veterans with PTSD, substance abuse, or SMI through an expanded network of residential rehabilitation services.

#### EXTERNAL FACTORS

Congress has held recent hearings that focused on improving veterans' access to health care in rural areas, including primary care, mental health services, and long-term or home-based care. Related legislation could affect future facility location decisions and telemedicine initiatives.

Congress may or may not enact fees for health care enrollees. The enactment of legislation to require these fees could affect demand for VA health care services.

***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.***

#### PURPOSE AND OUTCOMES

In recognition of America's obligation to veterans who served the Nation during wartime, the VA Pension Program ensures basic dignity through monthly payments to income-eligible wartime veterans who are permanently disabled as a result of disabilities not related to military service. The pension program also provides monthly payments to income-eligible surviving spouses and dependent children of deceased wartime veterans. The identified benefits of pension payments include making sure that:

- Veterans and their families get the information and help they need to understand, access, and participate in the pension program and related health options;
- Entitled wartime veterans and survivors receive the income they need to afford the basic necessities of life;
- VA pensioners and their families can rely on the financial continuity and stability of VA in time of need; and
- VA pensioners are accorded the respect they have earned through a veteran's service to our Nation during wartime.

The number of veterans and survivors receiving pension benefits will decline slightly in the future. By the end of FY 2008, VA expects that 335,000 veterans and 184,000 survivors will be receiving pension benefits.

#### STRATEGIES AND INITIATIVES

***Develop and implement outreach efforts designed specifically to reach elderly and low-income veterans and survivors.***

By coordinating outreach activities with those who serve the elderly and low-income veterans, such as the Social Security Administration and the National Funeral Directors' Association, VA will continue to establish vital links for outreach to veterans and their dependents. These outreach partnerships are designed to inform veterans and survivors about the benefits to which they may be entitled. Specific outreach efforts will focus on special population groups, such as the elderly, surviving spouses, and new survivors.

The pension program is unique among income-based federal disability programs, in that it allows applicants to deduct certain unreimbursed medical expenses (UMEs) when determining countable family income.



This provision serves to provide veterans with financial assistance for medical expenses and other essentials. Past program evaluations have shown that many pensioners may not be reporting UMEs, therefore VA has developed a performance measure to track this element of the pension program. This information will help VA ensure that beneficiaries obtain all the pension benefits to which they are entitled.

***Employ technology and specialized skill sets to improve timeliness and accuracy of pension claims decisions and maintenance.***

VA has consolidated the maintenance of pension awards after an initial grant of benefits into three pension maintenance centers (PMCs). The PMCs will also handle the maintenance of Parents' Dependence and Indemnity Compensation (DIC) awards subsequent to an initial award. In FY 2006, VA began the process of consolidating all pension work, including original claims, to these centers.

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

**PURPOSE AND OUTCOMES**

The purpose of VA's insurance programs is to provide those types of insurance-related benefits that servicemembers and veterans would otherwise be denied. VA will provide life insurance benefits and services in a timely and courteous manner and at the lowest possible cost. Servicemembers do not have the same access to life insurance benefits as average citizens because of the hazards of military duty, and thousands of veterans with disabilities cannot obtain affordable life insurance comparable to the coverage granted to healthy individuals. To enhance the financial security of the families of servicemembers and veterans and maintain the current high level of service to insurance policyholders and their beneficiaries, VA administers or supervises the following programs:

- Service-Disabled Veterans' Insurance (S-DVI) provides insurance coverage and services to service-disabled veterans and their families;
- Servicemembers' Group Life Insurance (SGLI) provides insurance coverage and services to active duty and reserve members

**PERFORMANCE MEASURES**

**Objective 3.2 Performance Measures**  
**Develop and implement outreach efforts specifically designed to reach elderly and low-income veterans and survivors.**

*Percent of pension recipients who were informed of the full range of available benefits:*

(FY 2006: 40%                      FY 2011: 60%)

*Percent of pension recipients who said their pension claim determination was very or somewhat fair:*

(FY 2006: 65%                      FY 2011: 75%)

**Employ technology and specialized skill sets to improve timeliness and accuracy of pension claims decisions and maintenance.**

*Rating-related pension actions — average days pending:*

(FY 2006: 69                      FY 2011: 65)

*Compensation & Pension rating-related actions — average days to process:*

(FY 2006: 185                      FY2011: 125)

*National accuracy rate*

*(core rating-related pension work):*

(FY 2006: 93%                      FY 2011: 98%)

*National accuracy rate (authorization pension work):*

(FY 2006: 88%                      FY 2011: 98%)

*Non-rating-related pension actions — average days to process:*

(FY 2006: 66                      FY 2011: 60)

*Non-rating-related pension actions — average days pending:*

(FY 2006: 73                      FY 2011: 50)

of the uniformed services and their families;

- Traumatic Injury Protection (TSGLI) insurance provides timely financial assistance to servicemembers who suffer certain traumatic injuries while insured under the basic SGLI program; and
- Veterans' Group Life Insurance (VGLI) provides term insurance coverage and services to veterans transitioning from active duty and their families.
- Veterans' Mortgage Life Insurance (VMLI) provides mortgage life insurance coverage and services to severely service-disabled veterans and their families.

Effective September 1, 2005, Public Law 109-13 increased SGLI coverage from \$250,000 to \$400,000, and created the *Traumatic Injury Coverage*, effective December 1, 2005, which provides up to \$100,000 of rapid payment to servicemembers who suffer qualifying traumatic injuries.

#### **STRATEGIES AND INITIATIVES**

***Implement and administer insurance programs that allow service-connected disabled veterans to obtain insurance coverage at rates comparable to those available to non-disabled persons.***

VA will continue to provide "best in business" service for the Service-Disabled Veterans Insurance (S-DVI), Veterans' Mortgage Life Insurance (VMLI), and Veterans' Group Life Insurance (VGLI) programs that are primarily designed to provide for the insurance needs of disabled veterans.

***Provide and administer insurance options that meet the needs and lifestyles of veterans and their beneficiaries.***

VA has implemented the Electronic Workflow (previously called Paperless Processing) initiative to increase the control of and reduce the time required for processing disbursements and other services. Electronic Workflow automatically routes work to appropriate staff, thus decreasing processing time. Electronic Workflow for processing death claims is fully operational. By recently adding the remaining categories of policy loans and cash surrenders to the system, we are continuing to improve our average processing time.

The new Traumatic Servicemembers' Group Life Insurance (TSGLI) program is designed to provide rapid financial help to military families through extended periods of medical care and healing. Benefits are payable retroactively to October 7, 2001 for servicemembers and veterans who suffered certain traumatic injuries while serving in Operation Enduring Freedom or Operation Iraqi Freedom. The TSGLI payments, ranging from \$25,000 to \$100,000, are made to servicemembers who have suffered certain traumatic injuries while the member was covered under the basic SGLI program.

Consistent with enabling legislation, VA will strive to achieve parity with the average non-disabled American's ability to purchase mortgage life insurance protection in amounts consistent with current mortgage loans and at standard rates and with comparable policy features.

Separating servicemembers and reservists will be guaranteed the opportunity to be covered by the same life insurance benefits as they had during active or reserve service. Veterans' Group Life Insurance costs per \$1,000 of coverage, despite higher numbers of disabled participants, are consistent with what veterans would pay if purchasing similar coverage in the private sector.

Customer service to VA insurance policyholders and their beneficiaries has been, and will continue to be a critical performance measure. The American Customer Satisfaction Index survey, which is independently conducted by the University of Michigan, indicates VA has a customer satisfaction score of 90 out of 100 for processing death claims as compared to a score of 80 for the life insurance industry. VA will strive to maintain its high veterans' satisfaction ratings on services delivered.

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

#### **PURPOSE AND OUTCOMES**

The purpose of this objective is to ensure that the burial needs of veterans and eligible family members are met in a timely, compassionate, and respectful manner. Annual interments in VA national cemeteries are projected to increase from 102,000 FY 2006 to 117,000 in FY 2011, an increase of almost 15 percent.

VA will provide veterans with reasonable access to a burial option. 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 residence. VA will deliver high-quality, courteous, and responsive service in all contacts with veterans, their families, and friends.

#### STRATEGIES AND INITIATIVES

##### ***Provide burial options that reflect the needs and preferences of veterans and their families.***

Between 2006 and 2009, VA will establish ten new national cemeteries. 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 order to continue providing services and meeting projected demand, VA will expand existing national cemeteries by completing phased development projects to make additional gravesites and columbaria available for interments. National cemeteries due to close because of depletion of burial space will be identified to determine the feasibility of extending the service period by acquiring adjacent or contiguous land or constructing columbaria.

The National Cemetery of the Alleghenies began interment operations in 2005. In 2006, new national cemeteries began providing service to veterans in the areas of Atlanta, GA and Detroit, MI. In 2007, interment operations will begin in Sacramento, CA and South Florida. These new cemeteries will provide reasonable access to a burial option to two million veterans. As directed by P.L.108-109, the National Cemetery Expansion Act of 2003, efforts are underway to establish six new national cemeteries to serve veterans in the areas of Bakersfield, CA; Birmingham, AL; Columbia/Greenville, SC; Jacksonville, FL; Sarasota, FL; and Southeastern Pennsylvania. These cemeteries, expected to begin operations in winter 2008 – 2009, will provide a burial option to about one million additional veterans.

## PERFORMANCE MEASURES

### Objective 3.3 Performance Measures

#### **Provide and administer insurance options that meet the needs of veterans and their beneficiaries.**

*Average number of days to process insurance disbursements:*

(FY 2006: 2.7                      FY 2011: 2.7)

*Average number of days to process TSGLI disbursements:*

(FY 2006: 5                        FY 2011: 5)

*Percent of servicemembers covered by SGLI:*

(FY 2006: 98%                    FY 2011: 98%)

*Ratio of premium rates charged by other organizations per \$1,000 compared to SGLI premium rates charged per \$1,000 for similar coverage:*

(FY 2006: 1                        FY 2011: 1)

*Conversion rate of disabled SGLI members to Veterans' Group Life Insurance:*

(FY 2006: 53%<sup>7</sup>                FY 2011: 50%)

*Ratio of premium rates charged by other organizations per \$1,000 compared to VGLI premium rates charged per \$1,000 for similar coverage:*

(FY 2006: 1                        FY 2011: 1)

*Rate of high veterans' satisfaction ratings on services delivered:*

(FY 2006: 95%                    FY 2011: 95%)

<sup>7</sup> The FY 2006 53% target was a projected target that was aggressive and based on early and incomplete data gathering. After further review, given lower than expected FY 2005 results and FYTD 2006 results, the 2011 target will ensure that we reach the intended class with the benefit without attempting to fulfill a need that has not been demonstrated to exist.

As public acceptance of cremation as a burial option continues to grow and demand for this option increases, construction of columbaria will increase to maximize service delivery.

VA will continue to administer the State Cemetery Grants Program, which provides grants for up to 100 percent of the cost for establishing, expanding, or improving state veterans cemeteries. Increasing the availability of state veterans cemeteries is a means of providing a burial option to veterans who may not have reasonable access to a national cemetery. The states may locate these cemeteries in areas where there are no plans for VA to operate and maintain a national cemetery. In 2006 and 2007, states are expected to open six new veterans' cemeteries in Killeen, TX; Anderson, SC; Redding, CA; Mission, TX; Shreveport, LA; and Fort Knox, KY. The Commonwealth of the Northern Marianas Islands will open a veterans cemetery on Saipon.

VA has begun conducting a program evaluation to address the overall provision of burial benefits and services that VA provides to veterans and their families. The program evaluation will assess, develop, and update program outcomes, goals, objectives, and compare actual program results with established goals.

#### ***Maintain high quality of service***

VA will continue to provide high-quality, responsive service in all contacts with veterans, their families and friends, and other visitors. These contacts include verifying eligibility, scheduling interments, greeting funeral processions and bereaved families for committal services, providing information about the cemetery, and finding the location of specific graves. VA will continue to elicit feedback from veterans, their families, and other customers to ascertain how they perceive the quality of service provided by the national cemeteries. The annual nationwide mail survey, *Survey of Satisfaction with National Cemeteries*, will continue to serve as VA's primary source of customer satisfaction data regarding national cemeteries. The survey will collect data



from funeral directors and family members who have recently received services from a national cemetery. While VA does not provide military funeral honors, our national cemeteries facilitate related planning and provide logistical support to military honors teams. VA will continue to work closely with VA's Office of Voluntary Services, U.S. Freedom Corps, the DoD military services, and veterans service organizations to provide military funeral honors at national cemeteries.

Veterans and their families need to know the interment schedule of their family member as soon as possible in order to finalize necessary arrangements. To meet this expectation, VA will strive to meet the standard of scheduling committal services at national cemeteries within two hours of the request. VA will also implement an online scheduling system for funeral home directors.

To further enhance access to information and improve service to veterans and their families, VA will continue to install kiosk information centers at national and state veterans cemeteries to assist visitors in finding the gravesite locations of individuals buried there. By the end of 2006, VA installed 76 kiosks at national and state veterans cemeteries. In addition to providing visitors with a cemetery map for use in locating gravesites, the kiosk information center answers general questions about the cemetery's history, burial eligibility, and the VA National Cemetery Administration.

#### ***Reimburse funeral expenses.***

VA will provide timely burial allowances as a partial reimbursement of an eligible veteran's burial and funeral costs. When the cause of death is not service-related, the reimbursement is generally described as a burial and funeral expense allowance or a plot interment allowance.

#### **EXTERNAL FACTORS**

VA has established partnerships with states to provide burial options to veterans and their eligible family members. VA provides grants to states to assist with the up-front capital costs of developing new state veterans cemeteries. It is difficult to project future activity for this program because requests for grants are generated from individual states. A state must

enact legislation to commit funding to a project that will serve a clearly defined population and require state funds for maintenance in perpetuity.

Veterans and their families may experience feelings of dissatisfaction when their expectations concerning the committal service, including military funeral honors, are not met. For example, dissatisfaction with services provided by the funeral home can adversely affect the public perception of VA's commitment to quality service.

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

#### **PURPOSE AND OUTCOMES**

VA will recognize the sacrifices of our Nation's veterans by providing timely and accurate symbolic expressions of remembrance. VA furnishes headstones and markers for the graves of eligible persons in national cemeteries, state veterans cemeteries, and other public and private cemeteries. VA also furnishes memorial headstones and markers, bearing the inscription "In Memory of" as the first line, to memorialize eligible veterans whose remains were not recovered or identified, were buried at sea, donated to science, or cremated and scattered. Presidential Memorial Certificates, bearing the signature of the President, are issued to recognize the contributions and service of honorably discharged deceased veterans. VA also provides an American flag to drape the casket of an eligible deceased veteran.

