Performance Summaries
by Strategic Objective

The following sections of the report describe VA's accomplishments associated with each of the strategic objectives identified in the Department's strategic plan. This information complements and provides additional detail beyond the summaries of performance associated with each strategic goal (refer to the Performance Summaries by Strategic Goal section on pages 24-54).

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

Part 1

STRATEGIC OBJECTIVE 1.1
Specialized Health Care Services

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

Making a Difference for Veterans

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

VA Helps Disabled Veterans Adapt their Homes Through Grants

Changes in the laws that allow certain seriously injured veterans and servicemembers to receive grants to construct or modify homes are expected to result in many new grants. Before the changes, eligible veterans and servicemembers could receive Specially Adapted Housing (SAH) grants of $10,000 or $50,000 from VA over their lifetimes. Now they may receive up to $12,000 or $60,000. In addition, these amounts will now rise annually based on a cost-of-construction index. SAH grants of up to $14,000 for temporary residences, previously available only to veterans, are now available to veterans and servicemembers. Eligible veterans and servicemembers may use the Specially Adapted Housing Program up to three separate times. However, the total amount of assistance received may not exceed the maximum in effect at the time of the third grant.
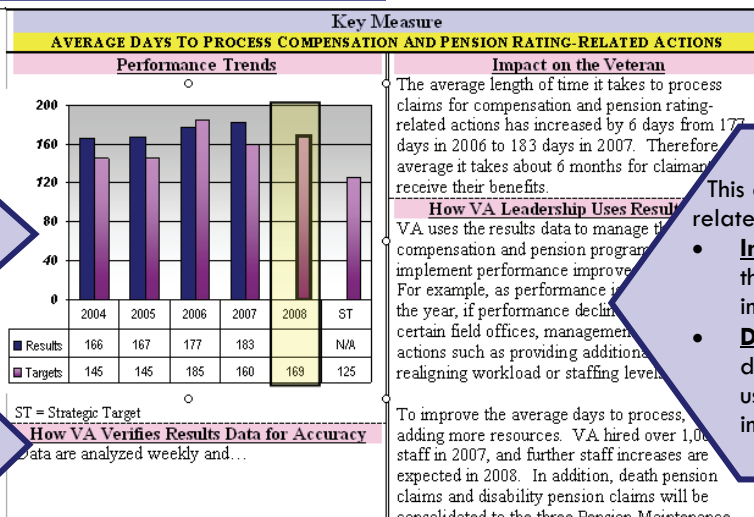
A Specially Adaptive Housing grant may be used to build a new home with appropriate adaptations or to modify an existing home to meet the veteran's individual needs.

"Veterans seriously disabled during their military service have earned this benefit," said Secretary of...

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

Part 2

Key Measure
AVERAGE DAYS TO PROCESS COMPENSATION AND PENSION RATING-RELATED ACTIONS

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	166	167	177	183		N/A
Targets	145	145	185	160	169	125

ST = Strategic Target

How VA Verifies Results Data for Accuracy
Data are analyzed weekly and...

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

Data Verification
Narrative on how VA checks and verifies measure results data for accuracy

Impact on the Veteran
The average length of time it takes to process claims for compensation and pension rating-related actions has increased by 6 days from 177 days in 2006 to 183 days in 2007. Therefore average it takes about 6 months for claimant receive their benefits.

How VA Leadership Uses Result
VA uses the results data to manage t compensation and pension progra implement performance improve For example, as performance the year, if performance decli certain field offices, managemen actions such as providing additiona realigning workload or staffing level

To improve the average days to process, adding more resources. VA hired over 1,0 staff in 2007, and further staff increases are expected in 2008. In addition, death pension claims and disability pension claims will be consolidated to the three Pension Maintenance

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

- **Impact statements** describes how the 2008 performance result impacted the veteran
- **Data Use by Leadership** describing how VA management uses the results data to make improvements in operations.

Part 3

Additional Information

This area provides the following as relates to the given Strategic Objective:

- A list of **major management challenges** identified by VA's Office of Inspector General and **High-Risk Areas** identified by the Government Accountability Office that have an impact on this objective.
- A description of **program evaluations** that have been completed or are ongoing.
- A list of related **Program Assessment Rating Tool** reviews conducted.
- A description of **new policies and procedures** that have been or are being implemented to improve VA's ability to achieve the strategic objective.
- Any **other important performance results** in support of the strategic objective.

In 2008 there were 5 measures for which performance results were significantly below expectations and, as a consequence, had a significant impact on program performance. For each of these measures, we provide explanations of why the shortfall occurred and descriptions of resolution strategies being employed to improve performance. Please see the Performance Shortfall Analysis tables beginning on page 84 for this information. In the measures tables beginning on page 237, these results are color-coded in red.

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

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

Strategic Goal One
Restoration and Improved Quality of Life for Disabled Veterans

STRATEGIC OBJECTIVE 1.1
Specialized Health Care Services

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

Making a Difference for the Veteran

VA Helps Disabled Veterans Adapt their Homes Through Grants

A Specially Adaptive Housing grant may be used to build a new home with appropriate adaptations or to modify an existing home to meet the veteran's individual needs

Changes in the laws that allow certain seriously injured veterans and servicemembers to receive grants to construct or modify homes are expected to result in many new grants. Before the changes, eligible veterans and servicemembers could receive Specially Adapted Housing (SAH) grants of $10,000 or $50,000 from VA over their lifetimes. Now they may receive up to $12,000 or $60,000. In addition, these amounts will now rise annually based on a cost-of-construction index. SAH grants of up to $14,000 for temporary residences, previously available only to veterans, are now available to veterans and servicemembers. Eligible veterans and servicemembers may use the Specially Adapted Housing Program up to three separate times. However, the total amount of assistance received may not exceed the maximum in effect at the time of the third grant.

"Veterans seriously disabled during their military service have earned this benefit," said Secretary of Veterans Affairs Dr. James B. Peake. "This change ensures that every eligible veteran and servicemember has the chance to use the maximum amount afforded to them by our grateful nation."

Since the program began in 1948, it has provided more than $675 million in grants to about 35,000 seriously disabled veterans. To ensure veterans' and servicemembers' needs are met and grant money is spent properly, VA works closely throughout the entire process with contractors and architects to design, construct, and modify homes that meet the individuals' housing accessibility needs.

Veterans and servicemembers with specific permanent and total service-connected disabilities entitling them to VA compensation are eligible for the Specially Adapted Housing benefit. A new law adds disabilities resulting from severe burn injuries to the eligibility criteria. Eligible individuals may use the grant to construct an adapted home or to modify an existing one to meet their special needs.

For more information about grants and other housing programs, call a local VA regional office at 1-800-827-1000 or a local veterans service organization. Additional program information and grant applications (VAF-26-4555) may be found at *Web*: www.homeloans.va.gov/sah.htm.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

| Supporting Measure |
| --- |
| **PERCENT OF SPECIALLY ADAPTED HOUSING (SAH) GRANT RECIPIENTS WHO INDICATED THAT GRANT-FUNDED HOUSING ADAPTATIONS INCREASED THEIR INDEPENDENCE** |

Performance Trends

	2006	2007	2008	ST
Results	93.2%	Avail. 12/08	Avail. 12/09	N/A
Targets	Baselined	98.0%	98.0%	99.0%

(1) Actual data TBD. Final data are expected in 12/2009.
(2) ST= Strategic Target

How VA Verifies Results Data for Accuracy

Results data are compiled and verified for accuracy by 3rd party evaluations annually. The 3rd party evaluation staff is skilled in proper data collection and data analysis techniques.

Impact on Veterans

Specially Adapted Housing (SAH) grants are provided to severely disabled veterans to build a new or adapt an existing dwelling to meet their adaptive housing needs. In 2008, VA awarded 985 SAH grants to veterans. This is a 36 percent increase in grant activity from 2007.

An example would be housing modifications enhancing wheelchair accessibility enabling veterans to function more independently in their homes. These modifications can include access ramps, wider hallways, modified bathrooms, and other accessibility features specific to the needs of the veteran.

How VA Leadership Uses Results Data

Grant recipients are surveyed every year to determine their level of independence as a result of the SAH program. The surveys also gauge veteran satisfaction levels and other SAH program performance-related data.

The responses from the surveys are compiled, and the results are analyzed by VA leadership. Program policy modifications are implemented based on results data.

Supporting Measure

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

Performance Trends	Impact on Veterans
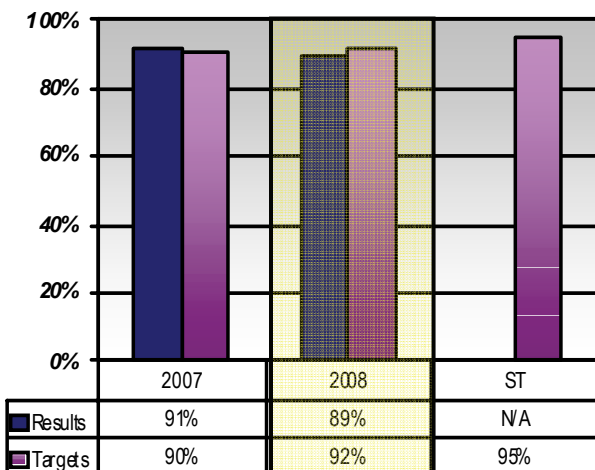
Performance Trends

	2007	2008	ST
Results	91%	89%	N/A
Targets	90%	92%	95%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) ST = Strategic Target

Impact on Veterans

This measure is designed to monitor how quickly VA case managers contact and engage severely wounded OEF/OIF veterans and their families. Case managers play an important role in helping these individuals make a smooth and efficient transition into the VA healthcare system. In this context, the case managers help these veterans and their families understand the constellation of benefits that VA has to offer.

How VA Verifies Results Data for Accuracy

Data are analyzed monthly to ensure the service members identified for transfer by the VA Liaison located at the Military Treatment Facility align with the number and location of service members/veterans actually transferred during the reporting period.

The number and identification of the transferring seriously injured or ill (SI/I) patients serves as a verification tool for the measure's denominator (patients actually transferred). Attempts to contact the patient (numerator) are entered into a national database, along with clinical and demographic information obtained during the contact.

The data entered serves as verification that contact has been completed. Unsuccessful attempts to contact are also tracked, and verified as a means to ensure that continued efforts are undertaken to contact all SI/I patients referred to VA care.

How VA Leadership Uses Results Data

Measures data are posted on the VHA Support Service Center (VSSC) site monthly, where they are viewable by facility, network, and Central Office staff. Measure data are also published quarterly in the Executive Briefing Book maintained on the Office of Quality and Performance Web site. Data are shown nationally, as well as by VISN and facility. Quality Managers, Chief Medical Officers, Facility Directors, Network Directors, and Central Office staff access the data in the Briefing Book on a regular basis.

Results data serve as key VA monitoring capabilities with regard to OEF/OIF patients. Data are used to identify process and system problems that can then be resolved in a timely manner. If the performance level of a given facility markedly or repeatedly falls below the target of 90 percent, VA contacts the facility to determine possible reasons and solutions. Potential strategies may include increasing the number of case managers, additional staff training, improving documentation to capture accomplishments, and expanding ways for making contact with a veteran.

Additional Performance Information for Strategic Objective 1.1

OIG Major Management Challenges
- Quality of Health Care (see page 256 for more details)
- New and Significantly-Increased Health Problems Associated with OEF/OIF (see page 266 for more details)

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

Program Assessment Rating Tool (PART) Evaluation
In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care program during CY 2003, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 79 for more information.

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

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

The major deliverable in 2008 was the presentation of the preliminary results of an extensive survey of all VA facilities that focused on evaluating the level of current services and the extent of the use of evidence-based care. These results will serve as a baseline and allow VA to track the use of its mental health enhancement funds by repeating the survey later in the study. This study is designed to provide detailed information on services currently provided, workload, cost, staffing, types of care, referral patterns, and use of primary care and mental health specialists. All of this information will facilitate the successful implementation of the Mental Health Strategic Plan, identify potential gaps in services, and guide the use of enhancement funds to improve patient care.

A second major deliverable is the identification of performance indicators to evaluate mental health care and patient outcomes, along with accompanying documentation of the justification for and strength of the indicators. These may also be adopted by VA to complement its current mental health measurement and quality improvement efforts. The level of detail and specificity in this evaluation reaches far beyond studies previously developed in VA.

New Policies, Procedures, or Process Improvements
VA mandated that all OEF/OIF veterans who come to VA for care be screened for TBI. Screening policy and procedures have been defined in a VA directive, standardized tools have been disseminated, and performance indicators have been implemented to ensure the mandate is met. Veterans with positive screens are offered timely follow-up evaluations by providers

with training and expertise in TBI evaluation and care. In addition, an algorithm for the management of TBI symptoms has been developed by VA experts and disseminated nationally to veterans and their families as well as to providers.

In 2008 VA experienced increased inquiries and usage of the VA-Guaranteed Home Loan and the Specially Adapted Housing (SAH) grants. Legislation passed which increased the maximum guaranty amount up to 175 percent of the Freddie Mac single-family conventional conforming loan limit in certain high cost areas. SAH maximum grant amounts were raised to $12,000 and $60,000 as a result of new legislation. In addition, these amounts will increase annually based on a cost-of-construction index. SAH grants of up to $14,000 for temporary residences, previously available only to veterans, are now available to veterans and servicemembers. This legislation also added disabilities resulting from severe burn injuries to the eligibility criteria for the SAH grant.

Other Important Results

In May 2008, VA began contacting nearly 570,000 recent combat veterans to ensure they knew about VA's medical services and other benefits. A contractor-operated "Combat Veteran Call Center" called two distinct populations of veterans from Iraq and Afghanistan: those who were sick or injured while serving in Iraq or Afghanistan and those who have been discharged from active duty but have not contacted VA for services.

More than 100 measures focused on **specialized health care** are now analyzed by health care program officials quarterly, with focus on such areas as access, prevention/health promotion, cardiovascular disease, mental health, and most recently, measures related to health care for OEF/OIF servicemembers and veterans focused in part on combat related disorders such as TBI, PTSD, Substance Use Disorder, and depression.

Current measures are being refined and new measures have been designed to evaluate access to services and assess the **quality** of patient care across the continuum of care and in a broad variety of settings, including inpatient, outpatient, emergency, rehabilitation, and long-term care settings. Quality is further evaluated in special populations such as women, mentally ill, spinal cord injury, and OEF/OIF.