#### **STRATEGIES AND INITIATIVES**

***Furnish memorials in a timely and respectful manner to honor deceased veterans and their survivors.***

It is important to veterans and their family members that a grave be marked in a timely manner after an interment. The headstone or marker is a lasting memorial that may bring a sense of closure to present-day survivors and serve as a reminder to future generations. VA will strive to mark graves in national cemeteries within 60 days of interment. We will focus on business process reengineering to improve accuracy, while continuing to reduce delays in marking graves caused by inaccurate or damaged headstones and markers.

## **PERFORMANCE MEASURES**

### **Objective 3.4 Performance Measures**

**Provide burial options that reflect the needs and preferences of veterans and their families.**

*Percent of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance (75 miles) of their residence:*

(FY 2006: 81.6%                      FY 2011: 90.0%)

**Maintain high quality of service.**

*Percent of respondents who rate the quality of service provided by VA national cemeteries as excellent:*

(FY 2006: 96%                      FY 2011: 100%)

*Percent of funeral home directors who respond that national cemeteries confirm the scheduling of the committal service within two hours:*

(FY 2006: 76%                      FY 2011: 93%)

## **PERFORMANCE MEASURES**

### **Objective 3.5 Performance Measures**

**Furnish memorials in a timely and respectful manner to honor deceased veterans and their survivors.**

*Percent of graves in national cemeteries marked within 60 days of interment:*

(FY 2006: 90%                      FY 2011: 92%)

*Percent of applications processed within 20 days for headstones and markers for the graves of veterans who are not buried in national cemeteries:*

(FY 2006: 70%                      FY 2011: 90%)

Applications for headstones and markers for the graves of veterans who are not buried in national cemeteries are received, processed, and ordered by NCA. Our goal is to process applications within 20 days, to ensure timely delivery of headstones and markers to the graves of veterans who are not buried in national cemeteries. To the maximum extent possible, VA will employ state-of-the-art technology, such as online ordering through our Automated Monument Application System and electronic transmission of headstone and marker orders to contractors.

A Presidential Memorial Certificate conveys to the family of the veteran the gratitude of the Nation for the veteran's service. VA will prepare each certificate, which bears the signature of the President of the United States, and strive to achieve 100 percent accuracy.



***Provide a U.S. flag as a symbol of remembrance.***

VA will provide a U.S. flag to drape the casket or accompany the urn of a deceased veteran who served honorably in the U. S. Armed Forces. The flag will be furnished to honor the memory of a veteran's military service to the Nation. Section 517 of P.L. 105-261 added eligibility for former members of the *Selected Reserve*. The flag can be obtained at a VA Regional Office or any U.S. Post Office; a funeral director will usually assist the family.

**EXTERNAL FACTORS**

Extremes in weather – such as periods of excessive rain or snow, or extended periods of freezing temperatures that impact ground conditions – can cause delays in the delivery and installation of headstones and markers. The timely delivery of headstones and markers is dependent on the performance of the manufacturer and the shipping agent. Expectations regarding the quality of the materials and engraving and the timeliness of delivery of headstones and markers are clearly stated in contract requirements.

***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.***

**PURPOSE AND OUTCOMES**

The VA Home Loan Guaranty program provides assistance and other benefits to a very large and diverse clientele who served or are serving in the United States uniformed services. VA home loan guaranties are issued to help eligible servicemembers, veterans, reservists, and unmarried surviving spouses purchase and retain homes in recognition of their service to the Nation. 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 is also tasked with providing direct loans to Native American veterans living on Federal trust land. The major objectives for the Loan Guaranty Program are to:

- Assist veterans and active duty personnel in purchasing a home;
- Assist veterans and active duty personnel who are seriously delinquent on their VA guaranteed mortgage in retaining their homes; and
- Enable home ownership for veterans to remain at a rate equal to or higher than that of general population.

VA guaranteed over 165,000 loans in FY 2005. Home loan origination volume is projected to be about 145,000 in FY 2006, and approximately 250,000 in FY 2011.

**STRATEGIES AND INITIATIVES**

***Increase opportunities for veterans and servicemembers to buy a home using their VA Loan Guaranty benefit, and retain that home during times of financial hardship.***

VA relies heavily on the lending industry to deliver the VA home loan benefit. Increasing the participation of private-sector program stakeholders and participants (i.e., lenders, builders, real estate

agents, and appraisers), improves veterans' ability to utilize their earned home loan benefit. VA will continue to build and enhance crosscutting partnerships with these program stakeholders and participants so that veterans are afforded the maximum opportunity to utilize their earned benefit. To facilitate timely interaction with the program, VA will design and/or implement secure technology and the information solutions that integrate with the systems of our program partners and stakeholders. VA will also continue to focus sharply on efforts to assist veterans who have become seriously delinquent on their VA-guaranteed mortgages, through a wide range of servicing interventions to help them retain their homes.

***Adapt delivery of industry best practices, and make timely changes as necessary, when technology or the marketplace generates improvements in the home loan process.***

In keeping with mortgage industry trends, VA will provide veterans and program stakeholders with secure, easy access to program information, the ability to manage and maintain their own information, and the opportunity to interact with VA for benefits and services, at a time and place that is convenient to them. In order to ensure that policy or technological modifications to the program have the intended positive impact on participants and stakeholders, VA will actively assess the outcomes of the Loan Guaranty program and the service provided to veterans, lenders, and other program stakeholders.

**EXTERNAL FACTORS**

Economy - A significant downturn in the overall national economy, or in local/regional economies, would have an adverse effect on the ability of veterans to obtain or retain their homes.

Mortgage Interest Rates—Program loan and foreclosure volumes are directly affected by mortgage interest rates. Generally speaking, home-buying and home refinancing peak during periods when interest rates are low. A rise in interest rates could, over time, cause an upward trend in foreclosure volume.

Veteran Population Changes—Both the number and demographic characteristics of servicemen and servicewomen currently joining the ranks of veterans will affect the VA home loan program. As the overall veteran population continues to decrease, so will the cohort of veterans most likely to use the Loan

**PERFORMANCE MEASURES**

**Objective 3.6 Performance Measures**

**Increase opportunities for veterans and servicemembers to buy a home using their VA Loan Guaranty benefit, and retain that home during times of financial hardship.**

*Foreclosure avoidance through servicing (FATS) ratio:*  
(FY 2006: 52% FY 2011: 51%)

*National Accuracy of Loan Guaranty Activities (measured by the Statistical Quality Control Index):*  
(FY 2006: 98% FY 2011: 98%)

*The rate of homeownership for veterans compared to that of the general population (%):*  
(FY 2006: Baseline data currently being developed  
FY 2011: 105)

**Adapt delivery of industry best practices, and make timely changes as necessary, when technology or the marketplace generates improvements in the home loan process.**

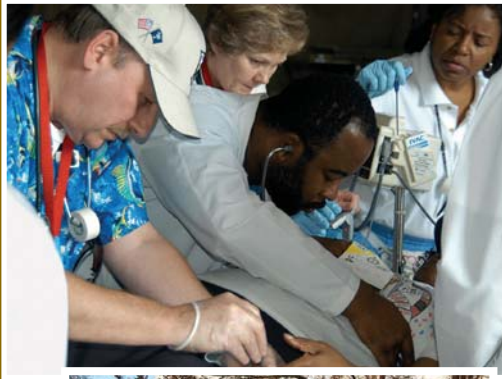
*Percent of veteran respondents who report they are satisfied with their experience with the overall VA Home Loan Process:*  
(FY 2006: Baseline Data Currently Being Developed\*  
FY 2011: 97%)

*Percent of lender respondents who report they are satisfied with the overall VA Loan Guaranty program.*  
(FY 2006: Baseline Data Currently Being Developed\*  
FY 2011: 95%)

\* Fiscal Year 2006 data for either the Veteran or the Lender Satisfaction surveys will not be available until FY 2007. As neither survey was conducted in FY 2004 or FY 2005, an accurate reflection of predicted performance cannot be estimated at this time.







## STRATEGIC GOAL FOUR

*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 action to ensure continued service to veterans, as well as to support national, state, and local emergency management and homeland security efforts.

### **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.

### **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.

### **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.

### **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.

**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.**

#### **PURPOSE AND OUTCOMES**

In times of war or national emergency, VA will continue to operate our medical system and provide services to veterans, as well as contribute to the national response capability, by ensuring a viable Continuity of Operations (COOP) Program. VA also provides key medical and logistical assistance to local communities for natural disasters, as well as resource support to the Medical Emergency Radiological Response Team for radiological emergencies. We will also perform our fourth mission, which includes supporting federal-level crisis efforts under the National Response Plan (NRP), serving as medical backup to DoD, and assisting the public via the National Disaster Medical System (NDMS).

#### **STRATEGIES AND INITIATIVES**

The following strategies and initiatives will allow VA to meet our extensive responsibility to maintain continuity of VA operations and maintain a high level of preparedness and response capability during wartime, natural disasters, and other national emergencies.

#### ***Serve as a national resource in responding to emergencies or natural disasters.***

We will carry out our Comprehensive Emergency Management Program (CEM), which includes (1) annual testing, training, and exercises; (2) preparing alternate operating capabilities; (3) identifying designated emergency planners within VA; (4) tracking emergency pharmaceutical caches; and (5) tracking decontamination and personal protective equipment. The design of CEM will enable VA to respond to a wide range of potential emergencies including:

- Attack on the United States;
- Natural, environmental, and technological disasters;
- Civil disorders;
- Terrorism; and
- Pandemic flu.

VA will partner with other Federal, state, and community agencies to develop joint contingency plans in support of the National Response Plan. These plans will clearly articulate VA's role and capabilities to respond to emergencies. Under the terms of the NRP and the Stafford Act, VA will provide medical and other personnel and resources, as requested to the fullest extent possible.



VA and DoD will collaborate to ensure that plans and readiness capabilities adequately support DoD combatant command contingency requirements and national emergency situations. This collaboration will include planning, training, and exercise activities.

We will continue to maintain readiness, as required by Public Law 97-174, and implement the most recent Memorandum of Agreement between VA and DoD, which requires joint plans and procedures for using the VA medical system as a backup to DoD

during times of war and other national emergencies. This collaboration includes coordinating individual agency response plans and supporting local, state, regional, and national incident management systems. VA and DoD will also collaborate in training health care responders and providing medical readiness training.

#### ***Develop and participate in activities designed to ensure that the VA workforce is educated in emergency response protocols.***

VA will develop plans, training, and coordinated response capabilities to prepare for potential emergencies or other contingencies to integrate VA emergency operations with the Department of Homeland Security and other Federal partners; and work with the Office of Information and



and support facilities, as well as personnel, that VA will need to respond to in the event of future natural disasters or other crisis scenarios.

VA will continue to review all hazards emergency planning in order to make it more robust. Corrective actions to *lessons learned* from the disastrous hurricane season of 2005 are being tracked. Emergency planners will participate in exercises preparing for future natural disasters, and operations plans to specifically address a number of expected scenarios (both natural and man-made) are constantly being developed, reviewed, and updated based on actual experience and preparedness exercises conducted. As part of the Department's continuing efforts to be more responsive to all hazards, VA will continue to support the NRP construct as a federal partner, and will continue to regularly participate in White House Homeland Security Council Policy Coordinating Committee meetings, to address issues of concern in the emergency preparedness arena.

#### EXTERNAL FACTORS

External factors that will affect VA's ability to achieve this objective include the development of new technology, equipment, and medical interventions. In addition, VA's work in emergency management—which is closely linked with a number of federal, state, and local agencies – relies on their cooperation to maintain a high level of readiness.

***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.***



#### PURPOSE AND OUTCOMES

The purpose of this objective is to advance medical research and develop programs in ways that meet veterans' needs and contribute to the health of the Nation as a whole. As we pursue medical research in areas that most directly address the injuries, diseases, and conditions affecting veterans, VA researchers will also provide benefits to the Nation by improving scientific understanding and introducing new medical treatments.

#### STRATEGIES AND INITIATIVES

***Translate research discoveries into better patient care.***

VA will focus research and development efforts on clinical and system improvements designed to enhance the health and well-being of veterans. Initiatives to accomplish this objective include developing strategies to reduce the number of veterans with diabetes; expanding research addressing obesity; and increasing VA's involvement in the research and practice of genomic medicine. Genomic medicine uses information about gene sequence and expression to assess the risk of future disease, to diagnose an existing disease, and to choose treatments best matched to the needs of each individual. Indicators of VA's progress and success in improving health care will include developing a standard clinical practice for treating pressure ulcers and new treatments for Post-Traumatic Stress Disorder.

In our continuing effort to understand and address the unique health care needs of Gulf War veterans, VA has approved funding for 12 new research projects. Over a three-year period, the cost of the projects is estimated at \$5.2 million, with \$1.7 million approved for FY 2006. These additional projects bring the total dedicated to research concerning Gulf War veterans' illnesses to more than \$11 million through FY 2006. Veterans who participated in operations Desert Shield and Desert Storm have reported ailments such as fatigue, weakness, sleep disturbances, persistent headaches, skin rashes, respiratory issues, and other illnesses at rates that appear to exceed those reported by other veteran groups. This research will lead to better health care for veterans suffering from these conditions.

VA currently operates other centers of excellence that study a variety of issues, including aging and Parkinson's disease, spinal cord and brain injuries, and



nine internationally recognized scientists and veterans' advocates, will help establish policies for using genetic information to develop tests, prescribe treatments, and optimize medical care.

### ***Enhance Crosscutting Activities in Medical Research.***

All research conducted in VA facilities is subject to regulations issued by VA and other Federal Government agencies. VA works closely with the National Institutes of Health (NIH), the Food and Drug Administration (FDA), and pharmaceutical companies in developing new products; and with the Association of Human Research Protection Programs, Inc. on obtaining accreditation of all VA human research protection programs. VA and DoD support the sharing of medical research and development information. The two Departments will continue to explore military and veteran-related health research, including deployment and post-deployment health issues.

The VA/DoD Health Executive Committee (HEC) will conduct quarterly reviews of the status of initiatives related to deployment health surveillance, assessment, and follow-up. The HEC will submit annual recommendations for updating and modifying the VA/DoD Deployment Health strategic initiatives. The Research Subcommittee of the Deployment Health Working Group will provide an annual inventory of all VA/DoD collaborative research projects on deployment health-related issues to the HEC and to the research community.

Given the continued increase in the number of female veterans, women's health and gender-specific health problems will remain VA research priorities. As a national leader in women's health research, VA will seek to translate research into evidence-based improvements in health care practices and system organization that yield improved patient outcomes. In part, our research will address issues and factors that influence women's decisions to seek out and use available VA health care facilities and services.



### ***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.***

#### **PURPOSE AND OUTCOMES**

VA creates high quality educational experiences for health profession trainees for the benefit of VA and the Nation. VA will reaffirm existing partnerships and form new ones with the Nation's academic community to provide clinical training and education to all types of health profession trainees (medical residents, medical students, and associated health care trainees). In addition, VA will continue to invest in internal training programs designed to develop health professions trainees' skills for veteran-specific healthcare needs. These partnerships significantly enhance the quality of health care provided to veterans. In FY 2005, through relationships with 107 of the 126 U.S. medical schools, VA trained some 31,000 medical residents and fellows and 17,000 medical students. In addition, as a partner in 5,000 associated health programs across the country, VA trained nearly 40,000 additional health care personnel in more than 40 separate disciplines.