As of July 2008, VA processed 789 SAH grants for severely disabled veterans to build a new or adapt an existing dwelling to meet their adaptive housing needs and allow them to live more independently. This is a 21 percent increase in grant volume from 2007.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Strategic Objective 1.1

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target	Recap	
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets			

Recap	
Green	0
Yellow	1
Red	0
Total	1

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

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Specially Adapted Housing Independence (Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence)	N/A	N/A	93.2%	Avail. 12/2008	Avail. 12/2009	98.0%	99.0%
Percent of severely-injured or ill OEF/OIF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient (through July)	N/A	N/A	Baseline	91%	* 89% Y	92%	95%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 1.2
Decisions on Disability Compensation Claims

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

Making a Difference for the Veteran

One-Stop Service for Soldiers

VA opened the newly expanded Fort Bragg VA benefits office, located at the Soldier Support Center. The VA benefits office is now considered a one-stop service for soldiers by offering everything from VA intake interviews to medical examinations, as well as on-site vocational rehabilitation and employment counselors.

In 1998, VA opened a Benefits Delivery at Discharge (BDD) site in Fort Bragg, North Carolina. The BDD program expedites the disability claims process by completing claim development actions prior to a servicemember's release from active duty. As a result, BDD participants receive their disability compensation benefits shortly after release from active duty.

In 2008, VA opened the newly expanded Fort Bragg VA benefits office, located at the Soldier Support Center. The VA benefits office is now considered a one-stop service for soldiers. The office offers everything from VA intake interviews to medical examinations, as well as on-site vocational rehabilitation and employment counselors. VA also shares the Center with a multitude of other services including the Army Career and Alumni Program and four veterans service organizations.

VA's new facility was built with a complete, seamless transition from active duty to civilian life in mind. Fort Bragg soldiers and veterans praise everything from the location's accessibility, ease of use, and privacy to the one-stop service experience provided by the facility.

The Benefits Delivery Office is open from 8:00 a.m. to 4:00 p.m. weekdays. Information on VA benefits can also be obtained by calling toll-free 1-800-827-1000, or by visiting the VA Web site at **Web**: www.va.gov.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

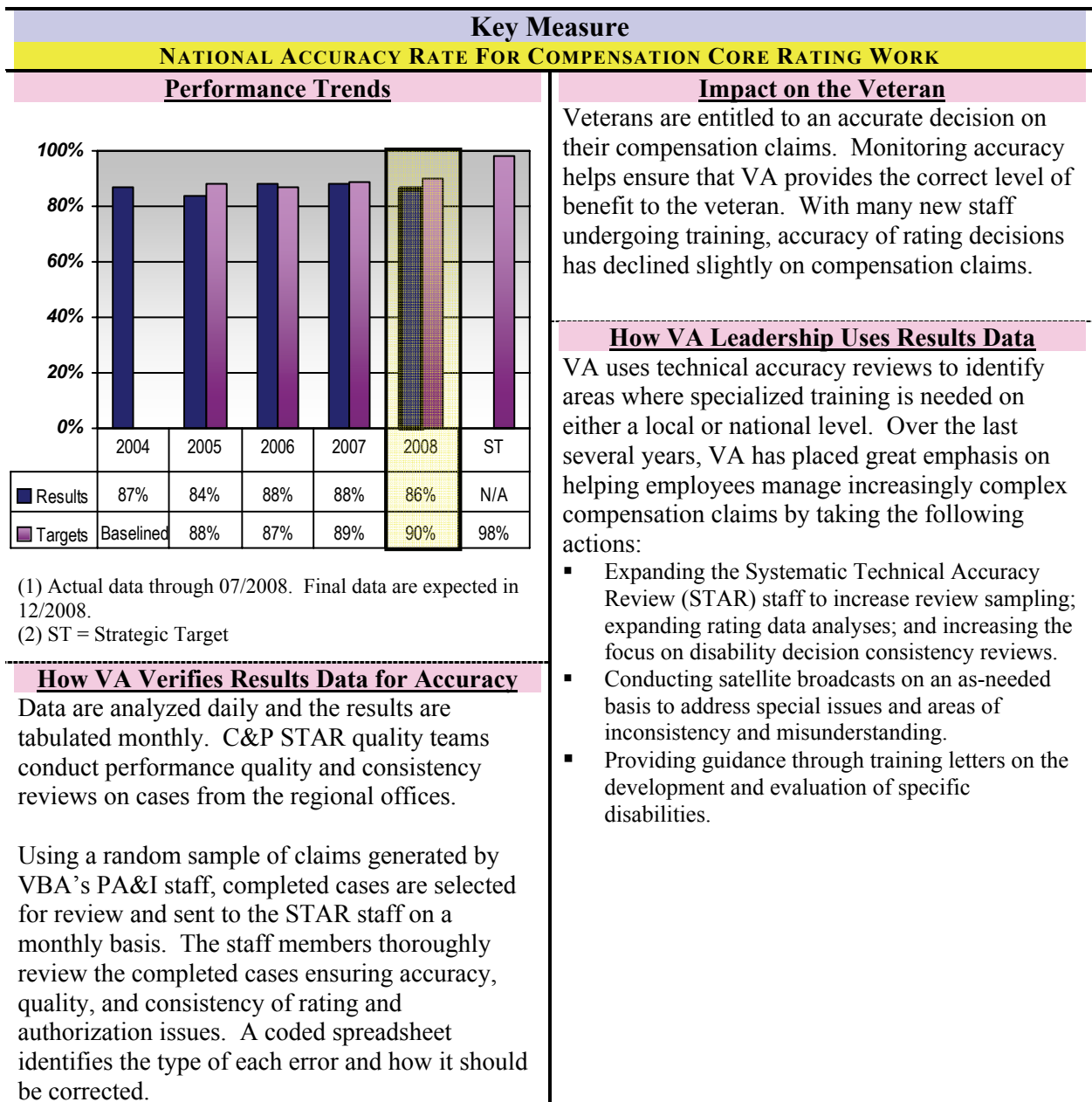| Key Measure |
|---|
| **AVERAGE DAYS TO PROCESS COMPENSATION AND PENSION RATING-RELATED ACTIONS** |

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	166	167	177	183	179	N/A
□ Targets	145	145	185	160	169	125

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (that is, Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an enterprise data warehouse.

VBA's Performance Analysis & Integrity (PA&I) staff assesses the data on a monthly basis to detect discrepancies that would indicate an error in the automated data collection system. This review by PA&I staff and leadership ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines.

Impact on the Veteran

The average length of time it takes to process claims for compensation or pension has decreased by 4 days from 183 days in 2007 to 179 days in 2008. For the veteran, this is a slight improvement over last year's results and it means that on average they are waiting slightly less time for a compensation or pension claim decision.

How VA Leadership Uses Results Data

To improve the average days to process, VA hired nearly 2,000 new employees in 2008. As these new employees are trained and gain experience, they will help reduce processing time. In addition, consolidation of original and reopened disability and death pension claims to the three Pension Management Centers (PMCs), which began in May 2008, was completed in September 2008. Survivors benefit claims and dual claims (having both compensation and pension issues) will be consolidated to the three PMCs in FY 2009. This increases the resources dedicated to disability claims processing.

Key Measure
AVERAGE DAYS PENDING FOR RATING-RELATED COMPENSATION ACTIONS

Performance Trends							Impact on the Veteran

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	120	122	130	132	121	N/A
Targets	Baselined	119	150	127	120	100

(1) 2007 result is corrected.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (that is, Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an enterprise data warehouse.

VBA's Performance Analysis & Integrity (PA&I) staff assesses the data on a monthly basis to detect discrepancies that would indicate an error in the automated data collection system. This review by PA&I staff and leadership ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines.

Impact on the Veteran

On average, compensation claims that require a rating decision are pending 11 fewer days in 2008 than in 2007. This means that the veteran is waiting less time, on average, for a decision from VA on their compensation claim.

How VA Leadership Uses Results Data

To reduce the average days pending, VA is adding more resources. VA hired nearly 2,000 new employees in 2008. In addition, consolidation of original and reopened disability and death pension claims to the three Pension Management Centers (PMCs), which began in May 2008, was completed in September 2008. Survivors benefit claims and dual claims (having both compensation and pension issues) will be consolidated to the three PMCs in FY 2009. This increases the resources dedicated to disability claims processing.

Key Measure
NATIONAL ACCURACY RATE FOR COMPENSATION CORE RATING WORK

Performance Trends	**Impact on the Veteran**

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	87%	84%	88%	88%	86%	N/A
Targets	Baselined	88%	87%	89%	90%	98%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are analyzed daily and the results are tabulated monthly. C&P STAR quality teams conduct performance quality and consistency reviews on cases from the regional offices.

Using a random sample of claims generated by VBA's PA&I staff, completed cases are selected for review and sent to the STAR staff on a monthly basis. The staff members thoroughly review the completed cases ensuring accuracy, quality, and consistency of rating and authorization issues. A coded spreadsheet identifies the type of each error and how it should be corrected.

Impact on the Veteran

Veterans are entitled to an accurate decision on their compensation claims. Monitoring accuracy helps ensure that VA provides the correct level of benefit to the veteran. With many new staff undergoing training, accuracy of rating decisions has declined slightly on compensation claims.

How VA Leadership Uses Results Data

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

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

Additional Performance Information for Strategic Objective 1.2

OIG Major Management Challenges
- Workload (see page 274 for more details)
- Quality (see page 276 for more details)
- Staffing (see page 278 for more details)

- Benefits Delivery Network System Records (see page 287 for more details)

GAO High-Risk Areas
- Modernizing Federal Disability Programs (see page 307 for more details)

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during CY 2002, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 75 for more information.

Program Evaluations

In July 2007 the President's Commission on Care for America's Returning Wounded Warriors, led by Robert Dole and Donna Shalala, provided recommendations to improve and modernize the VA disability compensation program. An example of VBA action taken from recommendations of the Disability Evaluation Report is the Disability Evaluation System (DES) pilot currently underway in the National Capital Region. The pilot focuses on a DoD-administered single comprehensive medical examination and a single disability evaluation provided by VA. The goals of the pilot program are to reduce the overall time it takes a servicemember to progress through DES from the time of referral to the Medical Examination Board to the receipt of VA benefits.

The Veterans' Disability Benefits Commission began work in May 2005. The purpose of the Commission was to carry out a study of the benefits under the laws of the United States provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service, and to produce a report on the study. The Commission issued its findings and recommendations in October 2007.

VA is studying the Commission's recommendations and has acted upon them by hiring a contractor to conduct a study and make recommendations regarding Transition payments, quality-of-life payments, and earnings loss payments in the compensation structure. The study began in February 2008.

New Policies, Procedures, or Process Improvements

VA proposed a regulation to implement the Expedited Claims Adjudication (ECA) Initiative. The regulation allows represented claimants to voluntarily waive certain response timelines, agree to respond quickly to VA requests for evidence, and file any desired appeals in an expedited manner. The regulation is under development and should result in a reduced Appeals Resolution Time for ECA appeals in this 2-year pilot project.

Other Important Results

BVA's Leadership Initiative provides opportunities for all Board employees, as well as employees of other organizations within and outside of VA, to improve their leadership skills through training, mentoring, and networking. Events include programs where Senior Counsel shared their insights and experiences with regard to career development; a book discussion focusing on leadership; networking breakfasts; and a service event to provide comfort items for active duty personnel stationed in Iraq and Afghanistan.

The Board also sends high producing, high quality attorneys, veterans law judges, and administrative professionals to Leadership VA, as well as leadership seminars and programs offered through the United States Office of Personnel Management's Federal Executive Institute and the Management Development Centers. All of these various training courses are an integral part of the Board's plan to develop its future leaders.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on page 228.

Complete Listing of Measures Supporting Strategic Objective 1.2

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

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

Recap	
Green	5
Yellow	4
Red	2
Total	11

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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
National accuracy rate (core rating work) % (Compensation) (through July)	87%	84%	88%	88%	* 86% Y	90%	98%
Rating-related compensation actions - average days pending (a) Corrected	120	122	130	(a) 132	121 Y	120	100
Compensation & Pension rating-related actions - average days to process	166	167	177	183	179 R	169	125
Overall satisfaction rate % (Compensation)	59%	58%	(1) N/A	(1) N/A	(1) N/A	65%	90%
National accuracy rate (compensation authorization work) % (through July)	90%	90%	91%	92%	* 95% G	93%	98%
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans	N/A	N/A	N/A	(2)	(2)	(2)	(2)
Percent of compensation recipients who were kept informed of the full range of available benefits	43%	44%	(1) N/A	(1) N/A	(1) N/A	53%	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing their quality of life	N/A	N/A	N/A	(2)	(2)	(2)	(2)
National accuracy rate (Fiduciary work) % (Compensation & Pension) (through July)	81%	85%	83%	84%	* 82% Y	85%	98%
Productivity Index % (Compensation and Pension)	N/A	N/A	90%	88%	79% R	90%	100%
Deficiency-free decision rate (BVA)	93.0%	89.0%	93.0%	94.0%	95.0% G	92.0%	92.0%
Appeals resolution time (Number of Days) (Joint BVA-VBA Compensation and Pension measure) (a) 2008 and Strategic Targets established by BVA	529	622	657	660	645 G	(a) 700	(a) 675
BVA Cycle Time (Days)	98	104	148	136	155 Y	150	104
Appeals decided per Veterans Law Judge (BVA)	691	621	698	721	754 G	752	800
Cost per case (BVA time only)	$1,302	$1,453	$1,381	$1,337	$1,365 G	$1,648	$1,619
(1) No customer satisfaction survey was performed for 2006-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.							
(2) This measure is being removed as it does not reflect the intent of the governing statute of the Compensation program.							

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 1.3
Suitable Employment and Special Support

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

Making a Difference for the Veteran

VA Hires Veteran Employment Coordinators

The staff of the newly-established Veterans Employment Coordination Service recently gathered in Washington, DC for their initial training conference.

In November 2007, the Department of Veterans Affairs (VA) announced the hiring of 10 full-time Regional Veterans Employment Coordinators to focus efforts to attract, recruit, and hire veterans throughout the Department. These regional coordinators will work with over 160 Local Veteran Employment Coordinators at human resources offices throughout the Department.

"After our young men and women have concluded serving in our military, VA will use every hiring flexibility available to bring their talents and skills to our Department should they want to continue to serve this great Nation through VA," said Deputy Secretary of Veterans Affairs Gordon H. Mansfield.

"VA believes enhancing a veteran's opportunity for employment is not merely the obligation of a grateful Nation. It is good government and good business. This stepped-up recruitment and hiring of veterans into the Department of Veterans Affairs ensures we are able to employ some of our Nation's most highly motivated, disciplined, and experienced citizens," added Mansfield.

During FY 2007, 31 percent of VA employees were veterans, and nearly 7.7 percent were service-connected disabled veterans.

VACO Veterans Career Fair a "Huge Success"

Veterans Rick Schiessler and Billy Wright have a conversation while at the One-VA Veterans Career Fair.

More than 300 veterans attended the One-VA Veterans Career Fair in September to learn more about jobs available at VA Central Office (VACO) and local VA facilities. This was the first job fair hosted by VACO Human Resources (HR) aimed specifically at veterans and the turnout exceeded all expectations. "The job fair was a huge success and is another indication of VA's commitment to serving veterans," said Acting Deputy Assistant Secretary for Human Resources Management Willie L. Hensley. "I plan to ask the administrations and staff offices to help us expand this effort to local communities around the country."

Participating veterans learned about the federal application process, had questions answered by HR professionals, and talked one-on-one with VA employers from VHA, VBA, NCA, IT, General Counsel, and other offices seeking to fill positions. The job fair, along with other veteran recruitment programs such as the Veterans Employment Coordinator Service, is one of several VA HR initiatives designed to help VA meet its succession planning goals and boost the number of veteran employees in its workforce.

Significant Trends, Impacts, and Use and Verification of FY 2008 Results

Key Measure
VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E) REHABILITATION RATE

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	62%	63%	73%	73%	76%	N/A
■ Targets	67%	66%	69%	73%	75%	80%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are verified monthly against the source data by Vocational Rehabilitation and Employment Service analysts and distributed to regional offices.

The regional offices review the data to ensure alignment with activities performed and that the data agree with the raw data submitted for analysis.

Impact on the Veteran

A "rehabilitated" veteran is one who successfully completes the rehabilitation program plan. Rehabilitated veterans are capable and equipped with the required skills and tools needed to hold suitable employment or improved ability to live independently.

Over the past several years, VA has improved performance in this area due to several factors including the following:

- VA has placed an increased focus on ensuring veterans are employable by completing the program.
- The hiring of employment coordinators has allowed VA to refine the employment coordinator role and provide more direct job placement services.
- Training of counselors, managers, and employment coordinators has enabled VA to provide a higher quality of service to veterans. Training is focused on Maximum Rehabilitation Gains, Functional Capacity Evaluations, use of Cognitive Assistive Devices, and Independent Living.

How VA Leadership Uses Results Data

The key indicator of the effectiveness of the VR&E program is the rehabilitation rate. The measure is used to assess the performance of vocational rehabilitation counselors, counseling psychologists, VR&E officers, and regional office directors as well as the effectiveness of the program and services provided.

For detailed information on how this measure is calculated, please see the definitions section in Part IV.

Additional Performance Information for
Strategic Objective 1.3

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Vocational Rehabilitation and Employment Program during CY 2006, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 76 for more information.

Program Evaluations

In response to the Secretary's Task Force Report of 2004 on the Vocational Rehabilitation and Employment Program, an outside entity was contracted to perform a Veterans Employability Research Study to quantify and document reasons veterans discontinue the VR&E Program before completion.

Upon receipt of the Veterans Employability Research Study findings in February 2008, VR&E contracted an outside entity to perform a follow-up study on employment-based rehabilitated veterans. In contrast to the Veterans Employability Research Study, this study will:

- Examine the employment activities of successfully rehabilitated employment-based participants as well as those who discontinued program participation.

- Give VR&E Service an understanding of optimal needs and services for vocational rehabilitation participants and their successful readjustment to civilian employment.

Other Important Results

VR&E Service conducted several training sessions for counselors, managers, and employment coordinators on topics including:

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

In addition, VR&E Service completed 2 of 6 Electronic Performance Support System (EPSS) modules. These modules provide reference tools for current staff and a standardized training tool for newly hired staff, ensuring consistent service provision to veterans.

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

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 228.

Complete Listing of Measures Supporting Strategic Objective 1.3

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

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

Objective 1.3: 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.

Rehabilitation rate % (VR&E)	62%	63%	73%	73%	76% G	75%	80%
Speed of entitlement decisions in average days (VR&E)	57	62	54	54	48 G	52	40
Accuracy of decisions (Services) % (VR&E)	86%	87%	82%	77%	82% G	79%	96%
Customer satisfaction (Survey) % (VR&E) (1) No customer satisfaction survey was performed for 2005-2007. (2) 2008 data will be available by the end of CY 2009.	79%	(1) N/A	(1) N/A	(1) N/A	(2) TBD	84%	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	94%	97%	95%	93%	95% G	94%	99%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E)	N/A	N/A	73%	73%	75%G	75%	80%
Common Measures**							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	80%
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	85%
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	$8,856	$8,000 G	$8,000	$6,500
** These are designated as "common measures" because they are also used by other agencies that manage vocational rehabilitation programs. They also support the Performance Improvement Initiative of the President's Management Agenda. Targets shown above are estimates and may change. VBA anticipates receiving the first batch of data from the Department of Labor in December 2008. This information will be used to set a baseline.							

Recap

Green	6
Yellow	0
Red	0
Total	6

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 1.4
Improved Standard of Living for Eligible Survivors

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

Making a Difference for the Veteran

Advisory Committee on Gulf War Veterans

Gulf War veterans made an invaluable contribution to national security and peace in a volatile region. Established by Secretary Peake in April 2008, the Advisory Committee on Gulf War Veterans will review the Department's benefits and services and recommend policies to ensure that they adapt to the needs of veterans who served in the Southwest Asia theater of operations during 1990–1991.

The 14-member committee is comprised of Gulf War and other veterans, veterans service organizations' representatives, medical experts, and the survivor of a Gulf War veteran. These members were selected to provide a variety of perspectives, experiences, and expertise.

The committee held its first meeting in June 2008 and its second in September.

Department of Veterans Affairs
2008
Gulf War Advisory Committee

During the meetings, the committee has received in-depth presentations on benefits, services, and clinical standards and practices from the National Cemetery, Veterans Benefits, and Veterans Health Administrations. Veterans from across the country have attended the meetings and given their perspectives and recommendations during public comment periods. Additionally, veterans who have not been able to travel to the meetings have been able to listen through the Veterans Affairs Nationwide Teleconferencing System (VANTS) and submit their comments in writing.

During the September meeting, the committee spoke with five Gulf War veterans at the Washington, DC VA Medical Center. The members were able to hear veterans' experiences with the claims process as well as their experiences at the medical center. The veterans were candid in voicing their concerns and appreciative for the opportunity to speak face to face with a committee formed to address Gulf War veterans' health care and benefits needs. The committee is expected to complete its work within 18 months.
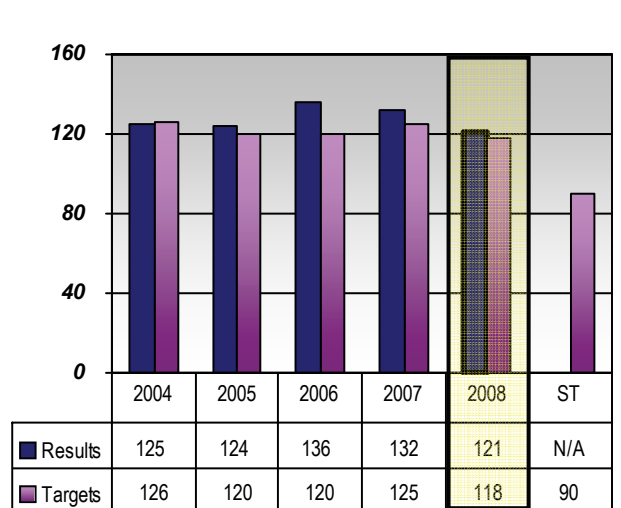
Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
AVERAGE DAYS TO PROCESS DEPENDENCY AND INDEMNITY COMPENSATION (DIC) ACTIONS

| | Performance Trends | | Impact on the Veteran |

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	125	124	136	132	121	N/A
Targets	126	120	120	125	118	90

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (that is, Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process.

VBA's Performance Analysis & Integrity (PA&I) staff assesses the data on a monthly basis to detect discrepancies that would indicate an error in the automated data collection system. This review by PA&I staff and leadership ensures accurate reporting, consistency, and absence of anomalies.

Impact on the Veteran

Although VA missed the 2008 target by 3 days, the length of time it takes to process a DIC claim has decreased from an average of 132 days in 2007 to 121 days in 2008. Thus, compared with 2007, survivors and dependents wait on average 11 fewer days to receive their benefits.

How VA Leadership Uses Results Data

Based on recent performance and the strong desire to improve, VA leadership will consolidate DIC claims processing within three Pension Management Centers in 2009.

Through this centralization, leadership anticipates that DIC claims processing will experience improvements in timeliness without sacrificing accuracy of decisions.

Additional Performance Information for Strategic Objective 1.4

OIG Major Management Challenges

- Workload (see page 274 for more details)
- Quality (see page 276 for more details)
- Staffing (see page 278 for more details)
- Benefits Delivery Network System Records (see page 287 for more details)

GAO High-Risk Areas

- Modernizing Federal Disability Programs (see page 307 for more details)

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during CY 2002, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 75 for more information.

Program Evaluations

The Veterans' Disability Benefits Commission began work in May 2005. The purpose of the Commission was to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service, and to produce a report on the study. The Commission issued its findings and recommendations in October 2007.

In response to the recommendations, VA contracted with Economic Systems, Inc., to conduct studies and provide recommendations for incorporating Long-Term Transition Payments, Quality of Life Benefit Payments, and Earnings Loss Payments into the VA compensation

structure. The study began in February 2008.

New Policies, Procedures, or Process Improvements

In 2008 VA did the following:

- Began routine quarterly monitoring of compensation and pension rating decisions by diagnostic code.
- Began Disability Evaluation System (DES) pilot in the National Capital Region in cooperation with DoD for active duty persons entering the Physical Evaluation Board process in November 2007.
  - The pilot program aims to ensure that all servicemembers separating from service have the opportunity to enroll in the VA Health Care System.
- Began processing all Benefits Delivery at Discharge cases in a paperless environment in August 2008.
- Continued consolidation efforts including the following:
  - Consolidation of customer service calls to nine National Call Center, which began in November 2007 and is scheduled to be completed in FY 2009.
  - Establishment of a fiduciary hub pilot, consolidating fiduciary activities to one site in August 2008.
  - Consolidation of original pension and reopened pension work to the three Pension Management Centers, which began in May 2008 and concluded in September 2008.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 228.

Complete Listing of Measures Supporting Strategic Objective 1.4

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.							
Objective 1.4: Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.							
Average days to process - DIC actions (Compensation)	125	124	136	132	121 Y	118	90
Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)	80%	N/A	N/A	(2)	(2)	(2)	(2)
(2) This measure is being removed as it does not reflect the intent of the governing statute of the Compensation program.							

Recap

Green	0
Yellow	1
Red	0
Total	1

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

Strategic Goal Two

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

STRATEGIC OBJECTIVE 2.1
Reentry into Civilian Life

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

Making a Difference for the Veteran

VA Outreach to OEF/OIF Veterans

Dr. James B. Peake, Secretary of Veterans Affairs kicked off the outreach campaign by calling an injured OEF/OIF veteran to highlight VA services that were available to him.

In May, the Department of Veterans Affairs (VA) began contacting nearly 570,000 recent combat veterans to ensure they knew about VA's medical services and other benefits.

"We will reach out and touch every veteran of Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) to let them know we are here for them," said Dr. James B. Peake, Secretary of Veterans Affairs. "VA is committed to getting these veterans the help they need and deserve."

A "Combat Veteran Call Center" telephoned two distinct populations of veterans from Iraq and Afghanistan.

In the first phase, calls went to an estimated 15,500 veterans who were sick or injured while serving in Iraq or Afghanistan. VA offered to appoint a care manager to work with them if they did not already have one. Care managers ensure veterans receive appropriate care and know about their VA benefits.

For 5 years after their discharge from the military, these combat veterans have special access to VA health care. VA personnel have been deployed to the military's major medical centers to assist wounded servicemembers and their families during the transition to civilian lives.

The second phase launched in June is targeting 550,000 OEF/OIF veterans who have been discharged from active duty but have not contacted VA for services. Once contacted, veterans are informed about VA's benefits and services.

"We will leave no stone unturned to reach these veterans," said Dr. Edward Huycke, Chief of the Veterans Affairs - Department of Defense coordination office.

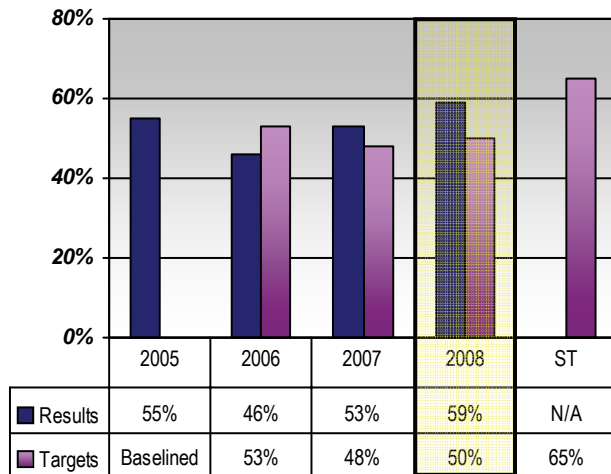## Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure

PERCENT OF APPOINTMENTS FOR PRIMARY CARE SCHEDULED WITHIN 30 DAYS OF DESIRED DATE FOR VETERANS AND SERVICEMEMBERS RETURNING FROM A COMBAT ZONE

Performance Trends	Impact on the Veteran

Performance Trends

	2007	2008	ST
Results	95%	97%	N/A
Targets	90%	96%	97%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA's VistA scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data quality/accuracy standards are applied, and data pulls undergo audits and ongoing verification to ensure accuracy. Collection staff is skilled and trained in proper procedures of the scheduling package.

Impact on the Veteran

Delivery of primary care is critical to preventative health care and timely disease identification for all Americans.

Timely access to VA medical staff and facilities is therefore critical to servicemembers returning from a combat zone. With a 96 percent result, VA is confident that veterans are receiving primary care when and where they need it.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times by improving efficiencies, addressing missed opportunities, and providing management with information to make resource decisions as they relate to servicemembers returning from a combat zone. For example, a) during FY 2008, 29 VHA facilities with the largest numbers of patients waiting to be seen were paired (in order to receive coaching) with 29 facilities of the same complexity levels with the fewest numbers of patients waiting. Excellent results have accrued; b) VHA has defined staff support ratios essential to optimizing Primary Care panel management. Tracking of staff support ratios is ongoing; during FY 2008, facilities in which staff support ratios were found to be sub-optimal were required to provide action plans and timelines to bring the facilities into compliance.

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

Performance Trends

	2005	2006	2007	2008	ST
Results	55%	46%	53%	59%	N/A
Targets	Baselined	53%	48%	50%	65%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Fully automated VETSNET Operations Report (VOR) data are available on a continuous basis regarding the number of BDD and Quick Start claims received and completed. C&P staff reviews the data monthly to identify trends in the number and types of claims being filed through the BDD and Quick Start claims process. Participation rate information is calculated at the end of the fiscal year by DoD.

Impact on the Veteran

The Benefits Delivery at Discharge (BDD) and Quick Start programs provide a seamless transition from the DoD health care system into the VA medical and benefits system.