#### **STRATEGIES AND INITIATIVES**

##### ***Enhance partnerships with academic affiliates.***

VA will promote excellence in the education of future health care professionals through enhanced partnerships with academic institutions of all types. Expanded partnerships will allow us to enhance the quality of care to veterans, recruit highly-qualified employees, and provide valuable educational experiences for health care trainees. VA will continue to use surveys to assess the satisfaction of health profession trainees with their clinical training experiences. VA's Special Fellowship Program will create in-depth training experiences in fields directly related to veterans' needs.

VA will also strive to create clinical environments that promote clinical skills development, interdisciplinary collaboration, advancement opportunities, and improve our retention of clinical staff. In pursuit

of these goals, VAMCs in Houston, Tampa, and most recently, Portland, Oregon, have successfully completed the Magnet Recognition Program for Excellence in Nursing Services, an accreditation earned by only three percent of the Nation's hospitals. The program, administered by the *American Nurses Credentialing Center*, is considered a best practice in professional nursing and grew from the study of what attracts nurses to a given institution, what contributes to their decision to stay or leave, and the associated quality of care.

***Play a leadership role in health professions education.***

VA is a major provider of health professions education, and the single largest payor in Graduate Medical Education after Medicare. VA has the opportunity to significantly influence educational processes through collaboration with academic institutions and other education leadership groups. VA will work to increase inter-professional training experiences, and improve competency development for all trainees.

***Improve and enhance collaboration with DoD.***

The VA/DoD HEC will examine opportunities for greater GME collaboration and present findings and recommendations. The HEC will conduct an impact analysis and lessons-learned study regarding placement of military residents into VA-affiliated residency programs. The HEC will also develop opportunities for shared continuing education and in-service training programs for health care professionals at VA and DoD facilities. Beginning in December 2006, the HEC will report annually on the number of individuals who have participated in joint training or communities of practice.

**EXTERNAL FACTORS**

The future of medicine in this country and in VA is often shaped by economic, scientific, and social influences that are beyond the Department's control. These influences will affect our ability to sustain training programs and remain a desirable academic training partner.

**PERFORMANCE MEASURES**

**Objective 4.3 Performance Measure**

**Promote excellence in the education of health care professionals and trainees.**

*Medical residents and other trainees' scores on a VHA Survey assessing their clinical training experience:*

(FY 2006: 85

FY 2011: 85)

**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.**

#### **PURPOSE AND OUTCOMES**

The purpose of this objective is to fully utilize veterans' benefits and business assistance programs to enhance the socioeconomic well-being of veterans local communities, and the Nation.

The array of benefits and services provided by VA has a direct impact on the lives of veterans and beneficiaries. Each benefit program has specific objectives that we use to assess program results. However, VA benefit programs also contribute to the socioeconomic well-being of the Nation. For example, disabled veterans completing their vocational rehabilitation and employment plan or veterans who follow through on their MGIB education benefits can be expected to achieve a higher lifetime income than those who do not participate in these programs. It is imperative that veterans with disabilities who can work be supported in their efforts to maximize their full employment potential. The Veterans Employment Initiative educates selecting officials on flexible practices that can be used to hire disabled veterans. It also assists veterans, including disabled veterans, in using the veterans' preference statutes when applying for Federal jobs. In addition, VA has linked its job website to military transition centers around the country to assist veterans in obtaining employment.

The Federal Veterans Entrepreneurship Program provides veterans who own small businesses with procurement opportunities and support, including business development education, start-up support, and technical assistance. Veterans who have service-connected disabilities are eligible for an increased level of benefits. Federal buyers are encouraged to use competitions limited to service-disabled veteran-owned small businesses to increase utilization of these businesses.

The Loan Guaranty Program, enabling veterans to purchase housing, can have a positive effect on the national economy. While facilitating longer, more productive lives for veterans, the delivery of health

care benefits and services also impacts the overall well-being of the Nation.

#### **STRATEGIES AND INITIATIVES**

The strategies identified under Strategic Goals 1 through 3 supports the objective of increasing the socioeconomic well-being of the Nation through contributions to the gross domestic product, enhanced social and economic status, and improved health of veterans and their families.

#### ***Ensure compliance with the Small Business Act in setting annual procurement set-aside goals.***

VA's Office of Small and Disadvantaged Business Utilization (OSDBU) will ensure compliance with the Small Business Act, as amended, requiring each Department to establish with the Small Business Administration (SBA) annual procurement goals for prime contract and subcontract awards to small businesses, small disadvantaged businesses, small women-owned businesses, 8(a) concerns, Historically Underutilized Business (HUB) Zone concerns, and especially service-disabled, veteran-owned small businesses. We are establishing goals that meet or exceed statutory minimums. In FY 2005, more than 27.8 percent of contract dollars were awarded to small businesses. Veteran-owned small businesses and those owned by service-disabled veterans were awarded a combined 4.92 percent of VA's contract dollars.

#### ***Assist veterans in establishing and maintaining small businesses.***

Public Laws 105-135, 106-50, and 108-183, as well as Executive Order 13360, establish specific responsibilities for the Secretary of Veterans Affairs. As part of this effort, VA's Center for Veterans Enterprise (CVE) will continue to offer free coaching services for veterans who are pursuing business ownership or expanding a business. CVE will also help Federal agencies and contractors locate veteran-owned small businesses through the Internet at the nationally recognized web portal, *VetBiz.gov*. The responsibilities of the CVE include:

- Achieve prime and subcontracting goals with veteran-owned – particularly service-disabled veteran-owned – small businesses;
- Distribute lists of service-disabled veterans in business to Federal agencies;
- Provide information to veterans about what



agencies purchase;

- Notify all veterans in business about help each year;
- Promote self-employment through cooperation with the Small Business Administration, Department of Labor, Association of Small Business Development Centers (ASBDC), and The Veterans Corporation (TVC);
- Educate veterans about entrepreneurship;
- Support veterans in ASBDC and TVC business development courses through GI bill payments;
- Verify the accuracy of contractor databases containing veteran-owned small business data; and
- Coordinate transition assistance program information with the Department of Labor to educate personnel about entrepreneurship.

***Develop economic analysis capability to measure impact of veterans' benefits.***

At present, VA does not have a Department-level capability to conduct economic analysis or modeling to measure the impact of VA benefits and programs on the economic and social well-being of veterans and their families or on the economy of the Nation as a whole. While VA does perform actuarial analysis and projections, the enormous size of the VA budget and the large number of veterans served dictates that VA should have a robust economic analysis and forecasting capability to anticipate future demand for VA services, inform policy actions and decisions, develop program and legislative initiatives, and support budget requests. We plan to develop an econometric model to project demand for VA services and estimate VA's contribution to GDP by the end of FY 2008; validate and refine the model and its estimates by the end of FY 2011.

**EXTERNAL FACTORS**

Government-wide acquisition reform efforts and effective interagency communication and collaboration directly affect VA's small business objectives. Recently enacted and pending legislation and Executive Orders provide additional requirements and incentives for VA related to veteran and disabled veteran contracting targets.

**PERFORMANCE MEASURES**

**Objective 4.4 Performance Measures**

**Ensure compliance with the Small Business Act in setting annual procurement set-aside goals.**

*Percent of procurement achieved for each small business category:*

- Small Business –  
(FY 2006: 25%    FY 2011: 25%)
- Small Disadvantaged Business (including Section 8(a)) –  
(FY 2006: 9%    FY 2011: 9%)
- Women-Owned Business –  
(FY 2006: 5%    FY 2011: 5%)
- HUB Zone Concerns –  
(FY 2006: 3%    FY 2011: 3%)
- Service-Disabled Veteran-Owned Small Business – (FY 2006: 3%    FY 2011: 3%)
- Veteran-Owned Small Business –  
(FY 2006: 7%    FY 2011: 7%)

**Assist veterans in establishing and maintaining small businesses.**

*Increase Web portal utilization by 5% yearly, as measured by unique visitors to VetBiz.gov Web site:*  
(FY 2006: 185,000                      FY 2011: 236,000)

*Increase the number of Veteran-Owned Small Business concerns in CVE's VetBiz Vendor Information Pages database by 5% yearly:*  
(FY 2006: 10,500                      FY 2011: 13,400)

*Increase the number of Service-Disabled Veteran-Owned Small Business concerns in CVE's VetBiz Vendor Information Pages database by 5% yearly:*  
(FY 2006: 5,000                      FY 2011: 6,000)

**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.**

**PURPOSE AND OUTCOMES**

The purpose of this objective is to preserve our Nation's history, nurture patriotism, and honor the service and sacrifice of veterans by maintaining VA's national cemeteries as national shrines. Our national cemeteries serve as expressions of the appreciation and respect of a grateful Nation. Each national cemetery provides an enduring memorial to America's veterans, as well as a dignified setting for a final resting place.

National cemeteries also carry expectations of appearance that set them apart from private cemeteries. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. The appearance of headstones, markers, and niche covers is of paramount importance to the appearance of national cemeteries as national shrines.

**STRATEGIES AND INITIATIVES**  
**Maintain all VA cemeteries in a manner befitting national shrines.**

Improvements in the appearance of burial grounds and historic structures are imperative if VA is to fulfill its national shrine commitment. VA will maintain occupied graves and developed grounds in a manner befitting national shrines. Extensive renovation of grounds, gravesites, and grave markers will be undertaken at cemeteries where long-standing deferred maintenance needs exist.

The Veterans Millennium Health Care and Benefits Act, P.L. 106-117, directed VA to contract for an independent study to review various issues related to the National Shrine Commitment and its focus on cemetery appearance. VA will continue to use Volume 2 of the study, *National Shrine Commitment*, to address existing repair and maintenance problems at national cemeteries. Using the recommendations

contained in Volume 3 of the study, *Cemetery Standards of Appearance*, and building on previous efforts, VA will apply established standards and measures to evaluate the effectiveness of key operations, such as interments, grounds maintenance, and headstones and markers.

NCA will use the Organizational Assessment and Improvement (OAI) Program to establish priorities, identify continuous improvement opportunities, and assure accountability by providing managers and staff with an NCA "Scorecard." As part of the OAI Program, assessment teams will conduct site visits to all national cemeteries on a rotating basis to validate performance reporting.

Since 2001, the annual nationwide mail survey, *Survey of Satisfaction with National Cemeteries*, has been VA's primary source of customer satisfaction data regarding national cemeteries. VA will also conduct focus groups and evaluate feedback from customers and stakeholders to measure their expectations and their level of satisfaction.



The Nationwide Gravesite Locator (NGL) system contains more than three million records of veterans and dependents buried in VA's national cemeteries since the Civil War. The NGL also includes records of some in state veterans cemeteries and in Arlington National Cemetery from 1999 to the present. NCA will continue to add data to the NGL for headstones and markers that VA furnishes to mark the graves of veterans who are not buried in national cemeteries. Information including name, branch of service, war service, dates of birth and death, and destination location for headstones and markers furnished since 1995 will be available. These modifications will make it easier for anyone with Internet access to search for the gravesite locations of deceased family members and friends, or to conduct genealogical research.

**Expand partnerships.**

VA will continue 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 VHA, 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.

***Host commemorative events and promote historical preservation.***

All national cemeteries are important sites for patriotic and commemorative events. VA will continue to host ceremonies and memorial services at national cemeteries to honor those who made the supreme sacrifice. To preserve our Nation's history, VA will provide educational tours and programs for schools and civic groups, as well as develop videos and other outreach products to be used as educational tools at national cemeteries. These outreach products, which will be available for viewing by the general public, will trace the history of VA cemeteries, from their inception during the Civil War to the present. VA will seek new opportunities and enhance its partnerships with various civic organizations to promote patriotism, broaden public understanding, and engender appreciation for the contributions of veterans to the Nation.

**EXTERNAL FACTORS**

Over time, maintaining national cemeteries as national shrines is influenced by many different factors. Extremes in weather – such as excessive groundwater, rain, or drought – can result in or exacerbate sunken graves, sunken markers, soiled markers, inferior turf cover, and weathering of columbaria.

**PERFORMANCE MEASURES**

**Objective 4.5 Performance Measures**

**Maintain all VA cemeteries in a manner befitting national shrines.**

*Percent of respondents who rate national cemetery appearance as excellent:*

(FY 2006: 99%    FY 2011: 100%)

*Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment:*

(FY 2006: 72%    FY 2011: 90%)

*Percent of headstones, markers and niche covers that are clean and free of debris or other objectionable accumulations:*

(FY 2006: 74%    FY 2011: 90%)

*Percent of gravesites whose grades are level and blend with adjacent grade-levels:*

(FY 2006: 84%    FY 2011: 95%)

**Preserve our Nation's history and nurture patriotism.**

*Percent of survey respondents who agree that public ceremonies and events at national cemeteries promote a sense of patriotism and heritage:*

(FY 2006: 95%    FY 2011: 100%)



# 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.

## 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.

## 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.

## 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.



VA's *enabling goal* is different from the four strategic goals. The enabling goal and its corresponding objectives represent the confluent activities that enable all VA organizational units to carry out the Department's mission. The objectives associated with this goal focus on enhancing workforce assets and internal processes, improving communication, and advancing crosscutting approaches through an improved governance structure that applies sound business principles. As such, many of these enabling functions and activities are transparent to veterans and their families; however, they are critical to our stakeholders and the VA employees who implement our programs.

VA will operate as an integrated, veteran-centric organization. We will achieve this goal while ensuring full compliance with laws, regulations, financial commitments, and sound business principles.

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

#### PURPOSE AND OUTCOMES

Like other Federal agencies, VA faces many challenges in human capital management. In addition to developing initiatives to address human resource challenges, we are currently implementing comprehensive workforce and succession planning efforts.

Because of the number of VA employees eligible to retire over the next several years, along with normal turnover and attrition, VA faces the dual challenge of providing continuity of services to veterans and hiring new employees to fill mission-critical positions in competitive labor markets. Meeting these challenges will involve not only replacing large numbers of experienced employees, but also addressing the loss of institutional knowledge. We will create and administer programs designed to develop a VA workforce fully capable of achieving our strategic goals.

#### STRATEGIES AND INITIATIVES

***Improve VA's strategic management of its employees by succession planning strategies to maintain a workforce capable of delivering world-class service to veterans and their families.***

As outlined in our Strategic Human Capital Plan, VA has implemented a succession planning system that incorporates programs to enhance recruitment, development and retention programs throughout the Department. For many years, VA's leadership programs have been considered best practices in the Federal government. VA is now enhancing many of those programs as well as creating additional initiatives to assist workers in achieving career progression. Based on VA's High Performance Development Model (HPDM), these programs are available to employees at all career levels throughout the Department. The HPDM is a framework to guide employee development through management practices and policies that promote core competency training, continuous learning, continuous assessment, coaching and mentoring, linkage with performance management, and performance-based hiring. In VA's HPDM programs, four levels of these competencies are organized according to the level of experience and expertise of the profession. As a result of the many programs available throughout the Department, pools of qualified employees are developed and moved into appropriate levels of leadership.

***Develop and implement an enhanced human resources information systems (HRIS) architecture to support future Agency needs.***

VA is in the process of the creation and implementation of an enhanced HRIS architecture that will improve business processes related to human resources and security processes within the Department. VA's current payroll and human resources (HR) application software is expensive to operate and maintain due to its age and outdated technology. In order to achieve greater efficiency and effectiveness, VA is eliminating individual agency HR/Payroll systems and moving toward obtaining core services from Shared Services Center sanctioned by the Office of Personnel Management (OPM). With the advent of a Federal government-wide Human Resources Line of Business (HR LoB), VA is creating a plan to develop a short and long-term unified human resources information system (HRIS) strategy for the entire Department that meets Agency needs and is consistent with near and long-term HR LoB goals.

VA's enhanced HRIS architecture will also include the conversion of the current Official Personnel Folder (OPF) to a digitized OPF resulting in significant efficiencies for the Department. VA is also in the process of developing an automated position management system which would result in a standardized process for employee classification.

VA is complying with the Homeland Security Presidential Directive 12 which requires all federal employees, contractors and affiliates to have a Personal Identity Verification (PIV) identification card. This card will comply with Federal Information Processing Standard 201 (FIPS 201), which defines the specific procedural and technical requirements associated with this initiative. The PIV card will provide both physical access to government facilities and computer access to government information systems. Additionally, this card will facilitate interoperability among federal agencies and departments. The development of this system aligns with VA's department-wide effort to enhance information security.

***Rebuild the human resources profession to assist supervisors and managers to recruit, develop, and retain a quality workforce to serve veterans.***

VA has begun a comprehensive initiative to train human resources specialists in the competencies necessary for success as effective consultants to management. The "Transformation of HR" involves several phases. This includes an initial competency assessment, evaluation with subsequent development of appropriate training for technical competencies as well as skills in consulting. With the Federal move toward consolidation of transactional functions, VA is aware that, more than ever, human resources specialists must transition from personnel transaction-based skill-sets to possessing consultant expertise. The Transformation of HR initiative will address these needs for each human resources professional within the Department. HR consultants effectively advising supervisors and managers will, in turn, result in better decisions that ultimately improve the quality of service to veterans.



***Promote workforce diversity to ensure that our workforce reflects the veteran population we serve.***

VA will address issues of under-representation and promote efforts to ensure that our workforce reflects the diversity of the veteran population we serve. Diversity is essential to building a responsive and innovative environment to address the needs of veterans and their families, and VA will:

- Promote diversity training throughout the Department;
- Establish a VA Diversity Advisory Council to examine and monitor our employee diversity profile; and
- Improve VA's workforce recruitment campaign, with an emphasis on diversity.

***Instill a results-oriented performance culture where employees take pride in their accomplishments.***

Employee performance is integral to VA's ability to accomplish its mission. To ensure that the Department has a results-oriented and high-

performing workforce, VA differentiates between high and low performance, and links individual and team performance to organizational goals. VA has implemented a Department-wide, five-tiered performance appraisal program and has reinstated performance awards based on ratings of record. VA will also enhance its current Senior Executive Performance Review Board process that holds executives accountable for workforce management and

achievement of the Department's strategic goals. Additionally, VA will embark on a demonstration project that will directly link employee performance to annual pay.

***Encourage the prevention and early resolution of workplace disputes and improve the efficiency of the Department's discrimination complaint process.***

VA will promote a discrimination-free work environment focused on serving veterans by preventing, resolving, and processing workplace disputes in a timely and high quality manner. VA will accomplish this through a variety of strategies that focus on providing tools to managers and employees that will enable them to better manage

conflict in the workplace. VA will also evaluate its discrimination complaint process to ensure it is efficient and effective.

***Implement a prevention program that ensures employees and managers understand the characteristics of a healthy work environment and have the tools to avoid workplace disputes.***

Creating a discrimination-free workplace within VA requires a comprehensive strategy to eliminate behaviors and situations that may be perceived as discriminatory or are discriminatory in nature. VA will develop and implement education and training programs to address workplace disputes. This will include the development of a mandatory annual training program that will address diversity and conflict resolution. VA will also develop a VA-wide assimilation program for new employees that equips them with tools to prevent workplace disputes.

***Focus on the early resolution of workplace disputes through the use of Alternative Dispute Resolution (ADR).***

ADR offers several approaches to resolve disputes informally at the lowest possible organizational level, minimize disruption to organizations, preserve internal and external relationships, and assure mutually acceptable outcomes to the parties involved. ADR provides a fair, efficient, cost-effective alternative to formal complaint processes or potential litigation.

VA will continue to improve overall performance through the effective use of ADR to resolve workplace disputes – quickly and fairly. To accomplish this, VA will transfer the Department's ADR program for workplace disputes to the Office of Human Resources and Administration. The transfer will consolidate the oversight and management responsibilities of equal employment opportunity (EEO) and other workplace disputes. Strategies to increase participation in ADR will include: a comprehensive mediator certification program; ADR training and awareness for employees and managers; and ADR marketing and communication plan.

The Department has developed policies that encourage the use of ADR to resolve workplace disputes expeditiously so that employees can focus their energy on serving veterans. These policies make VA's work environment more productive and harmonious.

***Improve the Overall Management of the Discrimination Complaint Process***

VA will examine how it processes complaints and will explore innovative ways to process complaints in the most efficient and effective manner. This will include the implementation of an electronic case management system that will capture critical complaint-related data as well as document management. VA will also conduct benchmarking studies of other Federal agencies' discrimination complaint processes to identify and adopt best practices.

**EXTERNAL FACTORS**

The ability to recruit, develop, and retain a competent, committed and diverse workforce will be influenced by such factors as the economy, competitive salaries, and labor availability.

***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.***

**PURPOSE AND OUTCOMES**

The purpose of this objective is to improve communications with veterans, stakeholders, and employees. In particular, Objective E-2 recognizes the importance of increasing knowledge and awareness among veterans and their families about benefits and services, as well as clearly communicating VA's mission, vision, goals, and objectives to Congress, stakeholders, and the public.

**STRATEGIES AND INITIATIVES**

***Improve communication with veterans and increase awareness about VA benefits and services by developing and widely disseminating comprehensive and accurate information.***

VA will implement a communications strategy to create a network within which VA personnel at all levels can effectively convey information about what we do as a veteran-centric organization. This strategy will increase public awareness and continued support for the Department's mission and programs.

The Office of Public Affairs will develop and implement a VA Communications Plan, focusing on strategic communications that help achieve VA's strategic goals. The plan will provide a coordinated approach to ensure that clear and consistent



information about VA issues and concerns are provided to both employees and the public. VA will disseminate a variety of informative, reader-friendly publications – focusing on VA benefits, eligibility criteria, services, and other activities – to the widest possible audience. Materials will include benefit booklets, news releases, and summaries of key reports.

VA will respond promptly to requests from local and national media, veterans and their families, and the public for information on VA benefits, services, budget, and policies. To ensure clear channels of communications, we will maintain an Internet access page that allows direct e-mail contact.

VA will conduct outreach and education activities for the veteran community and the general public through news releases, articles appearing in veterans service organization publications, public service announcements, and presentations to schools and community organizations.

VA will identify issues facing specific veterans groups to ensure that an effective process is initiated to respond to issues facing these segments of the veteran population.

VA will conduct town meetings and community-based forums across the country to discuss programs and benefits for veterans, as well as work with field personnel to make sure outreach activities are incorporated into the performance plans of field station managers.

At the state level, VA facilities will provide comprehensive directories listing the telephone numbers of VA offices, community care providers, and other Federal service providers. Many facilities have developed credit-card-size pocket cards, which include important local telephone numbers or national 800 numbers, to allow quick response to requests for information from veterans and their families.

VA will continue to be a government leader in plain language letter writing. VA sends out approximately 30 million pieces of correspondence annually and has revised hundreds of form letters that respond to inquiries from veterans and their families.

## PERFORMANCE MEASURES

### Objective E.1 Performance Measures

#### **Increase employee satisfaction by improving human capital planning to keep pace with the changing dynamics in the 21<sup>st</sup> century workplace.**

*Percent of VA employees who respond favorably when surveyed about their job satisfaction:*

(FY 2006: 71%      FY 2011: 76%)

#### **Efficiency of Hiring Process.**

*Percent of VA facilities using automation in hiring process:*

(FY 2006: 7%                      FY 2011: 18%)

*Percent of VA employees who are veterans:*

(FY 2006: 30%                      FY 2011: 32%)

#### **Improve and expand professional development opportunities to maintain a capable, competent, and committed workforce.**

*Percent of new supervisors who have participated in a VA-approved supervisory training program:*

(FY 2006: 15%                      FY 2011: 80%)

*Percent of Senior Executive Service Candidate Development Program graduates placed in Senior Executive Service positions:*

(FY 2006: 40%                      FY 2011: 75%)

#### **Encourage ADR to resolve EEO disputes quickly and efficiently.**

*Percent of complaints for which the ADR process is used:*

(FY 2006: 22%                      FY 2011: 30%)

*Percent of complaints resolved during EEO counseling:*

(FY 2006: 50%                      FY 2011: 65%)

***Use public events as opportunities to communicate with veterans, employees, stakeholders, and other beneficiaries to improve partnerships with sponsors, and enhance special event programs for veterans.***

VA will continue to work with our partners to sponsor special events for veterans, such as the National Disabled Veterans Winter Sports Clinic, the National Veterans Wheelchair Games, the National Veterans Golden Age Games, and the National Veterans Creative Arts Festival.

The National Disabled Veterans Winter Sports Clinic is an annual rehabilitation program that is open to veterans with spinal cord injury or disease, certain neurological conditions, orthopedic amputations, visual impairments, or other disabilities. At the clinic, disabled veterans learn adaptive Alpine and Nordic skiing techniques, and are introduced to a variety of other adaptive athletic activities.



Each year, more than 500 disabled veterans participate in the largest annual wheelchair sports event in the world, the National Veterans Wheelchair Games. Wheelchair athletes compete in many Olympic-type events such as track and field, swimming, basketball, and weightlifting.

The National Veterans Golden Age Games is a multi-event competition for veterans 55 and older. Athletes compete against each other in a variety of events, including shot put, discus, swimming, bicycling, golf, bowling, and checkers.

The National Veterans Creative Arts Festival provides an opportunity for veterans to exhibit their artwork or perform musical, dance, or drama selections in a gala variety show. All veterans selected to participate are winners of year-long, national competitions.

***Improve communication with VA employees through the use of websites and employee-oriented publications.***

As a companion document to the *VA Strategic Plan*, the Department will develop an updated *VA Strategic Plan for Employees*. Communicating the Department's strategic framework to all employees

will help VA staff at all levels understand how their work contributes to the achievement of VA's overall mission and goals.

We will use a variety of communication vehicles – including the *Vanguard* magazine, Internet, and *VA Knowledge Network* – to improve employees' line-of-sight connection with the strategic direction of the Department. The Office of Public Affairs, VA Learning University (VALU), and the Employee Education System (EES) will continue to produce a weekly internal information video, *VA News*, for broadcast to all VA facilities via the *VA Knowledge Network* (VAKN) satellite broadcast system, and the *Content Delivery Network* (live and on-demand intranet streaming content).

***Enhance communication with stakeholders and the public, including active consultation with veteran service organizations, Congress, and the Government Accountability Office.***

VA will provide timely and accurate information to Members of Congress and other stakeholders regarding VA programs and veterans' concerns, including constituent casework. VA will also give frequent briefings on benefits and services to Members and their staffs, as well as orientation and casework conferences for new Members.

In an attempt to improve outreach efforts with stakeholders, VA field station or regional staff will meet at least twice a year with their respective Congressional delegations to discuss progress on key issues, problem areas, and veterans' concerns pending within their district or state.

In 2005, VA began contacting all newly elected or appointed state officials (i.e., primarily governors or state veterans affairs directors) within 60 days of their election or appointment to inform them about whom to contact in VA with questions on veteran-related issues. The better our elected representatives understand VA and veterans' issues in general, the better veterans will be served. VA's Office of Intergovernmental Affairs will maintain effective partnerships and open lines of communications with state and local public officials.

The Office of Public Affairs and EES produce a monthly video news magazine, *The American Veteran*, aimed at bringing information of interest directly to veterans and servicemembers through satellite and cable channels, including The Pentagon Channel. This will lead to future joint efforts between VA and DoD in developing *Pentagon Channel* programming to improve outreach to active duty members and the smooth transition from servicemember to veteran status.

***Increase communications with DoD to promote collaboration.***

VA will work with DoD to develop a joint communications plan, which will promote VA/DoD collaborative initiatives within each Department, educate internal and external stakeholders about joint VA/DoD initiatives, and provide periodic updates on these activities.

***Enhance communication with servicemembers to ensure a smoother transition through the Office of Seamless Transition, Transition Assistance Programs, and the Benefits Delivery at Discharge (BDD) Program.***

The VA Office of DoD Coordination will partner with DoD to conduct outreach activities and transition assistance to servicemembers separating from active duty, National Guard, and Reserve. The office is developing a VA Seamless Transition Awareness Campaign to increase awareness of the process as servicemembers transition from the military to VA, and civilian life, particularly those who were seriously injured in Operations Enduring and Iraqi Freedom. The Office of DoD Coordination will promote continuity of health care and benefits for those returning from combat with service-related conditions. Awareness eligibility for VA benefits has a direct and lasting impact on the degree to which VA can meet the needs of new veterans.

Through increased interagency collaboration in the Transition Assistance Program (TAP)/Disabled Transition Assistance Program (DTAP), we will improve awareness of VA benefits for servicemembers.

VA's Benefits at Discharge (BDD) Program, a joint VA/DoD initiative, is an ongoing effort to improve service. The Departments have implemented this program to help transitional military personnel

## PERFORMANCE MEASURES

### Objective E.2 Performance Measures

#### **Improve communication with VA employees through the use of websites and employee-oriented publications.**

*Percent of VA employees who indicate they understand VA's Strategic Plan and how their work contributes to the achievement of VA's overall mission and goals:*  
(FY 2006: Baseline data currently being developed  
FY 2011: 85%)

#### **Increase communications with DoD to promote collaboration.**

*Increase the percentage of press releases related to VA/DoD collaboration that are jointly or concurrently developed by the appropriate VA and DoD Offices of Public Affairs:*  
(FY 2006: 80%                      FY 2011: 90%)

receive decisions on VA disability benefits prior to separation from active military service. Currently, there are 140 BDD sites at military installations around the country and overseas.