The BDD program helps servicemembers who have only 60 to 180 days remaining before separation and/or retirement to file for VA service-connected disability compensation. The Quick Start program helps servicemembers with fewer than 60 days to discharge or who do not meet the BDD criterion requiring availability for all examinations prior to discharge to submit a claim prior to discharge.

In 2008, VA received more than 47,000 pre-discharge BDD and Quick Start claims.

How VA Leadership Uses Results Data

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

Additional Performance Information for Strategic Objective 2.1

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

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

Program Evaluations

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

New Policies, Procedures, or Process Improvements

Pre-discharge claims for compensation are accepted within 180 days prior to separation at any intake site for National Guard members, Reservists, and those undergoing medical and physical evaluation boards.

In November 2007, VA and the Department of Defense began the Disability Evaluation System (DES) Pilot in the National Capital Region for those servicemembers entering the medical evaluation board and physical evaluation board process. In FY 2008, 712 servicemembers participated in the pilot. The pilot program aims to ensure that all servicemembers separating from service have the opportunity to enroll in the VA Health Care System. VA and DoD are exploring opportunities to expand the pilot beyond the National Capital Region.

In May 2008, the VA Outreach Office initiated a pilot demobilization program with the Army. The initial visit was made to Ft. Bragg, North Carolina, and Camp Shelby, Mississippi. The purpose of this initiative is to inform demobilizing reserve component (RC) combat veterans of their enhanced VA health care benefits during their mandatory demobilization separation briefings; offer assistance to demobilizing RC soldiers in completion of the enrollment form 1010EZ and collect completed forms; and develop a similar process for demobilizing RC combat veterans from the other services. VA encourages 100 percent enrollment at the demobilization sites. VA has executed outreach and enrollment programs at 15 Army sites, 4 Navy ports, 3 U.S. Marine bases, and will initiate support at Air Force and Coast Guard demobilization sites in the near future. Presently over 4,000 demobilizing RC veterans have completed the enrollment forms on site at demobilization stations across the Nation.

In July 2008, VA expanded the Benefits Delivery at Discharge (BDD) program to servicemembers separating from installations that do not have local memoranda of understanding with VA in place.

Because of the BDD program's unique process, it is being used to evaluate the viability of "paperless claims processing." All contents of a BDD claims folder, including a servicemember's application for benefits, VA's duty to assist notification letter, and Service Treatment records are scanned into the Virtual VA imaging and document management repository to establish a complete "e-Folder." VBA employees review the e-Folder rather than the paper claims folder to support any necessary development and conduct the rating decision through the use of the VETSNET suite of applications. Effective in August 2008, all new BDD claims are processed in the paperless claims environment.

Other Important Results

VA is actively participating in the DoD Post Deployment Health Reassessment (PDHRA) program at Reserve and Guard locations by providing information on VA care and benefits, enrolling Reservists and Guardsmen in the VA healthcare system, and arranging appointments for referred servicemembers. Since inception in 2007, over 208,450 Reserve and Guard members completed the PDHRA on-site screen resulting

in over 43,700 referrals to VHA facilities and 20,025 referrals to Vet Centers.

VA's Center for Faith-Based and Community Initiatives (CFBCI) develops and coordinates VA's outreach efforts to disseminate information more effectively to faith-based and other community organizations (FBCOs) in the provision of services to OEF/OIF veterans. FBCOs partner with local VA programs within the community to enhance service delivery options.

An example of this effort is the VA Chaplain Service Veterans Community Outreach Initiatives, which provide training to local clergy in the community. Local VA chaplains conduct half-day training events throughout the country to provide education and resources for clergy members and others regarding physical, mental, and spiritual health issues experienced by some returning warriors and their families. VA Chaplain Service has sponsored 65 Education Day Events around the Nation and distributed over 2,600 Resource Information Packets on caring for returning warriors and their families. Chaplain Open Houses provide local FBCOs with information about existing programs and how they can participate in these programs. VA hosted 23 Open Houses, which reached nearly 700 participants.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Strategic Objective 2.1

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap
Green	6
Yellow	0
Red	0
Total	6

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

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of veterans returning from a combat zone who respond "yes, completely" to survey questions on the following:							
If they believe that their VA provider listened to them (through July)	N/A	N/A	Baseline	64%	* 79% G	70%	76%
If they had trust and confidence in their VA provider (through July)	N/A	N/A	Baseline	59%	* 75% G	70%	76%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone	N/A	N/A	Baseline	95%	97% G	96%	97%
Percent of unclassified electronic DoD health records available electronically to VA clinicians for separated servicemembers (VHA)	N/A	N/A	N/A	100%	100% G	100%	100%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a servicemember's discharge (Compensation)	N/A	55%	46%	53%	59% G	50%	65%
Number of outpatient visits at Joint Ventures and significant sites (Facilities providing 500 or more outpatient visits and/or admissions per year) (VHA)	N/A	N/A	121,229	102,595	N/A	126,128	133,845
Number of pilot, demonstration, and existing programs implemented by VA in which faith-based and community organizations participate (CFBCI)	N/A	4	6	12	12 G	12	14

STRATEGIC OBJECTIVE 2.2
Decisions on Education Claims

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

Making a Difference for the Veteran

Enhanced Educational Benefits for America's Veterans

National Guard and the Reserves who serve on active duty will see a significant increase in their educational benefits.

Some members of the National Guard and the Reserves who serve on active duty will see a significant increase in their educational benefits, thanks to new improvements to the education benefit program.

"Reservists and National Guardsmen who serve multiple tours on active duty may get an increase in their educational benefits, in keeping with the value of their service to our Nation," said Secretary of Veterans Affairs Dr. James B. Peake in March.

Under new provisions, members who accumulate 3 years on active duty, regardless of breaks in service, may be eligible for the maximum payment under the Reserve Education Assistance Program (REAP). Previously, reservists and guardsmen had to serve 2 continuous years on active duty to receive the highest payment.

The new law, part of the National Defense Authorization Act of 2008, also expands the period of eligibility for certain Guard and Reserve members who complete their service obligation before separation from the selected reserve.

Additionally, some REAP-eligible National Guard and Reserve members may now make an extra contribution to the Department of Defense to increase their monthly benefit rates.

Participants in REAP and the Montgomery GI Bill program for the Selected Reserve who pursue non-degree programs lasting less than 2 years may also be eligible to receive accelerated payments.

For more information on changes to VA's GI Bill benefits, go to Web: www.GIBILL.va.gov or call 1-888-GIBILL1 (or 1-888-442-4551).

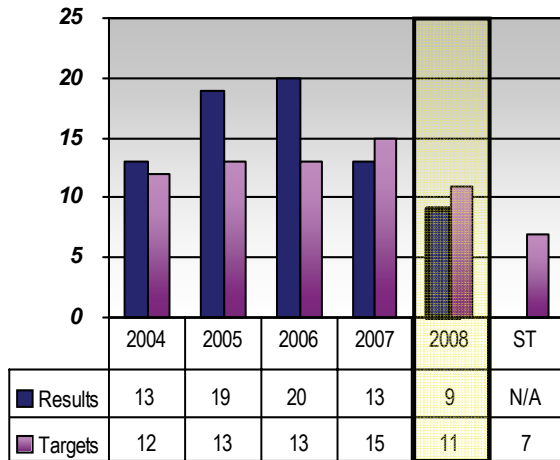## Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
AVERAGE DAYS TO COMPLETE ORIGINAL EDUCATION CLAIMS

Performance Trends	Impact on the Veteran

Impact on the Veteran

The timeliness of completing original education claims improved from 32 days in 2007 to 19 days in 2008. Thus, compared with 2007, veterans waited on average 13 fewer days to receive their initial award notification and payment. Timely payments to veterans for educational claims are critical to helping them meet their educational goals.

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	26	33	40	32	19	N/A
Targets	24	25	27	35	24	10

ST = Strategic Target

How VA Leadership Uses Results Data

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.

The improvement in performance during 2008 was primarily due to the continued performance of the Education Call Center that was established in 2007. The Call Center enabled Regional Processing Office (RPO) employees to process more claims and reduce the backlog of pending claims. Employees at the Call Center answered education program inquiries from servicemembers, reservists, veterans, and dependents.

How VA Verifies Results Data for Accuracy

Quality review staff verifies the data. Accuracy of timeliness data entry for quarterly quality review sample cases is examined to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data, and for those staff who enter the source data. Data are captured electronically and Distribution of Operational Resources (DOOR) reports are automatically generated. Data are analyzed monthly and verified quarterly.

Key Measure
AVERAGE DAYS TO COMPLETE SUPPLEMENTAL EDUCATION CLAIMS

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	13	19	20	13	9	N/A
■ Targets	12	13	13	15	11	7

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Quality review staff verifies the data. Accuracy of timeliness data entry for quarterly quality review sample cases is examined to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data, and for those staff who enter the source data. Data are captured electronically and Distribution of Operational Resources (DOOR) reports are automatically generated. Data are analyzed monthly and verified quarterly.

Impact on the Veteran

The timeliness of completing supplemental education claims improved from 13 days in 2007 to 9 days in 2008. Thus, compared with 2007, veterans waited on average 4 fewer days to receive their award notification and payment. Timely payments to veterans for educational claims are critical to helping veterans meet their educational goals.
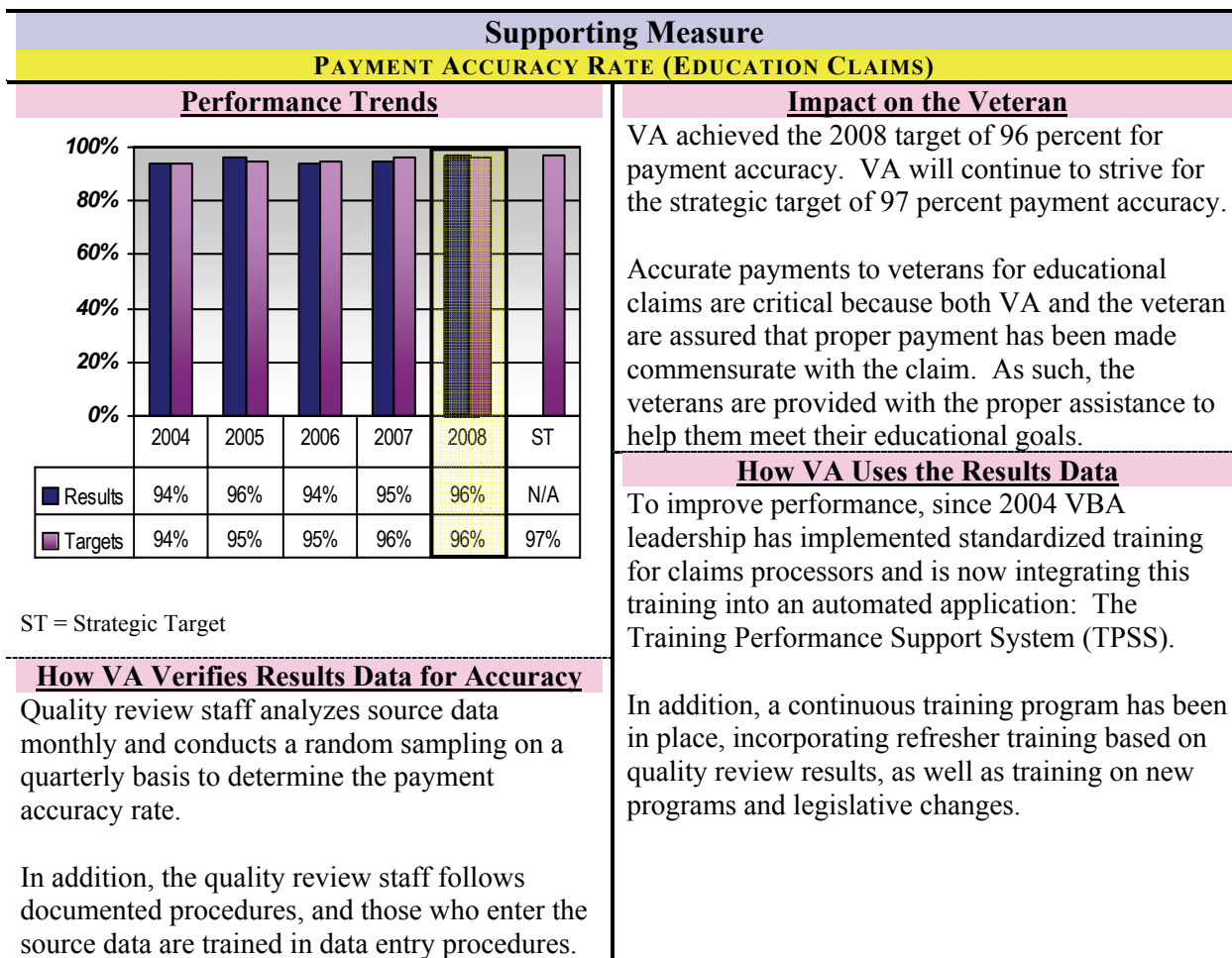
How VA Uses the Results Data

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions. As stated on the previous page, the formation of the Educational Call Center in 2007 enabled VA to process more supplemental claims and reduce the backlog of pending claims.

Supporting Measure
PAYMENT ACCURACY RATE (EDUCATION CLAIMS)

Performance Trends	**Impact on the Veteran**

Impact on the Veteran

VA achieved the 2008 target of 96 percent for payment accuracy. VA will continue to strive for the strategic target of 97 percent payment accuracy.

Accurate payments to veterans for educational claims are critical because both VA and the veteran are assured that proper payment has been made commensurate with the claim. As such, the veterans are provided with the proper assistance to help them meet their educational goals.

	2004	2005	2006	2007	2008	ST
Results	94%	96%	94%	95%	96%	N/A
Targets	94%	95%	95%	96%	96%	97%

ST = Strategic Target

How VA Uses the Results Data

To improve performance, since 2004 VBA leadership has implemented standardized training for claims processors and is now integrating this training into an automated application: The Training Performance Support System (TPSS).

In addition, a continuous training program has been in place, incorporating refresher training based on quality review results, as well as training on new programs and legislative changes.

How VA Verifies Results Data for Accuracy

Quality review staff analyzes source data monthly and conducts a random sampling on a quarterly basis to determine the payment accuracy rate.

In addition, the quality review staff follows documented procedures, and those who enter the source data are trained in data entry procedures.

Additional Performance Information for Strategic Objective 2.2

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Education program during CY 2003, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 77 for more information.

Program Evaluations

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

New Policies, Procedures, or Process Improvements

VA implemented several major policies and procedures that enhanced the ability of veterans and servicemembers to achieve educational and career goals in 2008, including the following:

- Issued instructions to implement Centralized Certification of Enrollment for educational institutions.

- Issued instructions for processing National Test claims, which allow VA to reimburse claimants for the fee charged for one national test for admission to institutions of higher learning under the Montgomery GI Bill-Selected Reserve and the Reserve Educational Assistance Program.
- Issued instructions for processing Reserve Educational Assistance Program additional contribution payments.
- Removed the signature requirement for hard copy applications for education benefits, thus reducing the workload and improving claims processing time. The signature requirement is not required by law.