BDD Program participants in the pre-discharge claims program can expect to receive a great deal of assistance from VA in the filing of their claims. VA Representatives provide the following services to claimants:

- Assist the claimant in completing of VA Form 21-526, Veteran's Application for Compensation or Pension; and
- Explain additional VA benefits, such as education and training, vocational rehabilitation, reemployment programs, home loans, health care, and life insurance.

VA has produced educational materials – posters, brochures, website information and video productions – for employees and returning servicemembers who may need VA support services. A *Veterans Benefits Learning Map* will be made available to veterans service organizations and state VA offices to help veterans better understand the benefits and services they are eligible to receive.

#### EXTERNAL FACTORS

VA's success is dependent upon establishing cooperative crosscutting partnerships with Federal, state, and local governments, as well as with veterans' service organizations and the private sector. The extent to which veterans have Internet access will also affect VA's ability to reach all veterans.

***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.***

#### PURPOSE AND OUTCOMES

To meet VA's commitments delivering the highest quality health care, timely payment of benefits, and memorialization in death, VA will have a world-class information technology program. Through business process reengineering and technology integration, VA will ensure timely delivery of benefit payments, improve the quality of health care provided in VA

medical facilities, and more efficiently administer programs and services to our veterans.

#### STRATEGIES AND INITIATIVES

***Implement an Enterprise Architecture (EA) program that is business-driven and provides information, products, and services that enable the VA IT community to develop and maintain business-focused, veteran-centric, and enterprise-wide IT systems, data, and infrastructure.***

Through analysis of VA's programmatic mission, emerging near-term and long-term business needs as communicated by Line of Business stakeholders, as well as through consideration of IT capability trends, the VA Chief Information Officer (CIO) has identified four basic principles that form the cornerstone of how IT systems and infrastructure should support the business of VA. They are:

- Veteran access to VA services must be available via the Web and/or other technology channels, and must facilitate Self-Service;
- Customer-focused, service oriented systems, applications and data must be shared and accessible to all possible users;
- VA's infrastructure must be self-healing, robust, transparent, and always available; and
- VA's data must employ a storage-centric strategy that supports enterprise storage methods, in order to facilitate efficient use and sharing of data by business stakeholders and applications across the Department.

These four principles form the underlying philosophy of the Enterprise Architecture that the VA Chief Architect will implement during the FY 2006-2011 timeframe in accordance with Federal laws and agency guidance. The specific initiatives and projects identified below are the mechanisms by which this philosophy is translated into tangible future-state business processes, data, applications, and technologies. As these and future projects achieve their objectives, the VA will move closer to the target state of how IT supports the business of the Department.

The VA Enterprise Architecture program will provide a number of specific products and services that will assist both business and IT leaders in achieving their missions and ensuring that IT systems developed

during 2006-2011 advance the four principles identified by the VA CIO. Towards that end, the Office of Enterprise Architecture Management (OEAM) will work with Administration architects and project managers to provide authoritative data services, modeling capability, standards for development technologies, and the architectural expertise that are essential to achieving our strategies and initiatives.

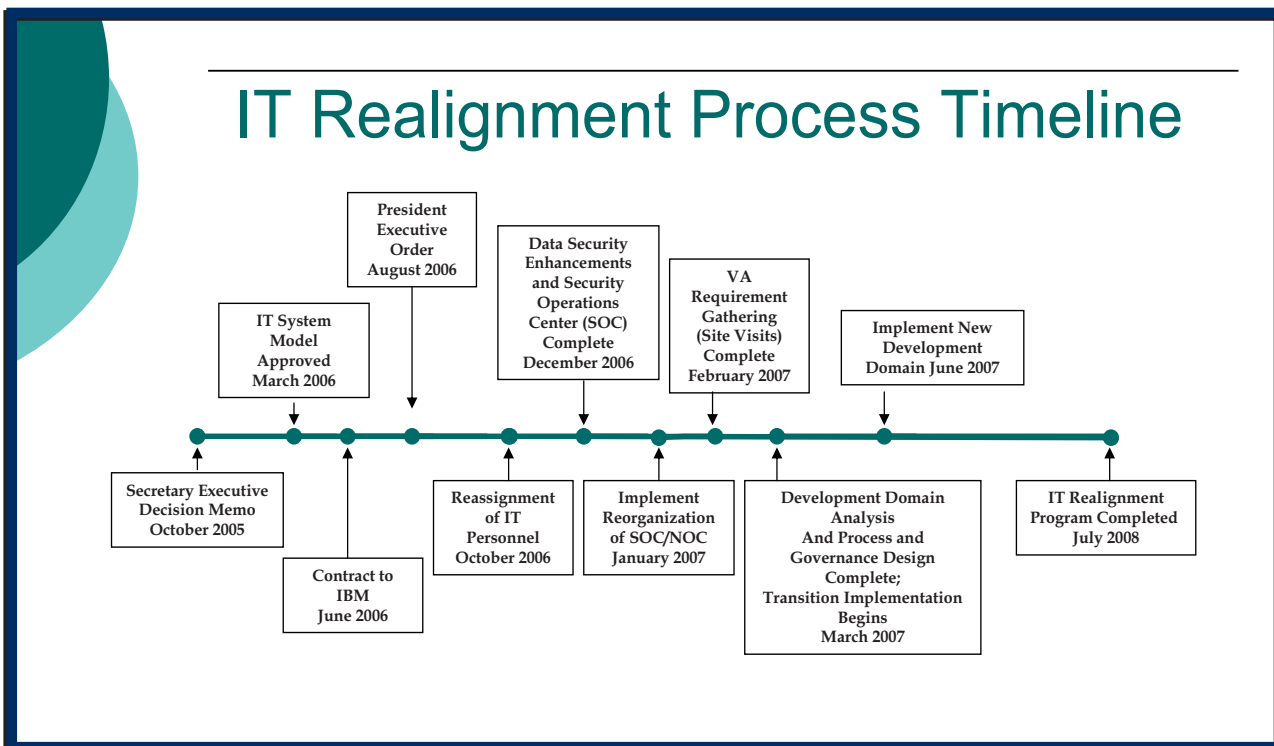
During the FY 2006-2011 timeframe, the completion of these strategies and initiatives – guided by the architectural products and services that OEAM provides – will ensure that VA’s IT systems, data, and infrastructure will most effectively support the business of the Department

**Application Consolidation and Shared Services**

The Clinger-Cohen Act of 1996 established the requirement that all IT investments and expenditures be justifiable business investments and that agency IT resources are utilized in the most efficient way possible. OMB Circulars A-130 and A-11 contain guidance and budget assessment criteria which require VA to identify and pursue the re-use of IT resources. To meet these principles, VA has defined specific strategies to realize potential financial benefits by emphasizing the re-use and consolidation of IT investments.

The focus of this strategy is to reduce the number of unique IT solutions in use across the Department. A unique solution is defined as an investment that is dedicated to supporting a single business task. As VA develops a complete As-Is Enterprise Architecture, the Business Architecture definition process will identify redundant IT investments across the Department. Once identified, redundant IT investments will be analyzed for their alignment to the Enterprise Architecture and, as appropriate, scheduled for consolidation with or migration to another system. By significantly reducing the number of redundant IT solutions in use across the Agency, the Department of Veterans Affairs will be able to more effectively use available IT funds to better serve veterans and other stakeholders.

This strategy also promotes the increase of common services available within the VA. A common service is an IT solution that supports many business needs and can be used by the Agency across business lines and organizations. The development of a complete Target Architecture will identify those business tasks and IT needs within VA that could be more effectively supported by common services. The creation and adoption of common services across the organization will enable VA to utilize IT resources and expenditures in accordance with OMB guidance.



### ***The Realigned IT Management System***

In October 2005, the Secretary of Veterans Affairs approved the realignment of the IT operations and maintenance functions under the Assistant Secretary for Information and Technology. The VA Information Technology Realignment Office will establish the Realigned IT Management System to meet the requirements of the Secretary's direction. (See diagram on page 91.)

### ***Ensure Information Security - The Evolving Gold Standard***

The office of Cyber and Information Security (OCIS) implements VA's IT Security Program by providing a forward thinking, integrated program that delivers sound, risk-based cyber security throughout the Department in accordance with federal laws, policies, and mandates. It ensures the confidentiality, integrity, and availability of VA information and information systems through the following three strategic goals:

- Establish, maintain, and operate a comprehensive and proactive cyber security risk management capability. This will be achieved through the development, distribution and deployment of policies and procedures, performance of risk assessments, establishment of an enterprise cyber security architecture that is integrated into the One VA Enterprise Architecture, development and delivery of cyber security awareness, training, education and professionalization, verification and validation of security controls, remediation management, and planning for continuity of IT operations;
- Establish, maintain, and operate a comprehensive and reactive cyber security risk management capability through a robust and highly responsive incident management program; and
- Conduct the cyber security compliance and reporting activities of the Department in a manner that meets both the regulatory and operational requirements mandated in the Federal Information Security Management Act, Health Insurance Portability and Accountability Act (HIPAA), Office of Management and Budget requirements, and other federal guidance.

### ***Gold Standard for Data Security***

One of the most significant priorities of the Secretary is that VA will become recognized as setting the *Gold Standard for Data Security*. In order to achieve this priority, VA will implement system-wide strategies that promote data security awareness among all employees, and a change in the culture and capability in all of our facilities and remote locations. The key elements of the *Gold Standard for Data Security* include but are not limited to the promulgation of policies and procedures; IT strategic planning; training and education (for VA and Non-VA personnel); securing measures and monitoring (including proactive auditing and compliance inspection); security of devices; encryption of data; enhanced data security for VA's sensitive information; enhanced protection for shared data in interconnected systems; and incident management and monitoring. Collectively, the elements of the *Gold Standard for Data Security* form the basis of a comprehensive approach to data management. A more detailed explanation of the *Gold Standard* is provided on pages 92-93. Additional strategies are likely to evolve as VA advances its data security efforts toward the *Gold Standard*.

### ***Establish an Enterprise Privacy Program (EPP)***

The EPP focuses on the Department-wide preservation and protection of veterans' and employees' personal information, overseeing privacy efforts within VA, and ensuring that privacy laws and regulatory guidelines are applied consistently throughout the Department. EPP's will facilitate Departmental objectives by conducting the following actions:

- Increasing privacy awareness within VA by conducting and monitoring general awareness privacy training for all VA staff. Updating and completing the framework of policies and handbooks to bring VA into full regulatory compliance;
- Establishing processes to assure ongoing VA-wide compliance with privacy laws, regulations, and policies; establishing and directing a community of privacy officers; and providing oversight, issue resolution, and information dissemination;
- Conducting privacy risk assessments to proactively address privacy vulnerabilities; and

- Conducting outreach efforts to the VA community to maintain privacy awareness and continue sharing best practices, as well as products and services, with other federal agencies to minimize redundancy and maximize return on investment.

### ***Continue to Evolve the Enterprise Project***

#### **Management Office Initiative (EPMO)**

The One VA IT EPMO initiative ensures proactive oversight of our highest “at risk” development projects. The EPMO establishes effective governance through implementing best practices, independent verification and validation, and scheduled program management reviews. EPMO will increase the level of project management and oversight as part of the IT development and implementation process within VA. The EPMO also develops a standard set of portfolio and project management policies, processes, and tools.

The EPMO manages the IT Portfolio – the collection of information technology expenditures required to maintain and advance technological initiatives in the Department. The EPMO is responsible for identifying required resources, aggregating them into appropriation budget justifications, and shepherding these requirements through the Office of Management and Budget and Congress. The EPMO is also responsible for tracking the expenditures from IT funds appropriated by Congress to ensure fiscal resources are used wisely, and for advancing the goals and objectives of active IT programs and projects.

The EPMO focuses on auditing the largest VA projects, in the development/acquisition phase to verify project feasibility and provide actionable, accurate information that senior staff may use to monitor project cost, schedule, and performance. This is accomplished through a rigorous four-step program: Baseline Change Request (BCR), Performance Management Baseline (PMB), Independent Baseline Review (IBR) and, finally, the Program Management Review (PMR). Compliance with the OMB 300 process, A-11 and A-130, as well as established programmatic metrics and goals to meet each Milestone, are emphasized, as part of efforts to achieve realistic and accurate oversight.

The EPMO also focuses on implementing best practices in project management providing enhanced education and training opportunities. These efforts

help to ensure that meaningful, timely performance measurement data can be provided, and that the Department’s project management cadre matures as an effective element in our workforce.

### ***Establish a One-VA Telecommunications Network***

Through the Telecommunications Modernization Project (TMP), VA is developing an independent, high-performance, wide-area data network capable of supporting enterprise-wide applications. Initiated in 2002, TMP includes Service Level Agreements (SLAs) for performance and reliability at every service delivery node on the network. TMP employs a multi-phased implementation approach and standard enterprise architecture for the design of core, distribution, and access layers of the network. In the future, TMP, which is currently being implemented, will:

- Optimize the VA Wide-Area Network to provide a scalable infrastructure that supports regional service delivery to all VA facilities and guarantees SLA performance measures for every service delivery point;
- Establish a 24/7 Network Operations Center (NOC) to monitor the network and resolve service delivery problems;
- Provide integrated network management tools shared by the NOC, contractor, and field resources; and
- Support the business needs of the enterprise network with ordering, billing, and invoice reconciliation, as well as telecommunications equipment inventory tracking.

### ***Advance VA’s electronic medical records systems in a way that enables more patient-centric care and continue to improve electronic medical records***

The Health Data Repository (HDR) and Data Standardization are the cornerstones of VA’s new generation health information system. The HDR will act as an operational clinical repository – a collection of clinical information, from VA and non-VA sources, residing on one or more independent platforms – to be used by clinicians and other personnel to facilitate quality, patient-centric care. Data in the HDR will be organized in a format supporting the delivery of care, regardless of the physical location of a patient’s clinical information. The HDR will provide additional significant benefits, including the ability to support research and population analyses; facilitate patient access to data and sharing information across

## KEY ELEMENTS OF THE VA *GOLD STANDARD FOR DATA SECURITY*

### ***Promulgation of Policies and Procedures***

*Information Security Policy* is an essential component of Information Security Governance – without the policy, governance has no method of enforcement. The VA *Information Security Policy* is derived from several sources which include: appropriate legislation, such as FISMA; applicable standards, such as NIST Federal Information Processing Standards (FIPS) and guidance; and internal VA requirements.

VA *Information Security Policy* will address the fundamentals of agency Information Security Governance structure, including:

- Information security roles and responsibilities;
- A statement of the security control baseline and rules for exceeding the baseline; and
- Rules of behavior that agency users are expected to follow and minimum repercussions for noncompliance.