Other Important Results

In 2008, Education Service implemented nine recommendations from its 2006 RPO workshop. The recommendations primarily dealt with policy and information technology systems-related modifications that improved VA's ability to process claims more efficiently.

Data Quality

VA is migrating information technology applications to the VBA corporate environment. We have begun development of the new Work Study Management System (WSMS), which

creates and manages contracts and timesheets associated with work study benefits, and the new Flight, On-the-job training, Correspondence, Apprenticeship System (FOCAS). Presently, both WSMS and the legacy FOCAS applications are single-user, stand-alone applications residing at the four VA RPOs. The current development efforts will move these applications to the VBA Web-based enterprise architecture. Consolidating the stand-alone applications into a single database is expected to improve the quality of data for both work study and FOCAS claims. WSMS is scheduled to be deployed in March 2009, and FOCAS is scheduled to be deployed in September 2009.

Data Verification and Measure Validation

More details on data verification and measure validation for the two key measures that support this objective is provided in the Key Measures Data Table on page 228.

Complete Listing of Measures Supporting Strategic Objective 2.2

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

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

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.

Average days to complete original education claims	26	33	40	32	19 G	24	10
Average days to complete supplemental education claims	13	19	20	13	9 G	11	7
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Estimate)	71%	71%	70%	70%	* 71% G	71%	80%
Customer satisfaction-high rating (Education)	86%	(1) N/A	(1) N/A	(1) N/A	(1) N/A	89%	95%
Telephone Activities - Blocked call rate % (Education)	20%	38%	43%	32%	4% G	20%	10%
Telephone Activities - Abandoned call rate % (Education) (a) Corrected	10%	17%	20%	(a) 14%	5% G	10%	5%
Payment accuracy rate % (Education)	94%	96%	94%	95%	96% G	96%	97%
Measures Under Development							
Percent of Montgomery GI Bill participants who successfully completed an education or training program	N/A	N/A	N/A	N/A	N/A	TBD	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal	N/A	N/A	N/A	N/A	(1) N/A	TBD	TBD
(1) No customer satisfaction survey was performed for 2005-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.							

Recap

Green	6
Yellow	0
Red	0
Total	6

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

Strategic Goal Three

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

STRATEGIC OBJECTIVE 3.1
Delivering Health Care

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

Making a Difference for the Veteran

VA Promoting Healthy Lifestyles
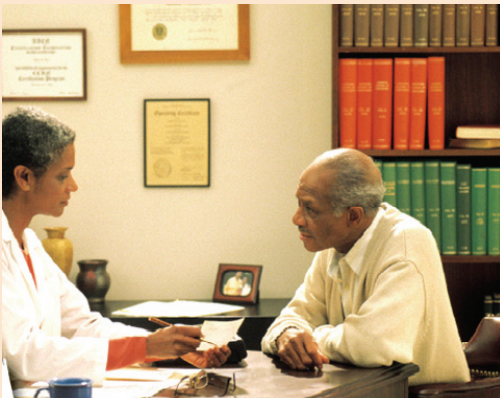
"VA's patients should consider themselves partners with our health professionals in managing their own care," said Dr. James B. Peake, Secretary of Veterans Affairs. "They need to ensure they eat right, exercise regularly, and stay on the move."

With more than 70 percent of patients coming to the Department of Veterans Affairs (VA) for health care found to be overweight, VA is boosting its efforts to increase veterans' fitness through exercise, good nutrition, and healthy lifestyles.

"VA's patients should consider themselves partners with our health professionals in managing their own care," said Dr. James B. Peake, Secretary of Veterans Affairs. "They need to ensure they eat right, exercise regularly, and stay on the move."

MOVE, in fact, is the name for a VA program at each of the Department's 153 medical centers in which veterans have their body fat measured and receive "prescriptions" for exercises and nutrition.

VA officials say the need for fitness is clear. Not only do its veteran patients have a higher rate of obesity than the rest of the country's population, but 20 percent of VA patients also have diabetes, a rate almost 3 times higher than other Americans.

Under VA's MOVE program, diabetic patients get regular screenings of blood sugar levels and other problem areas. Patients can complete a questionnaire about their lifestyle and vital signs that gives doctors information about how to best support patients' efforts to improve their lifestyles.

Veterans and VA employees are eligible to take part in a "Champions Challenge" by committing themselves to walk 100 miles in 100 days.
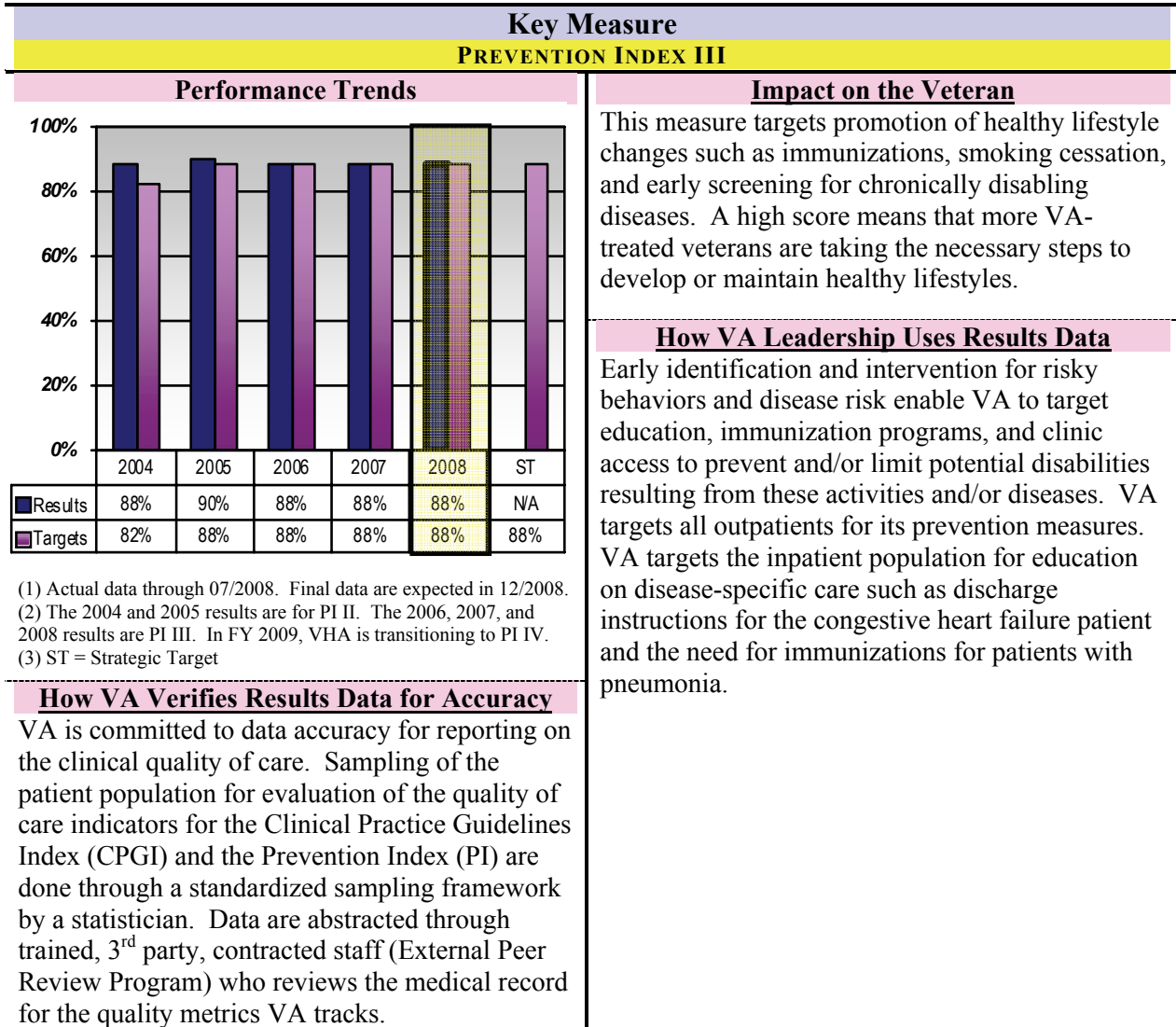
MOVE and the "Champions Challenge" are part of a broader VA program called HealthierUS Veterans. A joint project between VA and the Department of Health and Human Services, HealthierUS Veterans educates veterans and their families about the risks of obesity and diabetes, and encourages them to eat healthy, stay active, and get fit for life.
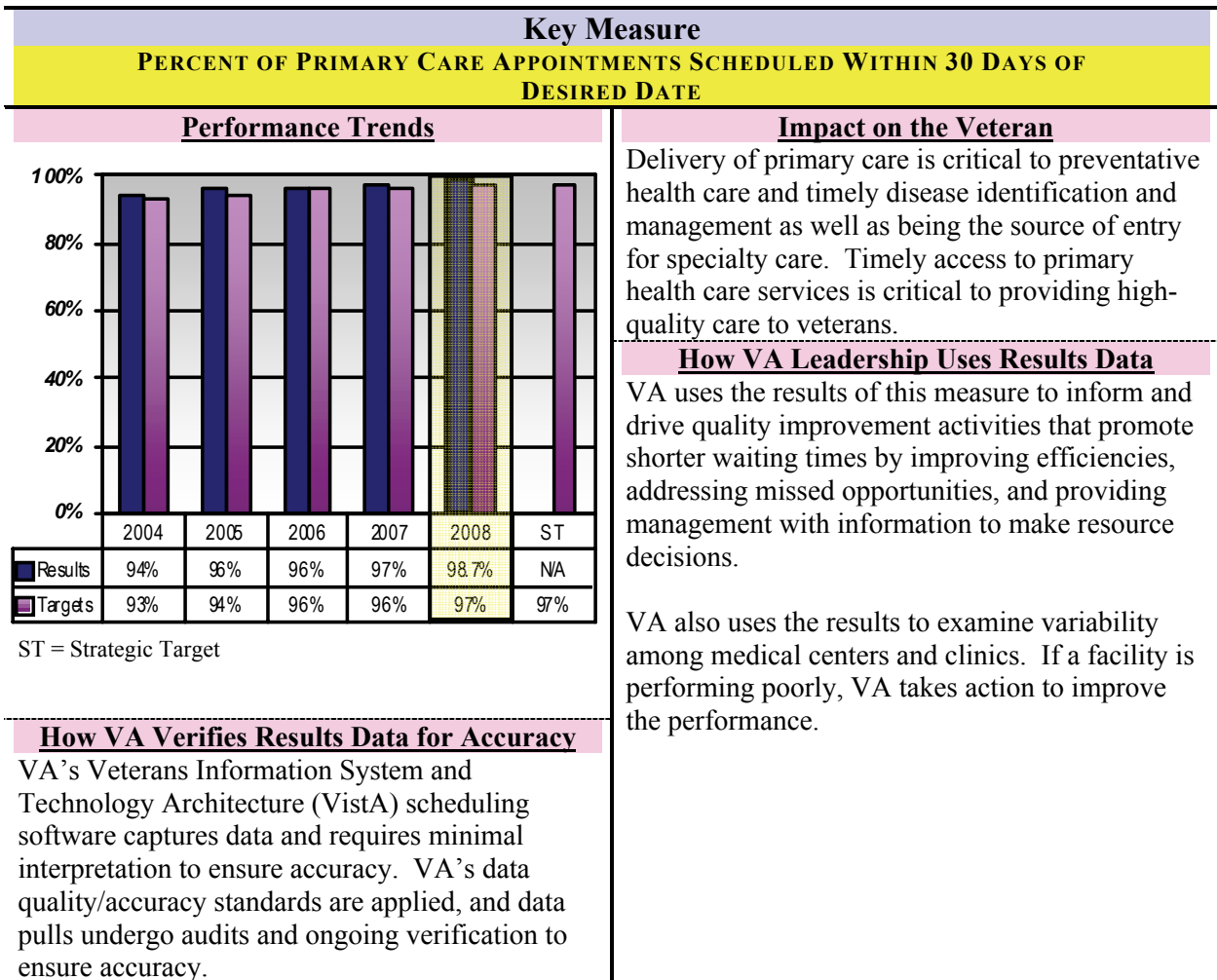
For more information about VA's MOVE program, visit the **Web** site at www.move.va.gov/.

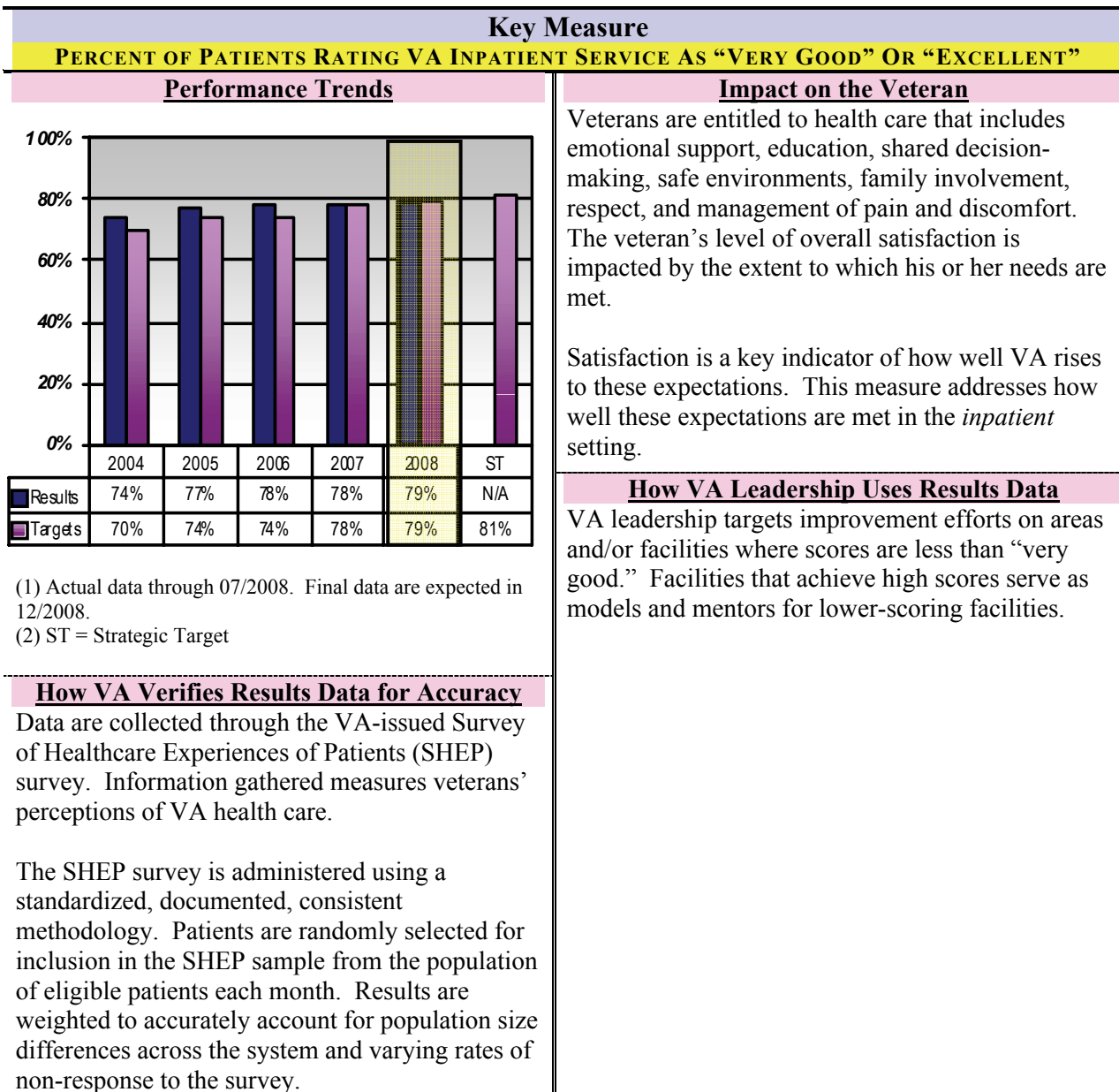## Significant Trends, Impacts, and VA's Use and Verification of FY 2008 Results

Key Measure
CLINICAL PRACTICE GUIDELINES INDEX II

Performance Trends	Impact on the Veteran

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	77%	87%	83%	83%	84%	N/A
Targets	70%	77%	77%	84%	85%	87%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) The 2004 and 2005 results are for CPGI I. The 2006, 2007, and 2008 results are CPGI II. In FY 2009, VHA is transitioning to CPGI III.
(3) ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for the Clinical Practice Guidelines Index (CPGI) and the Prevention Index (PI) are done through a standardized sampling framework by a statistician. Data are abstracted through trained, 3rd party, contracted staff (External Peer Review Program) who reviews the medical record for the quality metrics VA tracks.

Impact on the Veteran

This measure targets promotion of early identification and treatment of potentially disabling and/or deadly diseases such as acute cardiac diseases, hypertension, diabetes, major depressive disorder, and schizophrenia, as well as tobacco use cessation. VA uses this measure to assess the quality of health care being delivered to its patients in accordance with industry standards.

How VA Leadership Uses Results Data

Early identification and intervention of acute and potentially disabling chronic diseases enable VA to target education, disease management, and care access to prevent and/or limit the effects of potentially disabling diseases and improve the quality of life for the veteran.

Key Measure

PREVENTION INDEX III

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	88%	90%	88%	88%	88%	N/A
□ Targets	82%	88%	88%	88%	88%	88%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) The 2004 and 2005 results are for PI II. The 2006, 2007, and 2008 results are PI III. In FY 2009, VHA is transitioning to PI IV.
(3) ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for the Clinical Practice Guidelines Index (CPGI) and the Prevention Index (PI) are done through a standardized sampling framework by a statistician. Data are abstracted through trained, 3rd party, contracted staff (External Peer Review Program) who reviews the medical record for the quality metrics VA tracks.

Impact on the Veteran

This measure targets promotion of healthy lifestyle changes such as immunizations, smoking cessation, and early screening for chronically disabling diseases. A high score means that more VA-treated veterans are taking the necessary steps to develop or maintain healthy lifestyles.

How VA Leadership Uses Results Data

Early identification and intervention for risky behaviors and disease risk enable VA to target education, immunization programs, and clinic access to prevent and/or limit potential disabilities resulting from these activities and/or diseases. VA targets all outpatients for its prevention measures. VA targets the inpatient population for education on disease-specific care such as discharge instructions for the congestive heart failure patient and the need for immunizations for patients with pneumonia.

Key Measure

PERCENT OF PRIMARY CARE APPOINTMENTS SCHEDULED WITHIN 30 DAYS OF DESIRED DATE

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	94%	96%	96%	97%	98.7%	N/A
Targets	93%	94%	96%	96%	97%	97%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA's Veterans Information System and Technology Architecture (VistA) scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data quality/accuracy standards are applied, and data pulls undergo audits and ongoing verification to ensure accuracy.

Impact on the Veteran

Delivery of primary care is critical to preventative health care and timely disease identification and management as well as being the source of entry for specialty care. Timely access to primary health care services is critical to providing high-quality care to veterans.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times by improving efficiencies, addressing missed opportunities, and providing management with information to make resource decisions.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve the performance.

Key Measure
PERCENT OF SPECIALTY CARE APPOINTMENTS SCHEDULED WITHIN 30 DAYS OF DESIRED DATE

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	93%	93%	94%	95%	97.5%	N/A
■ Targets	90%	93%	93%	95%	95%	96%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA's Veterans Information System and Technology Architecture (VistA) scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data quality/accuracy standards are applied, and data pulls undergo audits and ongoing verification to ensure accuracy.

Impact on the Veteran

Specialty care appointments are the vehicle by which VA treats veterans with diseases and disabilities requiring specialized medical, rehabilitation, surgical, or other unique resources. Timely access to VA medical staff and facilities is therefore critical to those veterans in need of specialty care.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times by improving efficiencies, addressing missed opportunities, and providing management with information to make resource decisions.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

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

	Performance Trends					

	2004	2005	2006	2007	2008	ST
Results	74%	77%	78%	78%	79%	N/A
Targets	70%	74%	74%	78%	79%	81%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued Survey of Healthcare Experiences of Patients (SHEP) survey. Information gathered measures veterans' perceptions of VA health care.

The SHEP survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the SHEP sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

Impact on the Veteran

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

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

How VA Leadership Uses Results Data

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

Key Measure	
PERCENT OF PATIENTS RATING VA OUTPATIENT SERVICE AS "VERY GOOD" OR "EXCELLENT"	
Performance Trends	**Impact on the Veteran**

Impact on the Veteran

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

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

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	72%	77%	78%	78%	78%	N/A
■ Targets	72%	73%	73%	78%	79%	81%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued Survey of Healthcare Experiences of Patients (SHEP) survey. Information gathered measures veterans' perceptions of VA health care.

The SHEP survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the SHEP sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

How VA Leadership Uses Results Data

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

Key Measure	
ANNUAL PERCENT INCREASE OF NON-INSTITUTIONAL LONG-TERM CARE AVERAGE DAILY CENSUS USING 2006 AS THE BASELINE	
Performance Trends	**Impact on the Veteran**

<table>
<tr><td colspan="4"></td></tr>
<tr><td></td><td>2007</td><td>2008</td><td>ST</td></tr>
<tr><td>Results</td><td>-5.3%</td><td>31.7%</td><td>N/A</td></tr>
<tr><td>Targets</td><td>26.3%</td><td>7.7%</td><td>22.8%</td></tr>
</table>

Increasing the number of veterans receiving Home and Community-Based Care (HCBC) services provides veterans with an opportunity to improve the quality of their lives. HCBC promotes independent physical, mental, and social functioning of veterans in the least restrictive settings.

How VA Leadership Uses Results Data

VA uses the data to project the need for services, evaluate existing services, and promote access to required services. In addition, the data are used to establish VISN targets and evaluate VISN performance in meeting assigned workload levels in the HCBC area.

(1) 2006 Baseline = 43,325
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are verified through sampling against source data.

Additional Performance Information for Strategic Objective 3.1

OIG Major Management Challenges

- Quality of Health Care (see page 256 for more details)
- New and Significantly-Increased Health Problems Associated with OEF/OIF (see page 266 for more details)

GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care program during CY 2003, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 79 for more information.

Program Evaluations

A program evaluation of VA's oncology program is being conducted by Abt Associates in conjunction with Harvard Medical School. It was begun in 2005 and will be completed in 2010.

Given the complexity and unique nature of the different types of cancer, the scope of the study is limited to a subset of six oncologies which represent either the highest prevalence or special populations: lung, colorectal, prostate, myeloma, non-Hodgkins lymphoma, and breast cancer. **These six cancers account for about 73 percent of the 42,000 newly-diagnosed cancer cases in VA each year.**

The evaluation examines the quality of care for veteran patients and their clinical outcomes, as well as questions on access, availability and utilization of services, pain and end-of-life management, the use of pharmaceuticals and clinical trials, cancer care capabilities within each medical center, and cost.
In 2008 VA received two of the six cancer data sets, which included the performance indicators. The indicators are developed and vetted by cancer experts. We have received the measures of performance for colon, prostate, and lung cancers so far. We expect to receive them for breast and hematologic cancers, symptom management, and end-of-life care later in 2009.

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

New Policies, Procedures, or Process Improvements

VA has mandated that all OEF/OIF veterans who come to VA for care are screened for TBI. Screening policy and procedures have been defined in a VA directive.

OEF/OIF TBI screening is done through a clinical reminder and rolls up nationally. This provides information on all patients who qualify to be screened and identifies the patients requiring follow-up.

Veterans with positive screens are offered timely follow-up evaluations by providers with training and expertise in TBI evaluation and care. In addition, an algorithm for the management of TBI symptoms has been developed by VA experts and disseminated nationally to veterans and their families as well as to providers.

Other Important Results

Performance measurement data are collected on several domains of care on a quarterly basis. These domains include mental health, prevention/health promotion, access to timely care, health care measures for OEF/OIF, and inpatient care. Medical care experts then analyze the data to provide information to the system on these key areas. The analysis includes an examination of quality of care by gender, as well as care for specific populations such as spinal cord injury and disease-specific care. Our aim is to improve the quality of care for our veterans.

Data Verification and Measure Validation

More details on data verification and measure validation for the key measures that support this objective is provided in the Key Measures Data Table on pages 230-233.

Complete Listing of Measures Supporting Strategic Objective 3.1

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap

Green	6
Yellow	4
Red	0
Total	10

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

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of patients rating VA health care service as very good or excellent:							
Inpatient (through July)	74%	77%	78%	78%	* 79% G	79%	81%
Outpatient (through July)	72%	77%	78%	78%	* 78% Y	79%	81%
Percent of primary care appointments scheduled within 30 days of desired date	94%	96%	96%	97%	98.7% G	97%	97%
Percent of specialty care appointments scheduled within 30 days of desired date	93%	93%	94%	95%	97.5% G	95%	96%
Percent of new patient appointments completed within 30 days of desired date	N/A	N/A	N/A	N/A	Baseline	Baseline	95%
Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/A	N/A	N/A	N/A	Baseline	Baseline	10%
Clinical Practice Guidelines Index II (through July) The 2004 and 2005 results are for CPGI I. The 2006, 2007, and 2008 results are CPGI II. In FY 2009, VHA is transitioning to CPGI III.	77%	87%	83%	83%	* 84% Y	85%	87%
Prevention Index III (through July) The 2004 and 2005 results are for PI II. The 2006, 2007, and 2008 results are PI III. In FY 2009, VHA is transitioning to PI IV.	88%	90%	88%	88%	* 88% G	88%	88%
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline **(1) Baseline = 43,325**	N/A	N/A	(1) Baseline	-5.3%	31.7% G	7.7%	22.8%
Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list) (Estimate) (1) Corrected	N/A	N/A	(1) 3,700	127	* 96 G	<200	<200
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (through July)	69%	73%	74%	74%	* 76% Y	80%	90%
Percent of Admission notes by surgical residents that have a note from attending physician within one day of hospital admission to a surgery bed service	N/A	75%	86%	89%	89% Y	95%	95%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 3.2
Decisions on Pension Claims

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

Making a Difference for the Veteran

VA Improves Pension Processing Through Consolidation

Pictured above is the Milwaukee Regional Office which houses one of VBA's Pension Management Centers.

In September 2008, the Veterans Benefits Administration (VBA) completed consolidation of original pension claims for veterans and survivors from 57 regional offices to three Pension Management Centers (PMCs) located in Philadelphia, Pennsylvania, St. Paul, Minnesota, and Milwaukee, Wisconsin. Pension benefits provide monthly payments to income-eligible wartime veterans at age 65 or over or to those who are permanently and totally disabled. Additionally, the pension program provides monthly payments to income-eligible surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

VBA began its pension consolidation efforts in January 2002 when pension maintenance work was transferred from regional offices to the PMCs with three main tasks: 1) process annual Eligibility Verification Reports, 2) conduct integrity/matching programs, and 3) issue income maintenance awards. With the latest consolidation, the PMCs now have assumed the responsibility of processing all aspects of pension claims.

VBA demonstrated improved accuracy and oversight following the consolidation of pension maintenance work. The goal of this consolidation is to further improve accuracy, timeliness, and administration of benefits and services for all of our needs-based programs.

For more information, go to *Web*: www.vba.va.gov/bln/21/pension/index.htm or call 1-877-294-6380.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
AVERAGE DAYS TO PROCESS COMPENSATION AND PENSION RATING-RELATED ACTIONS

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	166	167	177	183	179	N/A
Targets	145	145	185	160	169	125

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (that is, Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an enterprise data warehouse.

VBA's Performance Analysis & Integrity (PA&I) staff assesses the data on a monthly basis to detect discrepancies that would indicate an error in the automated data collection system. This review by PA&I staff and leadership ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines.

Impact on the Veteran

The average length of time it takes to process claims for compensation or pension has decreased by 4 days from 183 days in 2007 to 179 days in 2008. For the veteran, this is a slight improvement over last year's results and it means that on average they are waiting slightly less time for a compensation or pension claim decision.

How VA Leadership Uses Results Data

To improve the average days to process, VA hired nearly 2,000 new employees in 2008. As these new employees are trained and gain experience, they will help reduce processing time. In addition, consolidation of original and reopened disability and death pension claims to the three Pension Management Centers (PMCs), which began in May 2008, was completed in September 2008. Survivors benefit claims and dual claims (having both compensation and pension issues) will be consolidated to the three PMCs in FY 2009. This increases the resources dedicated to disability claims processing.

Key Measure
AVERAGE DAYS TO PROCESS NON-RATING PENSION ACTIONS

| Performance Trends | | Impact on the Veteran |

Performance Trends
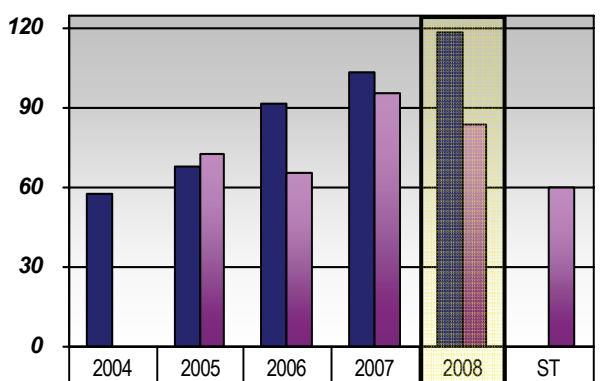
	2004	2005	2006	2007	2008	ST
■ Results	58	68	92	104	119	N/A
■ Targets	Baselined	73	66	96	84	60

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (that is, Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an enterprise data warehouse.