### ***IT Strategic Planning***

VA is integrating information security into the Agency Strategic Planning Processes by first establishing, then documenting the information security strategies that directly support agency strategic planning and performance activities. The organization's *Information Security Strategy* will establish a comprehensive framework to enable the development, institutionalization, assessment, and improvement of the agency's information security program.

The *Information Security Strategy* will support the overall agency strategic and performance plans and VA IT strategic plan with its content clearly traceable to these higher-level sources. The security strategy defines the OCIS mission, vision, goals, and objectives and how they relate to the agency mission; a high-level plan for achieving information security goals; and performance measures to continuously monitor the accomplishment of identified goals and objectives and their progress toward stated targets.

### ***Training and Education (for VA and Non-VA personnel)***

Security awareness and training is a critical component of the VA information security program. It is *the* vehicle for disseminating security information that the workforce, including managers, need to do their jobs. Establishing and maintaining robust and relevant information security awareness and training program as part of the overall VA information security program is the primary conduit for providing the workforce with the tools needed to protect an agency's vital information resources.

Awareness and training will ensure that personnel at all levels of the organization understand their information security responsibilities. The VA will achieve the *Gold Standard* in protecting information by continuously training the workforce in VA security policy and role-based security responsibilities.

### ***Security Measures and Monitoring (including Proactive Auditing and Inspection of Compliance)***

Because the universe of possible metrics can be prohibitively large; the VA is prioritizing metrics to ensure that the final set:

- Facilitates improvement of high-priority security control implementation. High priority in this case is defined by the latest GAO or IG reports, and the Secretary's goal of reaching a *Gold Standard* in information protection; and
- Uses data that can realistically be obtained from existing processes and data repositories.

The VA will employ a proactive audit and compliance regime to assure compliance, to identify and correct weaknesses, and to adjust training to maximize the capabilities of employees to meet the objectives.

### ***Securing of Devices***

As more systems become portable within the VA computing environment, it is necessary to instill users with a level of responsibility toward maintaining the security of those assets. The VA policy on asset and data security applies to all IT hardware, not just mobile or handheld devices. Theft and incident response policies outline how to handle the timely filing of a report and notification.

The intent of IT asset management policies is to secure VA assets and mitigate risk. An ancillary benefit is lower costs through the use of controls. As we enhance our policies, we will be clear on who the policy applies to (for example,



## KEY ELEMENTS OF THE VA *GOLD STANDARD FOR DATA SECURITY*

employees or a third party); the penalties for noncompliance; a contact person; and frequently asked questions and answers. To increase employee and staff acceptance of the policies, we will explain the rationale behind them, and articulate the penalties associated with noncompliance.

### *Encryption of Data*

All VA data subject to physical or virtual loss will be encrypted. Examples of situations which require encryption are:

- Laptops (or workstations subject to physical loss) – to prevent individuals with malicious intent from accessing information from the hard drive or other magnetic media;
- Tapes – Tapes are highly portable and contain large volumes of data. Even just misplacing a tape may require a loss disclosure that could be highly embarrassing, in spite of the fact that the risk of someone acquiring and reading the data is low;
- E-mail with sensitive information – Because of the store-and-forward nature of e-mail, it is highly subject to inappropriate disclosure throughout its life. Sensitive e-mails, such as those containing private health information or nonpublic financial information, will be encrypted;
- Enterprise data exchange – Although not a data-at-rest situation, electronic transmission of sensitive information to business partners or customers is another example of data requiring encryption; and
- Other systems subject to physical loss – If servers or storage devices are in a physically insecure location and subject to physical loss, then encryption will protect that data in the event of theft.

### *Enhanced Data Security for VA's Sensitive Information*

Federal mandates require the protection of many types of information through adherence to Federal Information Processing Standards promulgated by the National Institute of Standards and Technology. In accordance with the Federal Information Security Management Act, VA has begun the process of implementing these standards as specified, which when complete, will contribute towards enhanced protection for all sensitive VA information and allow VA to claim the *Gold Standard* label.

### *Enhanced Protection for Shared Data in Interconnected Systems*

Interconnecting information systems can expose the participating organizations to risk; security failures could compromise the connected systems and their data. Federal policy requires that federal agencies establish interconnection security agreements. Specifically, Office of Management and Budget (OMB) Circular A-130, Appendix III, requires that agencies obtain written management authority before connecting their information systems to another, based on a mutually acceptable level of risk. To comply, VA will ensure the:

- Interconnection is properly maintained and security controls remain effective;
- Facilitation of effective change management activities by making it easy for both sides to notify each other about planned system changes that could affect the interconnection; and
- Enabling of prompt notification by both sides of security incidents and system disruptions and facilitate coordinated responses, if necessary.

### *Incident Management and Monitoring*

The Federal Information Security Management Act (FISMA) specifically directs federal agencies to develop and implement procedures for detecting, reporting, and responding to security incidents. The VA focus for enhanced incident management will address:

- Establishing a formal incident response capability;
- Creating an incident response policy and using it as the basis for incident response procedures;
- Establishing policies and procedures regarding incident-related information sharing;
- Providing pertinent information on incidents to the appropriate organization;
- Selecting people with appropriate skills for the incident response team and providing specialized training as needed; and
- Identifying all groups within the VA that may need to participate in incident handling.

VA; improve data quality and data security; and reduce the burden on local VistA systems. The HDR will serve five main purposes:

- Serve as a primary source for the legal medical record;
- Enable the generation of clinical reports based on VA's entire clinical holdings;
- Serve as a platform for a re-engineered CPRS;
- Serve as a platform for patient self-reporting to the medical record; and
- Support standardization between and among DoD, the Indian Health Service, and other government and private industry clinical databases via standards-based information systems.

Data Standardization, a major initiative to ensure consistency of health data across VA, will improve the quality, safety, and cost-effectiveness of patient care by ensuring consistent interpretation of clinical information and supporting clinical decision-making. It will also enable the exchange of clinically relevant health data between VA and our health care partners, as well as support research, public health, and biosurveillance activities.

### ***Corporate Data Warehouse***

Healthcare delivery and disease management programs can offer an effective solution for controlling the rapidly escalating costs of healthcare. The *VistA* systems records “what” happened to a particular patient. The format of this data and its distributed nature in the VA system often does not make significant analysis fast or easy. OLAP (online analytic processing) can take EHR (*VistA* Electronic Record) transactional data and roll it up into counts and cumulative statistics which can help a business analysts or medical researcher determine “why” something might have happened. A newer discipline in medical computation analysis revolves around data analytics, and data mining. In these categories it is the goal to predict “when” the next event might occur, or to cluster groups of patients by clinical

parameters. By utilizing sophisticated analysis techniques to provide better data, and therefore better care, predictive statistics can also help to control costs by bypassing therapies that will not be effective. This is a much more proactive approach to medical data analysis and treatments.

The corporate data warehouse (CDW) group is now accumulating clinical data to build a longitudinal history of patient treatments and events. This data at the present time is drawn from the HDR (Health Data Repository) but could be from any source. Up to this point, it has been difficult to get a true national picture of overall population health. The data structures, architectures and analysis tools in use by the CDW are standardized and mainstream. This approach allows reports and visualizations to be performed rapidly over the entire VA population. With this platform base the CDW is able to react to changes in business driven demands. The current CDW data domain is currently limited, but is expanding as HDR grows.

### ***Enhance the Veterans Health Information Systems and Technology Architecture (VistA)***

*VistA* is an integrated outpatient and inpatient information system that provides local flexibility and innovation. Components of *VistA* include the

Computerized Patient Record System (CPRS), which creates a single interface for health care providers to review and update patient information; *VistA* Imaging, which places medical images such as x-rays, pathology slides, scanned documents, and test results immediately into the patient record; and Bar Code Medication Administration (BCMA), which is a point-of-

care software solution to ensure that the right patient gets the right medication in the right dose at the right time. The current *VistA* system is running on older hardware and using older operating systems such as VMS. These systems must be upgraded to keep the VA on the leading edge of information healthcare delivery. By staying current, the VA can take advantage of new developments in storage, processor and software technologies as they become available.



### ***Build and Expand the Use of My HealthVet***

My HealthVet – an Internet-based program that creates an online environment where veterans, family, and clinicians come together to optimize veterans' health care – provides reliable information, online services, health record access, and messaging between veterans and clinicians. This system will be an important interface between the veteran and the VA. It will always be available via the web, and provide information on prescriptions, appointments, medical data and other relevant VA healthcare information. This will augment the individualized patient care the veteran receives when he visits the VA and hopefully will serve as useful media for useful and meaningful information transfer between the patient and VA healthcare providers.

### ***Expand HealthVet-2012***

VA will develop and implement HealthVet-2012 as the next generation of VistA. The new patient-centric system will retain all of the capabilities of legacy VistA, with enhanced flexibility to achieve future health care needs and compliance with the One VA Enterprise Architecture. The HealthVet-2012 strategy is built around five major systems:

- Registration, Enrollment, and Eligibility to enter a veteran's information into the VA health benefits system;
- Health Data System to create a true longitudinal health care record, including data from VA and non-VA sources;
- Provider Systems used in direct patient care such as CPRS, BCMA, and VistA Imaging;
- Health Management and Financial Systems; and
- Health Information and Education Systems.

HealthVet -2012 will:

- Allow seamless data sharing between all parts of VA;
- Increase flexibility to respond to future health needs;
- Focus on the patient and data, rather than the facility;
- Standardize data to make it fully shareable; and
- Enhance functionality and usability.

### ***Improve and Expand Home-Telehealth***

Home-Telehealth moves the care of veterans with chronic diseases from a predominantly hospital

## PERFORMANCE MEASURES

### **Objective E.3 Performance Measures**

**Increase electronic communication to provide services in a timely and respectful manner to honor deceased veterans and their survivors.**

*Percent of request from funeral home directors for interment at national cemeteries that are received electronically (Internet):*

(FY 2006: Baseline Data Being Developed  
FY 2011: 50%)

*Percent of headstone and marker applications from private cemeteries and funeral homes received electronically (Internet):*

FY 2006: Baseline Data Being Developed  
FY 2011: 75%)

### **Enhance Data Exchange with DoD**

*Reduce the number of distinct VA/DoD data exchanges with regard to Veteran Demographic Data for Defense Manpower Data Center (DMDC) to VA:*

(FY 2006: 15                      FY 2011: 1)

*Reduce the number of distinct VA/DoD exchanges with regard to Veteran Demographic Data for VA to DMDC:*

(FY 2006: 5                      FY 2011: 1)

### **Barcode Expansion Project**

*Percent of laboratory specimens that are collected utilizing barcode technology:*

(FY 2006: 0%                      FY 2011: 90%)

### **MyHealthVet Program**

*Total number of registrants – veterans, VA patients, VA employees, and health care providers:*

(FY 2006: 175,000              FY 2011: 4,500,00)

*Reduction in the cost of the impact of adverse drug events by decreasing the number of adverse drug events:*

(FY 2006: 4,600                      FY 2011: 2,760)

or clinic-based delivery method to the veteran's home. An integral component of coordinating patient care in the appropriate environment, Home-Telehealth employs several types of technology and encompasses a range of health care interventions. Current Telehealth efforts include the development of a national standard for technology interfaces, data storage, and use of data for clinical decision support. VA will also develop and implement HealthePeople as a part of a collaborative strategy – which includes the interagency project between VA and the Centers for Medicare and Medicaid Services – to develop VistA Office Electronic Health Records, a version of VistA that can be run in non-VA physician offices. VA will continue to develop systems that provide information to, and educate veterans about, issues relevant to their health care and military service. This includes disseminating information pertaining to Gulf War-related medical research and VA programs for female veterans.

### ***Improve Collaboration with DoD***

VA and DoD continue to work together to reduce redundant applications and enhance ease of access. We are currently developing an interoperable IT framework and architecture to enable the efficient, effective, and secure interchange of records and information supporting the delivery of benefits and services. To improve delivery of services, VA has established initiatives that directly support the VA/DoD Joint Strategic Plan to share timely, consistent, demographic and personnel-related data. Also supported are the VA/DoD joint initiatives on the seamless transition of service personnel returning from Iraq and Afghanistan. We have begun consolidating multiple VA/DoD data sources into one repository. In addition, we have established an Executive Oversight Committee, comprised of executives from each VA Administration and the Office of Information and Technology (OIT). Working closely with DoD and other agencies, VA will continue to expand sharing initiatives that support improved health care, including the Federal Health Information Exchange (FHIE), Home-Telehealth, and My HealtheVet. FHIE is a joint effort between VA and DoD to



develop an electronic communication system that relies on CPRS to provide a secure, one-way exchange of protected electronic health information from DoD to VA clinicians. VA and DoD have also made significant progress toward implementing an interface between the DoD's Clinical Data Repository (CDR) and VA's Health Data Repository (HDR). The combined repositories (CHDR) will provide the secure, real time bi-directional exchange of patient health information for our next-generation health information systems.

### ***Expand E-Government***

VA is committed to providing high quality health care and benefits to America's veterans and their dependents. To realize this, IT will be a key enabler over the years to come. VA continues to make steady progress in developing and implementing electronic government initiatives and enhancing internet capabilities to improve communication and services to veterans, their dependents, and other stakeholders. All of these efforts are focused on meeting the objectives of the President's Management Agenda for Expanding E-Government. During FY 2005, the Office of Management and Budget (OMB) established a VA E-Government Implementation Plan for promoting and monitoring VA's adoption and utilization of 28 government-wide solutions designed to make the government more efficient and citizen-centric. The E-Government Implementation Plan contains quarterly, measurable milestones for implementing the solutions. VA is adhering to the implementation plan and is on target to transition and/or shutdown redundant systems in accordance with the implementation plan.

### **EXTERNAL FACTORS**

Some of our IT initiatives are dependent on the cooperation of DoD, HHS, and other government agencies. Additional external factors include economic or legislative changes.

**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.**

**PURPOSE AND OUTCOMES**

VA will enhance its overall governance and performance by applying sound business principles and by improving the integration of programs and major management functions.

**STRATEGIES AND INITIATIVES**

VA will use best business practices to employ resources effectively and efficiently.

***Implement effective organizational oversight and business process improvements.***

First and foremost, VA will hold its leaders and managers accountable. This management principle will be invoked in both organizational and individual performance reviews. Our underlying approach to improve governance and performance will be an interactive, on-going effort to formulate strategies, monitor progress, reward excellence, correct mistakes, and make adjustments.

VA will evaluate internal administrative and programmatic operations to address areas that need improvement. We will focus on the President's Management Agenda (PMA) and actively address key management challenges identified by the VA Office of the Inspector General (OIG) and GAO.

VA will improve the efficiency of its regulatory process by centrally managing VA regulations, participating in the Interagency eRulemaking Initiative and by migrating to the Federal Docket Management System (FDMS) for public comments. VA also will implement its "Regulation Rewrite Project," the massive reorganization and redrafting of VA's Compensation and Pension adjudication regulations, so that veterans can better understand and apply them.

VA's Strategic Management Council, chaired by the Deputy Secretary, will meet at least monthly to review the status of key projects, management improvement initiatives, legislative proposals, and

**PERFORMANCE MEASURES  
-- CONTINUED--**

**Objective E.3 Performance Measures**

*Number of days to process order checks for shared DoD patients:*

(FY 2006: 120 days      FY 2011: 7 days)

**EPMO**

*Percentage of projects that meet OMB's criteria for success:*

(FY 2006: 50%      FY 2011: 95%)

*Percentage of projects that utilize Earned Value Management Systems to improve the cost and schedule performance of their initiatives:*

(FY 2006: 30%      FY 2011: 95%)

other issues critical to the effective management of the Department. In addition, we will implement the following to improve governance and performance:

- Conduct Monthly Performance Reviews with senior management, integrate performance information with our annual resource request to Congress, and report our progress in achieving performance targets;
- Strengthen our financial accountability by improving the Department's financial systems and processes, and by adopting methods to improve medical care collections, consolidated mail outpatient pharmacies, IT portfolio management, capital asset management, and capital investments;
- Develop innovative approaches to the design and evaluation of our health care delivery systems;
- Reengineer health care processes to incorporate technological advances and to address shortages of health care professionals;
- Enhance our supply chain management to maximize standardization of supplies, equipment, and services, and implement standardized policy and guidance for pharmacy, prosthetics, and fee basis management;
- Promote our strategic sourcing initiative to maximize our leverage in procurement operations;
- Employ electronic capabilities system-wide to improve, standardize, and consolidate revenue cycle activities;
- Design interoperable IT systems that support inventory, procurement, and business needs; and
- Increase revenue and efficiency through private sector partnerships, technological innovation, and improved business practices, including research-related intellectual property opportunities.

VA has begun migration to one of GSA's mandated e-Travel services. The processing of all travel vouchers through a contractor is planned for the second quarter of FY 2007.

We are continuing efforts associated with the Administration's e-Payroll consolidation initiative, which will reduce the number of payroll providers from 22 to 4. The Defense Finance and Accounting Service (DFAS) will become VA's sole payroll provider. The interagency agreement with DFAS also allows for exchange of VA payroll and human resources data. The first pilot site test will take place at the Financial Services Center in Austin, TX in August 2006. The second pilot test will occur at the San Francisco VA Medical Center and Oakland Regional Office in August 2007. VA-wide implementation is scheduled for October 2007 through 2008.

Tightening budgets and increasing service demands mandate changes to current practices. Due to the prohibition in Title 38 against using appropriated health care funds for public-private cost comparisons, competitive sourcing is not available for managing the vast majority of VA services. To meet the goals of the President's Management Agenda with respect to "significant savings and noticeable performance improvements," VA has developed the Management Analysis/Business Process Reengineering (MA/BPR) initiative.

By delivering cost savings and efficiencies through alternative service delivery methods, MA/BPR improves services to veterans and their families by examining and applying new ways of doing business. It focuses on generating and reinvesting savings into more critical services. MA/BPR studies will examine 16 cross-cutting functions with approximately 36,000 FTE, nearly all in VHA. VA's estimated savings over six years (2006-2011) is \$738 million.

VA will employ best practices to foster high performance by individuals and teams. We will establish communities of practice to share best practices and determine how to expand their use. External best practices may be imported to augment our clinical and business processes. This effort will enhance individual, team, and organizational accountability and help align training, development, and incentives with VA's strategic goals and objectives. VA will also promote increased understanding and use of organizational assessment tools to improve operational performance and increase customer satisfaction.

***Improve business processes related to human resources.***

VA is creating a plan to develop a short and long-term unified human resources information system (HRIS) strategy for the entire Department. The current VA payroll and human resources (HR) application software is in need of replacement due to its outdated technology. The Office of Management and Budget (OMB) favors a transition of individual agency HR and payroll systems to the provision of core services by a Shared Services Center approved by the Office of Personnel Management (OPM). This government-wide Human Resources Line of Business (HR LoB) will be created and deployed over a multi-year timeframe. VA's HRIS initiative is designed to align with the roll-out of HR LoB and will improve business processes related to human resources by automation, standardization, and integration throughout the Department.

***Strengthen financial accountability, increase procurement oversight, and eliminate improper payments.***

VA is committed to improving our financial systems and producing timely and reliable financial statements. We will work to achieve unqualified (“clean”) audit opinions on our annual consolidated and Franchise Fund financial statements. We have developed and implemented remediation plans to correct material weaknesses. Updated monthly, the plans include specific tasks and target dates.

Through the conduct of Monthly Performance Reviews, VA's senior management monitors administration and staff office progress in meeting targets for obligation of funds and project cost, schedule, and performance.

In FY 2005, VA completed statistical samples for seven programs that met the reporting requirements mandated by the Improper Payments Information Act of 2002: Compensation, Dependency and Indemnity



Compensation, Pension, Vocational Rehabilitation and Employment, Education, Insurance, and Loan Guaranty. VA performed quality reviews to correct systemic problems, identified critical reports and training needs, piloted a prototype automated claims processing system, and upgraded accountability for the quality of claims processing. Actions taken to reduce previously identified improper payments will be reported in VA's Performance and Accountability Report (PAR). During FY 2006, VA will establish action timelines for programs that are susceptible to significant erroneous payments, as well as for programs required to be reported by OMB Circular A-11.

To leverage our spending, we will deploy an electronic contract management system (eCMS) to enhance enterprise level contracting processes and launch a strategic sourcing initiative in our procurement operations. Strategic sourcing is the collaborative and structured process of critically analyzing our spending practices to make smart business decisions about acquiring commodities and services

more effectively and efficiently. This will help VA optimize performance, minimize price increases, achieve socio-economic acquisition goals, evaluate total life-cycle management costs, improve vendor access to business opportunities, and increase the value of each dollar spent. Under the strategic sourcing initiative, we will strengthen our partnership with DoD in acquisition; we will increase our use of the same pharmaceutical and medical products, resulting in increased

leverage during negotiations of Federal Supply Schedule (FSS) or other joint contracts. The FY 2004 VA appropriation authorized DoD to make purchases through the VA revolving supply fund, which will further enhance joint procurement and medical acquisition partnering. The Economy Act or the VA/DoD Health Resources and Emergency Operations Act provides the authority for direct procurement of DoD medical requirements and allows VA to support DoD in managing end-of-year contracting and funding.

VA will create an acquisition career management program to develop a workforce capable of

delivering best-value supplies and services, finding the best business solutions, and providing the strategic business advice necessary to accomplish our mission. This effort will integrate workforce analysis, recruitment and retention, acquisition training, and performance management, along with a contracting officer certification and warranting program. VA's finance and procurement oversight staff have consolidated into one Office of Business Oversight, with clear lines of authority and separation of responsibility between policy development and compliance.

VA realized \$4.7 billion in drug acquisition-related and process savings for the period 1999-2005, and future annual savings are anticipated. These savings result from larger centralized orders, improved use of economic order quantities, and stronger negotiating positions due to better data. We continue to realize unmeasured cost savings and quality improvements through (1) Consolidated Mail-Out Pharmacy (CMOP) error rate reduction; (2) a 67 percent reduction in reported medication errors; (3) evidence-based prescribing guidance; and (4) outcomes assessments to monitor and maintain safe prescribing.

The MCCF supplements the funding available for the delivery of health care and services to veterans. VA has collected over \$10 billion since 1997 from first and third party payers – mostly insurance companies – for treating medical problems that are not service-connected. We continue to improve our collection processes and procedures, collecting over \$1.86 billion in FY 2005. The VA Chief Business Office has adopted industry standard metrics to measure and refine revenue cycle performance.

VA's CMOPs continue their success in providing timely processing and delivery of prescriptions to veterans. In FY 2005, we filled 92 million prescriptions – more than 76,000 prescriptions per employee per year. Average turnaround was under 36 hours, and mailing time to patients was less than three days. CMOPs saved VA more than \$250 million in FY 2005 due to increased staff efficiency. VA carefully monitors issues related to capacity, expansion, error rates, and patient satisfaction. Productivity should improve with the implementation of new technology dispensing systems over the next two years.

### ***Improve VA's capital asset and IT portfolio management.***

Through our capital asset management business strategy, we seek to maximize the functional and financial value of capital assets through well thought-out acquisitions, allocations, operations, and dispositions. Created in June 1997 to foster a Departmental approach to the use of capital funds, the capital investment process is designed to ensure that all major capital investment proposals – including high-risk and mission-critical projects – are based upon sound economic principles linked to our goals and objectives, strategic planning, budget, and performance measures. VA is the first civilian agency to develop an agency-wide capital planning process that allows for trade-offs between and among categories of assets, such as medical and non-medical equipment, information technology, infrastructure, and leases.

VA will remain a leader in Federal capital asset management. We are working to further improve the management of our nationwide portfolio of capital assets by developing specific standards or benchmarks, such as “level of investment” and “cost of asset ownership.” Management of VA's portfolio will include guidance on gap analysis, performance management, and asset disposal. In September 2004, VA completed implementation of a state-of-the-art capital asset management system (CAMS). Portfolios have been established for major asset types, including owned buildings and land, leased buildings and land, major equipment, and information technology.

CAMS supports the PMA and Executive Order 13327, Federal Real Property Asset Management. CAMS has positioned VA to fully comply with and contribute to Federal Real Property Council (FRPC) guidance. The FRPC's capital asset performance measures include Facility Utilization Index, Facility Condition Index, Annual Facility Operating Costs, and Mission Dependency.

VA has established an automated performance management system to oversee the capital asset portfolio that ties into the Department's financial system. We will track and monitor key milestones such as cost, schedule, and performance of newly acquired assets. We will also identify opportunities to initiate enhanced-use leases. By leveraging our



assets, VA is able to acquire facilities or obtain goods and services that might otherwise be unavailable or unaffordable. We may also convert underutilized property into an asset that generates revenue, achieves consolidation, or reduces costs.

VA's overall capital asset management activities include an important process called Capital Asset Realignment for Enhanced Services (CARES), which identifies the infrastructure VA needs to provide high-quality health care to future veterans. CARES provides a data-driven assessment of health care needs within each market, the condition of the infrastructure, and the strategic realignment of capital assets and related resources necessary to better meet these needs. VA requires approximately \$1 billion per year in major construction funding to implement CARES by realigning our infrastructure.

The CARES recommendations include a number of sites where further study is required to ascertain suitability for future health care and re-use activities. Capital planning will consider evaluations of outstanding health care issues and determine the best use for unneeded VA property. CARES savings will be reinvested in health care programs.

To achieve the Department's goals and objectives, VA's business strategy will maximize the functional and financial value of IT through the well-thought-out acquisition, allocation, operation, and disposition of technological resources.

VA's Capital Planning and Investment Control (CPIC) supports the IT Portfolio Management process. The CPIC seeks to harmonize major IT investment decisions across VA by basing investment selections on a thorough review of projects risks and benefits and ensuring that projects are linked to Departmental strategies and objectives.

VA's integrated IT management process addresses problems noted in the Clinger-Cohen Act. Prevalent problems included poor IT planning, coordination, and integration, and return on investment (ROI), as well as projects that were over budget and behind schedule. In response, VA developed and enhanced the CAMS, which provides a tool to manage IT projects from an enterprise perspective and identify those offering the greatest ROI.

### ***Maximize VA/DoD collaboration.***

The VA/DoD Joint Executive Council (JEC) continues to achieve success in (1) enhanced leadership commitment and accountability; (2) continuation of high quality health care delivery; (3) seamless coordination and delivery of benefits; (4) development of interoperable health information systems; (5) efficiency of operations; and (6) robust joint medical contingency and readiness capability. The Health Executive Council, the Benefits Executive Council, and the Construction Planning Committee implement planning strategies through organized and fully integrated working groups.

During VA's 2006-2011 planning timeframe, the VA/DoD Joint Strategic Plan will serve as the principal platform for all JEC activities. The plan will also serve to connect the objectives of the President's Management Council "Proud to Be" document – highlighting broad overarching agency goals, with the President's Management Agenda (PMA), Quarterly Progress Report. This integrated mapping of Departmental goals, along with measurable objectives and specific implementation strategies, will provide the foundation and sustain the momentum for increasing joint initiatives and shared activities between VA and DoD.

Working together, VA and DoD will improve the effectiveness and efficiency of providing health care services and benefits to veterans and their families, active duty servicemembers and their dependents, and military retirees. VA will also assist in coordinating health care services and benefits for National Guard and Reserve members. VA and DoD will continue collaborative efforts to improve access to benefits, streamline the application process, eliminate duplicative requirements, and simplify the complex procedures facing individuals transitioning from active duty to veteran status. VA and DoD will also look at ways to improve upon achieved success in information technology, financial management, joint facility utilization, capital asset planning, pharmacy and medical-surgical supplies procurement, patient safety, deployment health, evidence-based guidelines, contingency planning, graduate medical education, continuing education, and benefits delivery.

VA and DoD will examine the joint use of capital assets, such as coordinating services in cities where each Department maintains and operates separate

medical facilities. Consistent with the PMA, the VA/DoD Construction Planning Committee (CPC) was created to facilitate an integrated approach to capital coordination by evaluating strategic capital issues of mutual benefit and maximizing opportunities for joint capital asset planning.

***Increase integrity of operations and program responsibility and accountability.***

The PMA emphasizes the importance of human capital, competitive sourcing, improved financial performance, e-government, and budget and performance integration. In addition to improving VA and DoD collaboration, VA is focusing on real property management, faith-based and community organizations, medical research and development, and improper payments issues. An overview of our efforts to fulfill PMA requirements is outlined in Appendix 1.

In FY 2005, VA's OIG and the GAO identified major management challenges facing the Department. Left uncorrected, these challenges could impede VA's ability to fulfill its program responsibilities and ensure the integrity of operations. Therefore, VA will be addressing these management challenges immediately, and will deal with other emerging management challenges as they emerge between now and FY 2011.

VA's OIG identified five critical management challenges: health care delivery; benefits processing; procurement; financial management; and information management security and systems.

Management challenges identified by the GAO:

- Ensure access to quality health care;
- Manage resources and workload to enhance health care delivery;
- Prepare for biological and chemical acts of terrorism;
- Improve veterans' disability program;

- Develop sound Department-wide management strategies to build a high-performing organization;
- Protect the Federal Government's information systems and the nation's critical infrastructure;
- Manage Federal real property effectively;
- Employ strategic management of human capital;
- Establish effective information-sharing mechanisms to improve homeland security; and
- Improve management of interagency contracting.

In support of improving operational effectiveness, Project HERO (Healthcare Effectiveness through Resource Optimization) was established as a pilot in selected VISNs to maximize the care VA provides directly and better manage contracted care. Project HERO has the potential to reduce VA contract costs while improving access, accountability, care coordination, patient satisfaction and clinical quality. The ultimate goal of Project HERO is to ensure all care delivered by VA – whether through VA providers or community partners – is of the same quality and consistency for all veterans.