VBA's Performance Analysis & Integrity (PA&I) staff assesses the data on a monthly basis to detect discrepancies that would indicate an error in the automated data collection system. This review by PA&I staff and leadership ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines.

Impact on the Veteran

The average time to process non-rating pension actions in 2008 grew to 119 days, an increase of 15 days since 2007. This increase occurred as VA hired and trained new employees to handle the increased workload at the three Pension Management Centers (PMCs).

Training took time and resources away from claims processing and adjudication work. However, once new employees are fully trained, processing times will decrease.

How VA Leadership Uses Results Data

To address declining performance, VA consolidated the processing of original and reopened disability and death pension claims to the three Pension Management Centers (PMCs) in 2008.

Survivors benefit claims and dual claims (having both compensation and pension issues) will also be consolidated to the three PMCs in 2009. The consolidation strategy will increase resources dedicated to disability claims processing.

Key Measure
NATIONAL ACCURACY RATE FOR PENSION AUTHORIZATION WORK

Performance Trends	**Impact on the Veteran**

Impact on the Veteran

Despite increased workload, VA has continued to improve the accuracy of non-rating pension work, thereby ensuring that those veterans most in need of financial resources receive the maximum benefit payable.

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	84%	86%	88%	91%	92%	N/A
Targets	Baselined	84%	88%	89%	92%	98%

(1) Actual data through 07/2008. Final data are expected in 12/2008.
(2) ST = Strategic Target

How VA Leadership Uses Results Data

VA leadership uses technical accuracy reviews to identify areas where specialized training is needed on either a local or national level.

Leadership has expanded use of the C&P STAR quality staff to do more sampling and analysis of claims decisions.

With a greater number of pension-specific cases being reviewed by STAR quality staff, there is greater opportunity to provide feedback to the field, which has positive and immediate effects on accuracy.

How VA Verifies Results Data for Accuracy

Data are analyzed weekly and results are tabulated monthly and annually by the STAR quality staff. The information is entered manually into a nationalized database, which is reviewed on a monthly basis and provided to field stations for additional feedback. C&P STAR quality staff conducts claims processing accuracy reviews monthly for a random sample of cases from regional offices.

Additional Performance Information for Strategic Objective 3.2

GAO High-Risk Areas
- Modernizing Federal Disability Programs (see page 307 for more details)

OIG Major Management Challenges
- Workload (see page 274 for more details)
- Quality (see page 276 for more details)
- Staffing (see page 278 for more details)
- Benefits Delivery Network System Records (see page 287 for more details)

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Pension program during CY 2005, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 81 for more information.

Program Evaluations

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

New Policies, Procedures, or Process Improvements

VA expanded the STAR quality staff to perform routine quarterly monitoring of the most commonly rated disabilities in January 2008.

VA began a Disability Evaluation System (DES) pilot in the national capital region in cooperation with DoD for active duty persons entering the Physical Evaluation Board process in November 2007.

Benefits Delivery at Discharge centers began processing claims in a paperless environment in August 2008.

VA completed a pilot project of consistency reviews focused on individual unemployability decisions from a regional office identified as a statistical outlier.

VA continued improvement of exam worksheets, templates, and template-generated exam reports based on technical enhancements and field input. A satellite broadcast on improving quality of exam requests aired in early 2008.

The Department drafted rulemaking to update the following portions of the VA Schedule for Rating Disabilities:
- Organs of Special Sense (the eye)
- Neurological Conditions and Convulsive Disorders
- Evaluation of Scars

In February 2008, VA contracted with Economic Systems, Inc., to conduct studies and provide recommendations regarding Long-Term Transition Payments, Quality of Life (QOL) Benefit Payments, and Earnings Loss Payments in the VA compensation structure.

VA continued consolidation efforts such as the following:
- Began consolidation of customer service calls to nine National Call Centers in November 2007, which is scheduled to be completed in 2009.
- Established a fiduciary hub pilot, consolidating fiduciary activities to one site in August 2008.
- Began consolidation of original and reopened disability and death pension claims to the three Pension Management Centers in May 2008. This was completed in September 2008.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on page 232.

Complete Listing of Measures Supporting Strategic Objective 3.2

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap

Green	3
Yellow	1
Red	4
Total	8

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

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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008 Results	FY 2008 Targets	Strategic Target
Non-rating pension actions - average days to process	58	68	92	104	119 R	84	60
National accuracy rate (authorization pension work) % (through July)	84%	86%	88%	91%	* 92% G	92%	98%
Compensation & Pension rating-related actions - average days to process	166	167	177	183	179 R	169	125
National accuracy rate (core rating-related pension work) % (through July)	93%	90%	90%	91%	* 88% R	93%	98%
Rating-related pension actions - average days pending	77	83	90	89	87 G	90	65
Overall satisfaction rate % (Pension)	66%	65%	(1) N/A	(1) N/A	(1) N/A	71%	90%
Percent of pension recipients who were informed of the full range of available benefits	40%	41%	(1) N/A	(1) N/A	(1) N/A	45%	60%
Percent of pension recipients who said their claim determination was very or somewhat fair	64%	65%	(1) N/A	(1) N/A	(1) N/A	70%	75%
Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	78%	(1) N/A	(1) N/A	(1) N/A	82%	95%
National accuracy rate (Fiduciary work) % (Compensation & Pension) (through July)	81%	85%	83%	84%	* 82% Y	85%	98%
Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA) (a) 2008 and Strategic Targets established by BVA	529	622	657	660	645 G	(a) 700	(a) 675
Productivity Index % (Compensation and Pension)	N/A	N/A	90%	88%	79% R	90%	100%

(1) No customer satisfaction survey was performed for 2006-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 3.3
Providing Insurance Service

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

Making a Difference for the Veteran

VA Reduces SGLI and VGLI Premium Rates

The reduction in premiums makes VA life insurance even more affordable for today's men and women in uniform.

On July 1, premiums decreased for veterans and military personnel with life insurance policies managed by VA, thanks to improved investment earnings and a reduction in non-combat claims.

The premium cuts affect military personnel covered by Servicemembers' Group Life Insurance (SGLI) and veterans covered by Veterans' Group Life Insurance (VGLI).

"The reduction in SGLI premiums makes life insurance even more affordable for today's men and women in uniform," said Secretary of Veteran Affairs Dr. James B. Peake. "Lower VGLI premiums will allow more veterans to provide this low-cost financial security to their families. With servicemembers putting their lives at risk against terrorism, life insurance coverage is more important than ever."

To obtain more information about the SGLI and VGLI premium reductions or to view a table with the new VGLI rates, visit the VA insurance *Web* site at www.insurance.va.gov, or call the Office of Servicemembers' Group Life Insurance at 1-800-419-1473.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
AVERAGE NUMBER OF DAYS TO PROCESS TRAUMATIC INJURY PROTECTION SERVICEMEMBERS' LIFE INSURANCE (TSGLI) DISBURSEMENTS

Performance Trends	Impact on the Veteran

Performance Trends

	2006	2007	2008	ST
■ Results	3.8	3.0	2.5	N/A
□ Targets	Baselined	5	5	5

ST = Strategic Target

Impact on the Veteran

The purpose of the TSGLI program is to provide short-term financial assistance to traumatically injured servicemembers so that their families can be with them during the often extensive recovery and rehabilitation process. For example, servicemembers use this financial assistance to assist their families in making up for lost earnings, continuing to make home loan payments, and providing child care. This program is important because a number of studies have shown that the presence or close proximity of family members aids the rehabilitation process.

This measure in particular indicates how quickly VA is able to make payment to the TSGLI beneficiary.

How VA Verifies Results Data for Accuracy	How VA Leadership Uses Results Data
The Office of Servicemembers' Group Life Insurance (OSGLI) compiles the data monthly in accordance with written procedures. VA randomly samples data received from OSGLI and notifies OSGLI of any irregularities so that they may be clarified and/or corrected.	VA monitors TSGLI workload to ensure that claims are processed in a timely manner. When there is an increase in TSGLI claims, staffing adjustments are made to ensure timely processing.

Supporting Measure
HIGH VETERANS' SATISFACTION RATINGS ON SERVICES DELIVERED

Performance Trends	**Impact on the Veteran**

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	96%	96%	96%	96%	95%	n/a
■ Targets	95%	95%	95%	95%	95%	95%
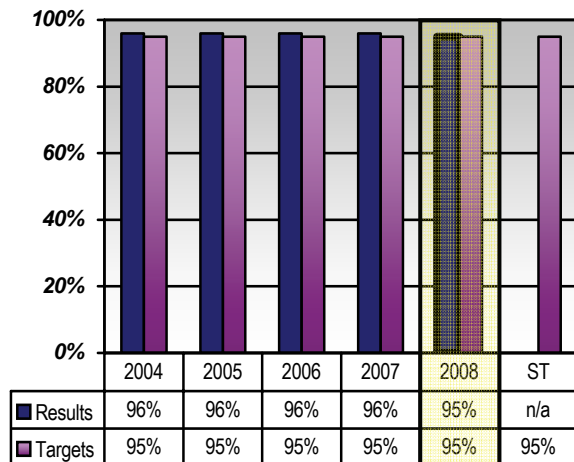
ST = Strategic Target

Impact on the Veteran

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

How VA Leadership Uses Results Data

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

For example, VA provides employees with refresher training on customer service and communication skills in response to surveys that indicate the policyholder received less than excellent customer service. VA also follows up on surveys where the respondent indicates a need for further assistance.

How VA Verifies Results Data for Accuracy

VA reviews and tabulates the survey responses monthly per written guidelines. VA follows a "separation of duties" approach to maintain data integrity. For example, the operating divisions for which the surveys are conducted are not permitted to tabulate the responses. The Program Management Division reviews and tabulates the survey data.

VA validates the results by re-entering randomly selected monthly responses to determine if similar results are calculated.

Additional Performance Information for Strategic Objective 3.3

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Insurance program during CY 2005, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 80 for more information.

Program Evaluations

An independent program evaluation of the Insurance program was completed in May 2001. The evaluation concluded the program was effective in meeting its Congressional intent.

However, there were several recommendations for improvement, many of which have been implemented.

The evaluation recommended that VA work with DoD to more fully publicize the conversion features of Servicemembers' Group Life Insurance (SGLI) to Veterans' Group Life Insurance (VGLI) in order to increase participation in VGLI. VA worked with the Office of Servicemembers' Group Life Insurance (OSGLI) to develop an attractive marketing folder containing comprehensive information on post-separation life insurance benefits, including the SGLI disability extension and VGLI. This folder is distributed to separating servicemembers at separation briefings and is also available on the VA Insurance Web site.

Separating servicemembers also receive multiple mailings from OSGLI informing them of the option to convert their SGLI coverage to VGLI. As a result of customer feedback received through surveys of VGLI customers, VA and OSGLI revised and pilot tested several versions of the VGLI mailings. The best performing version of the mailing was adopted and implemented in March 2008.

VA also conducts special outreach to recently separated servicemembers who receive a military or VA disability rating of 50 percent or higher, including telephone calls and personalized letters. The purpose of the outreach is to inform these veterans that they may be eligible for a free 2-year extension of the SGLI coverage they held while in service, as well as to offer them the opportunity to convert their SGLI coverage to VGLI without having to meet good health requirements.

VA performed a "Year One Review" of the Servicemembers' Group Life Insurance Traumatic Injury Protection Program (TSGLI) in 2008. The purpose of the review was to ensure that the TSGLI program is fulfilling its Congressional intent of providing short-term,

financial assistance to severely injured servicemembers and their families. The review found the program to be successful, but recommended enhancements in program design In 2008 VA contracted with Associated Veterans, LLC, to conduct a follow-up independent evaluation of the conversion privilege from SGLI to VGLI. The primary purpose of this study is to determine an appropriate target rate of conversion between the two programs. The study will also offer recommendations for improvement to VA's outreach efforts.

New Policies, Procedures, or Process Improvements

Policyholders who have been rated Individually Unemployable by VA may be eligible for waiver of premiums on Service-Disabled Veterans Insurance policies. In 2008, VA proactively identified over 1,500 policyholders who were paying premiums, but who were potentially eligible for waiver. VA contacted these policyholders via personalized mailings to advise them to apply for waiver of premiums.

Data Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 232.

Complete Listing of Measures Supporting Strategic Objective 3.3

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Average number of days to process TSGLI disbursements (Insurance)	N/A	N/A	3.8	3.0	2.5 G	5	5
Percent of servicemembers covered by SGLI (Insurance)	N/A	98%	99%	99%	99% G	98%	98%
Conversion rate of disabled SGLI members to VGLI % (Insurance)	N/A	35%	41%	40%	45% Y	50%	50%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted servicemember (Insurance)	N/A	1.9	1.8	1.8	1.7 G	1.7	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	1.0	0.9	0.9	0.9 G	0.9	1.0
Ratio of premium rates charged per $1,000 by other organizations compared to the SGLI premium rates charged per $1,000 by VA for similar coverage (Insurance)	N/A	1.4	1.3	1.2	1.3 G	1.0	1.0
Ratio of premium rates charged per $1,000 by other organizations compared to the VGLI premium rates charged per $1,000 by VA for similar coverage (Insurance)	N/A	0.9	0.9	0.9	1.0 G	1.0	1.0
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	96%	96%	96%	96%	95% G	95%	95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	1,692	1,697	1,724	1,756 G	1,725	1,750

Recap

Green	8
Yellow	1
Red	0
Total	9

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

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

STRATEGIC OBJECTIVE 3.4
Meeting Burial Needs

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

Making a Difference for the Veteran

VA Cemeteries Lead Nation in Satisfaction Survey

Again this year, the National Cemetery Administration of the Department of Veterans Affairs (VA) has received the highest rating in customer satisfaction for any federal agency or private corporation surveyed, according to a prestigious, independent survey of customer satisfaction.

"This survey highlights the outstanding service employees at VA's 125 national cemeteries provide to our Nation's veterans and their families," said Deputy Secretary of Veterans Affairs Gordon H. Mansfield. "It is our honor to care for the Nation's heroes in perpetuity, meeting the highest standards for professionalism and compassion."

More than 200 companies and most of the federal sector take part in the American Customer Satisfaction Index (ACSI) survey, conducted by the University of Michigan Business School.

"VA should be commended for continuing to provide such a high level of service to America's veterans' families," said John Cioffi, senior consultant with CFI Group USA, one of the survey's sponsors. "VA serves as an excellent example of how government should provide services to its citizens."

VA's cemetery system took part in the American Customer Satisfaction Index survey conducted by the University of Michigan Business School and earned a rating of 95 out of a possible 100 points for excellent customer service.