Project HERO objectives include the following:

- Provide as much care for veterans within the VHA as practicable;
- When necessary, efficiently refer veterans to high-quality community-based care;
- Improve exchange of medical information between VA and non-VA providers;
- Foster high quality care and patient safety;
- Control operating costs;
- Enhance collection of medical care revenue;
- Increase veteran satisfaction;
- Secure accountable evaluation of demonstration results; and
- Sustain partnerships with university affiliates.

## EXTERNAL FACTORS

Pending legislation could further expand collaboration beyond VA and DoD, including collaboration with state affiliated medical institutions and enhanced sharing of high cost equipment between VA and university facilities.

## PERFORMANCE MEASURES

### Objective E.4 Performance Measures

#### **Implement effective organizational oversight and business process improvements.**

*Cumulative percentage of FTEs (compared to total planned) covered by initiated MA/BPR studies of non-core commercial functions:*

(FY 2006: 33                      FY 2011: 100)

*Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practice, operations, and procedural changes:*

(FY 2006: 82\*                      FY 2011: 90)

#### **Strengthen financial accountability, and increase procurement oversight.**

*Number of material weaknesses identified during the Annual Financial Statement Audit or identified by management:*

(FY 2006: 4                      FY 2011: 0)

#### **Meet annual recovery and reduction targets as specified in the PAR.**

*Medical Care Collection Fund –*

*Dollar value of 1<sup>st</sup> party and 3<sup>rd</sup> party collections.*

*1<sup>st</sup> Party (\$ in millions):*

(FY 2006: \$827                      FY 2011: \$1,095)

*3<sup>rd</sup> Party (\$ in millions):*

(FY 2006: \$1,178                      FY 2011: \$1,836)

*Gross Days Revenue Outstanding for third party collections:*

(FY 2006: 70                      FY 2011: 60)

#### **Maximize VA/DoD collaboration.**

*Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment:*

(FY 2006: \$150M                      FY 2011: \$200M)

\* FY 2007 Baseline



# APPENDIX 1 - PMA ITEMS

## THE PRESIDENT'S MANAGEMENT AGENDA

### OVERVIEW

The President's Management Agenda (PMA) is an aggressive strategy for improving the management of the Federal Government. The PMA identifies five government-wide areas of management weakness: human capital, competitive sourcing, financial performance, e-government, and budget and performance integration. In addition, the Department is focusing on six agency-specific areas: VA/DoD collaboration, real property management, faith-based and community outreach, medical research and development, improper payments, and improved credit management. The Office of Management and Budget (OMB) evaluates performance and accomplishments in each PMA area, using a "traffic light" scorecard format to reflect progress made by each Federal agency. Quarterly PMA scorecards may be accessed at [www.whitehouse.gov/results/agenda/scorecard.html](http://www.whitehouse.gov/results/agenda/scorecard.html). The following is an overview of Departmental efforts in each PMA area.

### STRATEGIC MANAGEMENT OF HUMAN CAPITAL

VA has completed the *Workforce and Succession Plan for FY 2005-2008*. We have developed and implemented voluntary on-line entrance and exit surveys that provide valuable information to help VA attract and retain the most qualified employees. We have analyzed human capital data to assess results, identify risks, ensure that controls are in place to address problems, and modify strategies and activities.

VA has implemented an accountability program that involves 100 percent of our facilities and has developed a web-based automated process to report information. Several field audits have been completed, and the first annual *HR Accountability Report* has been prepared. In 2006, VA enhanced the National Veterans Employment Program website. The site communicates program priorities and educates selecting officials on veterans' preference and hiring authorities,

mechanisms that were developed to assist veterans in gaining employment.

### COMPETITIVE SOURCING

At present, 38 U.S.C. 8110 (a) (5) prohibits VA from conducting cost comparisons (or public-private competitions) on VHA positions unless Congress provides specific funding for the competitions. VA submitted a legislative proposal to Congress that would repeal this prohibition and allow the use of competitive sourcing. In the meantime, VA has initiated a Management Analysis/Business Process Reengineering (MA/BPR) initiative, which aims to save the Department about \$730 million cumulatively from FY 2007 to FY 2012. VA can then reinvest those dollars into health care programs. We have two pilot MA/BPR studies underway on VHA's laundry and food service functions. The intent is to obtain the same level of savings as those produced by the Most Efficient Organization process (OMB Circular A-76), but without taking the further step of competing the reengineered organization against the private sector through cost-comparison.

### IMPROVED FINANCIAL PERFORMANCE

VA is committed to maintaining an unqualified (clean) audit opinion on our annual consolidated financial statements, achieving compliance with the Federal Financial Management Improvement Act, closing audit-related material weaknesses, addressing the one remaining Federal Managers' Financial Integrity Act (FMFIA) weaknesses, eliminating material non-compliance with laws and regulations, and improving our underlying systems. VA will continue to assess and correct the three outstanding audit material weaknesses – Information Technology Security Controls, Integrated Financial Management System, and Operational Oversight. Progress continues on correcting the IT Security Controls material weakness, including achieving compliance with HIPAA security rules. Resources have been maximized to improve the overall security posture, and work will continue in FY 2007 and beyond.

# APPENDIX 1 - PMA ITEMS

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VA has reassessed its plans and initiated a 4-year remediation program to correct the Integrated Financial Management System material weakness. The goal of this new program – referred to as VA's Financial and Logistics Integrated Technology Enterprise (FLITE) – is to correct financial and logistics deficiencies throughout the Department. FY 2006 and 2007 work for FLITE will be primarily “functional” in nature – oriented on planning and standardization of financial and logistics processes and data. We are also implementing the Hyperion Financial Management reporting system to improve the preparation, processing and analysis of financial information and a data warehouse to assist in financial reporting.”

VHA took steps to address the Operational Oversight reportable condition during FY 2005 by implementing a monthly reconciliation monitoring process, providing additional training, and developing and tracking key financial performance measures. The elevation of this reportable condition to a material weakness, as a result of the audit of VA's FY 2005 consolidated financial statements, is prompting a concerted effort during FY 2006 to monitor compliance and improve control over financial processes and procedures.

Other VA goals include citing closure of the one remaining FMFIA material weakness – Internal Control Weaknesses in the Compensation and Pension Payment Process – in the *FY 2006 Performance and Accountability Report*.

## EXPANDED ELECTRONIC GOVERNMENT

VA is migrating to one of GSA's mandated e-Travel services. VA awarded a contract to Electronic Data Systems Corporation (EDS), and the processing of travel vouchers through EDS is planned for the second quarter of FY 2007. VA is continuing efforts associated with the Administration's e-Payroll consolidation initiative, which will reduce payroll providers from 22 to 4. The Defense Finance and Accounting Service (DFAS) has been mandated to become the sole payroll provider for VA, and

we have entered into an interagency agreement to allow for the exchange of VA payroll/human resources data between the two agencies. The first pilot site test was the Financial Services Center in Austin, Texas, in August 2006; the second will be the San Francisco VA Medical Center and the Oakland Regional Office, in August 2007. VA-wide implementation is scheduled from October 2007 through 2008.

VA is an active participant in the President's eRulemaking Initiative and is migrating to the Federal Document Management System (FDMS) to increase public awareness and participation in VA rulemaking activities.

## BUDGET AND PERFORMANCE INTEGRATION

VA is making progress in implementing the Monthly Performance Reviews with senior management, integrating performance information with our annual resource request to Congress, and identifying and reporting the full cost of achieving performance budget targets. In 2006, we improved measures of both program efficiency and program outcomes. During the CY 2005 OMB Program Assessment Rating Tool reviews, outcome and efficiency measures were developed for each of the three programs reviewed. At present, VA has at least one efficiency measure for each of its programs. The majority of VA's 24 key measures – those that focus on VA's critical activities – are outcome and efficiency measures. To improve our understanding of the relationship between resources and results, we will launch an effort to develop estimates of the marginal cost of changing performance.

## VA/DoD COLLABORATION

VA and DoD continue to work collaboratively to improve the effectiveness and efficiency with which health care services and benefits are provided to veterans and their families, active duty servicemembers, their dependents, and military retirees. We have also expanded our role in coordinating health care services and benefits for members of the National Guard and Reserve. During FY 2006, the VA/DoD Joint Executive Council (JEC)

# APPENDIX 1 - PMA ITEMS

focused on (1) the development of joint evidence-based practice guidelines; (2) the interoperable electronic medical record; (3) the Benefits Delivery at Discharge (BDD) program; and (4) the development of more outcome-oriented performance measures as part of the Joint Strategic Plan, in lieu of single-event measures or milestones. The BDD program has issued detailed guidance for servicemembers transitioning to civilian life. There are currently 140 BDD sites located at military facilities. Both VA and DoD are achieving success in improving cooperation in many other key areas, including financial management, joint facility utilization, capital asset planning, pharmacy, medical-surgical supplies, procurement, patient safety, deployment health, evidence-based guidelines, contingency planning, graduate medical education, continuing education, and benefits delivery.

## REAL PROPERTY MANAGEMENT

OMB has recognized VA as a leader in the Federal Government for steps taken to improve the management of real property. VA has deployed the new Capital Asset Management System (CAMS), an integrated, Department-wide performance management system. CAMS enables us to analyze, monitor, and manage our portfolio of capital assets – buildings, land, leases, agreements, equipment, and information technology – within and across asset types, throughout their entire lifecycle, and against VA-wide portfolio goals. In FY 2005, we produced our second five-year capital plan, a systematic and comprehensive framework for managing the Department's vast capital asset portfolio of more than 5,500 buildings and approximately 32,000 acres of land. This plan serves as a blueprint for improved resource utilization and effective health care and benefits delivery.

## FAITH-BASED AND COMMUNITY INITIATIVES

The VA Center for Faith-Based and Community Initiatives coordinates agency efforts to eliminate regulatory, contracting, and other programmatic obstacles to the participation of Faith-Based and other Community Organizations (FBCOs) in

providing social and community services. During 2006, the Center will begin developing pilot programs; conduct outreach and technical assistance efforts through VA, the Department of Labor, veterans service organizations, and FBCO conferences; and produce informational materials. In conjunction with Catholic Charities of Chicago, the Department has constructed on the St. Leo Residence for Veterans, a 144-resident, studio-apartment-style building for homeless veterans. As part of the agreement, VA guaranteed a \$4.9 million loan for the project.

## MEDICAL RESEARCH AND DEVELOPMENT

VA continues training in human subject's protection, bio-safety, and animal use to ensure compliance with federal regulations and requirements. The VA/National Committee for Quality Assurance Accreditation Program recently granted accreditation to 10 VA field programs. We also examined preliminary data on the National Institutes of Health peer review and management system. In 2006, we completed our assessment of the usefulness of this system for future VA project management.

## REDUCING IMPROPER PAYMENTS

VA has completed statistical samples for seven programs that met the reporting requirements mandated by the Improper Payments Information Act of 2002. The programs included Compensation, Dependency and Indemnity Compensation, Pension, Vocational Rehabilitation and Employment, Education, Insurance, and Home Loan. VA also performed quality reviews to correct problems, identified training needs, and upgraded accountability standards for claims processing. VA plans to reduce improper payments and report on the status of actions taken to deal with previously identified improper payments in the *VA Annual Performance and Accountability Report*. During FY 2006, in accordance with OMB Circular A-11, VA continued to eliminate identified impediments and establish timelines for risk assessments of programs susceptible to erroneous payments.

# APPENDIX 1 - PMA ITEMS

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## IMPROVED CREDIT MANAGEMENT

As part of the President's Management Agenda, the Federal Credit Council developed the Improved Credit Management initiative to evaluate agencies' management of their credit programs. This initiative is applicable to the five largest credit agencies (Agriculture, Education, Housing and Urban Development, Small Business Administration, and VA) and Treasury. In an effort to improve credit management, the VA Loan Guaranty (LGY) program will evaluate risk indicators and standards, which have the potential to be of use in quantifying the LGY program's portfolio risk. Along the same lines, VA will evaluate the oversight and monitoring of the program's portfolio and assess the cost-effectiveness of undertaking an identified additional or alternative means of monitoring. Additionally, we will ensure that the program's collateral valuation process is sound, and that it is reflective of industry standards and best practices. VA will also continue to meet and exceed industry standards and expectations for overall customer satisfaction.



# APPENDIX 2 - GLOSSARY

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## GLOSSARY OF FREQUENTLY USED VA STRATEGIC PLANNING TERMS

**EXTERNAL FACTORS:** Situations beyond agency control such as changes in economic, social, environmental, governmental, technological or other conditions that may impact achievement of strategic goals and objectives.

**MISSION:** A clear, concise statement that defines what the agency does and presents the main purpose for its functions and operations.

**OBJECTIVE:** An objective (s) is paired with a goal(s) and is used to help assess whether a goal was or is being achieved. An objective describes a more specific level of achievement than a goal. It is measurable, succinctly stated, and outcome-oriented.

**OUTCOME:** A description of the intended result, effect, or consequence that will occur from carrying out a program or activity.

**PERFORMANCE MEASURE:** A method used to assess performance. It may include outputs, indicators, intermediate outcomes, or outcomes.

**PERFORMANCE TARGET:** A level of performance intended to be achieved within a specified timeframe. Targets are created as part of the planning process to set distinct goals and to act as a catalyst for agency improvement.

**PROGRAM EVALUATION:** An assessment, through objective measurement and systematic analysis, of the manner and extent to which programs are achieving intended outcomes.

**SCENARIO-BASED PLANNING:** A tool used to broaden the strategic outlook of an agency by challenging its staff and stakeholders to identify important societal movements or trends, anticipate their implications for organizational performance, and envision (through scenarios) potential organizational change. The process is not intended to predict the future, but to sketch out a range of possible futures and consider how they might effect the fulfillment of the agency mission.

**SERVICE DELIVERY MEASURE:** A description of the level of activity, effort, or work that will be produced or provided over a period, by a specified time. This measure is associated with the delivery of a particular service or outcome.

**STAKEHOLDER:** Any person, group, or organization that can place a claim on, or influence, the organization's resources or outputs, is affected by those outputs, or has an increased interest in or expectation of the organization.

## APPENDIX 2 - GLOSSARY

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**STRATEGIC GOAL:** Defines how an agency will carry out its mission over a period of time. The goal is expressed in a manner that allows a future assessment to be made of whether the goal was or is being achieved. The goal may be of a programmatic, policy, or management nature. Goals should be outcome-oriented.

**STRATEGIES AND PROCESSES:** Describes how the strategic goals and objectives will be achieved, e.g., human, capital, information or other resources, and the operational processes, skills, or technology that will be used.

**VALUES:** A statement of agency principles.

**VISION:** A statement of a desired state-of-being of the organization at a specific timeframe in the future, looking back toward the present.



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