This year's survey is the third consecutive one in which VA's cemetery system received the top rating in the Nation. For 2007, VA's cemetery system earned a customer satisfaction rating of 95 out of a possible 100 points. The national cemeteries also ranked number one in customer satisfaction in 2001 and 2004.

ACSI's index for "user trust" produced a rating of 96 out of a possible 100 points for the VA-run cemetery system, which indicates that respondents are exceptionally willing to say positive things about VA's national cemeteries.

Since 1994, ACSI has been a national indicator of customer evaluations of the quality of goods and services available to U.S. residents. It is the only uniform measure of customer satisfaction for government and industry. ACSI allows benchmarking between the public and private sectors and between 1 year's results and the next.

Significant Trends, Impacts, and Use and Verification of FY 2008 Results

Key Measure
PERCENT OF VETERANS SERVED BY A BURIAL OPTION WITHIN A REASONABLE DISTANCE (75 MILES) OF THEIR RESIDENCE

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	75.3%	77.1%	80.2%	83.4%	84.2%	N/A
■ Targets	75.3%	78.3%	81.6%	83.8%	83.7%	90.0%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA staff is trained and skilled in proper procedures for calculating the number of veterans that live within the service area of cemeteries that provide a first interment burial option. Changes to this measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reports. Results of a VA Office of the Inspector General audit assessing the accuracy of data used for this measure affirmed the accuracy of calculations made by VA personnel.

Impact on the Veteran

By the end of 2008, more than 19 million veterans and their families had reasonable access to a burial option.

One of VA's primary objectives is to ensure that the burial needs of veterans and eligible family members are met. Having reasonable access is integral to realizing this objective.

How VA Leadership Uses Results Data

VA analyzes census data to determine areas of the country that have the greatest number of veterans not currently served by a burial option. This information is used in planning for new national cemeteries and for gravesite expansion projects to extend the service lives of existing national cemeteries, as well as in prioritizing funding requests for state veterans cemetery grants.

Key Measure
PERCENT OF RESPONDENTS WHO RATE THE QUALITY OF SERVICE PROVIDED BY THE NATIONAL CEMETERIES AS EXCELLENT

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	94%	94%	94%	94%	94%	N/A
Targets	95%	95%	96%	97%	97%	100%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data for this measure are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year.

Impact on the Veteran

Performance targets for cemetery service goals are set high consistent with expectations of the families of individuals who are interred as well as other visitors. High quality, courteous, and responsive service to veterans and their families is reflected in VA's 2008 satisfaction rating of 94 percent.

How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at Central Office, Memorial Service Networks (MSNs), and national cemeteries who use the data to improve the quality of service provided at national cemeteries.

Additional Performance Information for
Strategic Objective 3.4

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during CY 2002, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 82 for more information.

Program Evaluations

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

In August 2008 VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to veterans and their families in accordance with 38 USC 527. The evaluation was performed by ICF International to provide VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of veterans and their families.

The evaluation showed that 85 percent of veterans prefer either a casket or cremation burial option, affirming that VA is meeting the burial needs of veterans and their families by providing these options at national cemeteries. The evaluation also validated VA policies that consider veterans living within 75 miles of a national or state veterans cemetery with available first interment gravesites for either casketed or cremated remains to be adequately served with a burial option within a reasonable distance of their home. Major recommendations included the need to continue building new national cemeteries and supporting state cemetery development to serve veterans nationwide and to consider a new veteran population threshold of 110,000 veterans within a 75-mile area for establishing new national cemeteries.

While internal discussion and analysis are underway, the findings from this program evaluation will serve to inform and guide VA's management of the burial benefits program. The report is available to the public on the Department of Veterans Affairs Web site at **Web**: www.va.gov/op3/.

New Policies, Procedures, or Process Improvements

From 2007 through 2009, NCA will establish eight new national cemeteries (two have already opened in Sacramento, California and South Florida). The development of these cemeteries is consistent with current policy to locate national cemeteries in areas with the largest concentrations of veterans. Each location will provide a burial option to at least 170,000 veterans not currently served.

NCA continued the implementation of its new National Cemetery Scheduling Office (NCSO) in 2008. The NCSO began operations in January 2007, providing centralized interment scheduling 7 days a week for 27 existing national cemeteries in 9 Midwestern states and VA's two newly opened national cemeteries in Sacramento, California and South Florida. In 2008, the NCSO expanded operations to provide service to 53 of VA's 125 national cemeteries. The NCSO delivers more consistent eligibility determination in standard eligibility requests and quicker eligibility determination when eligibility cannot be immediately established. The NCSO also provides a vehicle for NCA to capitalize on new technologies that support paperless, secure recordkeeping, and future enhancements such as online interment scheduling for funeral homes.

Other Important Results

As directed by the National Cemetery Expansion Act of 2003, Public Law 108-109, action is underway to establish six new national cemeteries to serve veterans in the areas of Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Sarasota County, Florida; and Southeastern Pennsylvania.

These cemeteries are expected to begin operations in 2009 and will provide service to about 1 million veterans.

VA also completed construction projects to extend burial operations at Willamette, Oregon; Sitka, Alaska; Florence, South Carolina; and San Joaquin Valley, California National Cemeteries.

In addition to building, operating, and maintaining national cemeteries, VA also administers the State Cemetery Grants program, which provides grants to states for up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries.

Increasing the availability of state veterans cemeteries is a means to provide a burial option to those veterans who may not have reasonable access to a national cemetery.

In 2008, four new state veterans cemeteries began interment operations in Glennville, Georgia; Anderson, South Carolina; Des Moines, Iowa; and Williamstown, Kentucky. In 2008, 71 operating state veterans cemeteries performed nearly 25,000 interments of veterans and eligible family members, and grants were obligated to establish, expand, or improve state veterans cemeteries in 11 states. Also in 2008, state veterans cemeteries provided a burial option to more than 2 million veterans and their families.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on page 234.

Complete Listing of Measures Supporting Strategic Objective 3.4

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap
Green	3
Yellow	2
Red	0
Total	5

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

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

	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	75.3%	77.1%	80.2%	83.4%	84.2% G	83.7%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	94% Y	97%	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	74%	72%	72% Y	80%	93%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically (Internet)	N/A	N/A	N/A	N/A	45%	Baseline	75%
Average number of days to process a claim for reimbursement of burial expenses (Compensation)	48	57	72	91	84 G	84	21
National Accuracy Rate for burial claims processed % (Compensation) (through July)	94%	93%	94%	95%	* 96% G	96%	98%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 3.5
Symbolic Expressions of Remembrance

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

Making a Difference for the Veteran

Holiday Wreaths to Commemorate American Heroes

Holiday wreaths were placed in remembrance at VA national cemeteries across the Nation in December. Pictured is the Ft. Bliss National Cemetery in Texas.

Holiday wreaths were placed in remembrance at Department of Veterans Affairs (VA) national cemeteries across the Nation in December.

"This generous and heartfelt gesture of remembering and honoring our veterans during the holiday season is proof that Americans cherish the service and sacrifices of these heroes," said Deputy Secretary of Veterans Affairs Gordon H. Mansfield.

This is the second year the Worcester Wreath Company of Harrington, Maine, has sent holiday wreaths to VA national cemeteries and state veterans cemeteries to display in a nationwide tribute to veterans, called "Wreaths Across America." All 125 VA national cemeteries received 7 wreaths, one for each service branch, one for prisoners and missing in war, and one for merchant mariners. Many veterans cemeteries received additional wreaths for gravesite display from local public donations.

The wreaths are made and decorated by the employees of Worcester Wreath Company. Company President Morrill Worcester said he wanted to recognize veterans, active duty military, and their families, and through these ceremonies to remind the public to honor veterans for their service and teach children the value of freedom.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
PERCENT OF GRAVES IN NATIONAL CEMETERIES MARKED WITHIN 60 DAYS OF INTERMENT

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	87%	94%	95%	94%	93%	N/A
Targets	78%	88%	90%	90%	95%	98%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

National cemetery employees are trained and skilled at entering data into NCA's Burial Operations Support System (BOSS). Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS.

Impact on the Veteran

The amount of time it takes to mark the grave after an interment is extremely important to veterans and their families. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors, but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked.

How VA Leadership Uses Results Data

NCA field and Central Office employees have online access to monthly and fiscal year-to-date tracking reports on timeliness of marking graves in national cemeteries. Increasing the visibility and access of this information reinforces the importance of marking graves in a timely manner.

This information is also used to drive process improvements, such as the development of NCA's local inscription program. The local inscription program further improves NCA's ability to provide these symbolic expressions of remembrance by improving the timeliness of the grave marking process.

Additional Performance Information for Strategic Objective 3.5

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during CY 2002, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 82 for more information.

Program Evaluations

In August 2008 VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to veterans and their families in accordance with 38 USC 527. The evaluation was performed by ICF International

to provide VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of veterans and their families.

The evaluation included a nationwide survey sent to more than 38,000 veterans. More than 75 percent of respondents to this survey indicated that the current array of symbolic expressions of remembrance provided by VA were either "important" or "very important." These include government headstones and markers, Presidential Memorial Certificates (PMCs), a U.S. flag at the funeral service, and military funeral honors. Eighty percent of survey respondents indicated that the concept of the PMC benefit makes them feel that the country appreciates their service to the Nation. Recommendations included adding space on the VA furnished government headstone and marker to allow room for a military insignia and for appropriate personal inscriptions.

The findings from this program evaluation will serve to inform and guide VA's management of the burial benefits program, particularly with respect to VA's array of benefits that memorialize the service of U.S. veterans. The report is available to the public via the **Web** at www.va.gov/op3/.

New Policies, Procedures, or Process Improvements

Public Law 110-157, dated December 26, 2007, granted VA permanent authority to furnish headstones and markers for the previously marked graves of veterans in private cemeteries. Previous legislation had extended this benefit temporarily through December 31, 2007, only to veterans who died on or before September 11, 2001. Under this new legislation, veterans buried in private cemeteries who died on or after November 1, 1990, are now eligible to receive a government headstone or marker at no cost regardless of whether their grave was previously marked. This legislation significantly extends VA's headstone and marker benefit and enables

the families of millions of veterans to honor the service of veterans whose graves were previously marked with privately furnished headstones or markers.

Public Law 110-157 also gave VA authority to "furnish, upon request, a medallion or other device of a design determined by the Secretary to signify the deceased's status as a veteran, to be attached to a headstone or marker furnished at private expense." This benefit will be available in lieu of a Government furnished headstone or marker for veterans in privately marked graves who died on or after November 1, 1990. VA is currently reviewing medallion prototypes and anticipates that the final medallion will be available to the public in the spring of 2009.

Other Important Results

In addition to VA national cemeteries, VA also furnishes headstones and markers for national cemeteries administered by the Department of the Army and the Department of the Interior and contracts for all columbaria niche inscriptions at Arlington National Cemetery. In 2008 VA processed more than 361,000 applications for headstones and markers for placement in national, state, other public, or private cemeteries. Since 1973 VA has furnished more than 10 million headstones and markers for the graves of veterans and other eligible persons.

VA is committed to ensuring that timely and accurate symbolic expressions of remembrance are provided for veterans who are not buried in national cemeteries. In 2008 VA processed 95 percent of the applications for headstones and markers for such veterans within 20 days of receipt, exceeding VA's long-term goal of 90 percent.

Headstones and markers must be replaced when either the government or the contractor makes errors in the inscription, or if the headstone or marker is damaged during installation. When headstones and markers must be replaced, it further delays the final portion of the interment

process, the placing of the headstone or marker at the gravesite. NCA continues to improve accuracy and operational processes in order to reduce the number of inaccurate or damaged headstones and markers delivered to the gravesite. In 2008, 96 percent of headstones and markers were delivered undamaged and correctly inscribed. In 2008, inscription data for 99 percent of headstones and markers ordered by national cemeteries were accurate and complete. VA will continue to focus on business process reengineering, including improving accuracy and operational processes, in order to prevent delays in marking graves caused by inaccurate or damaged headstones and markers.

In 2008 VA issued more than 511,000 PMCs, bearing the President's signature, to convey to the family of the veteran the gratitude of the Nation for the veteran's service. To convey this gratitude, it is essential that the certificate be accurately inscribed. The accuracy rate for inscription of PMCs provided by VA is consistently 98 percent or better.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 234.

Complete Listing of Measures Supporting Strategic Objective 3.5

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target	Recap	
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets		Green	2

Recap: Green 2, Yellow 1, Red 0, Total 3

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

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of graves in national cemeteries marked within 60 days of interment	87%	94%	95%	94%	93% Y	95%	98%
Percent of applications for headstones and markers that are processed within 20 days for the graves of veterans who are not buried in national cemeteries	N/A	13%	62%	38%	95% G	75%	90%
Percent of headstones and markers that are undamaged and correctly inscribed	97%	96%	96%	96%	96% G	96%	98%

STRATEGIC OBJECTIVE 3.6
Home Purchase and Retention

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

Making a Difference for the Veteran

VA Helps Veterans Remain in Their Homes

In FY 2008, approximately 179,670 veterans, active-duty service members, and survivors received home loans valued at over $36 billion.

Many homeowners have found it difficult to pay their mortgages, but quick intervention by loan specialists at the Department of Veterans Affairs (VA) has reduced the number of veterans defaulting on their home loans.

"VA is reaching out to veterans -- both those who use our home-loan guaranty program and those who don't take advantage of our guaranties -- to keep people in their homes," said Secretary of Veterans Affairs Dr. James B. Peake. "I'm proud of our solid record of success in helping veterans and active-duty personnel deal with financial crises."

Accounting for much of this success are VA loan specialists at nine regional loan centers who assist people with VA-guaranteed loans to avoid foreclosure through counseling and special financing arrangements. Depending on a veteran's circumstances, VA can intercede with the borrower on the veteran's behalf to pursue options -- such as repayment plans, forbearance, and loan modifications -- that would allow a veteran to keep a home. The loan specialists also can assist other veterans with financial problems.

Since 1944, VA has guaranteed nearly 18.4 million home loans worth approximately $967 billion. In FY 2008, approximately 179,670 veterans, active-duty servicemembers, and survivors received loans valued at more than $36 billion.

About 2.1 million home loans still in effect were purchased through VA's home-loan guaranty program, which makes home loans more affordable for veterans, active-duty members, and some surviving spouses by protecting lenders from loss if the borrower fails to repay the loan. More than 90 percent of VA-backed home loans were given without a down payment.

To obtain help from a VA loan specialist, veterans can call VA toll-free at 1-877-827-3702. Information about VA's home loan guaranty program can be obtained on the **Web** at www.homeloans.va.gov.

Significant Trends, Impacts, and VA's Use and Verification of FY 2008 Results

Key Measure
FORECLOSURE AVOIDANCE THROUGH SERVICING (FATS) RATIO

Performance Trends	Impact on the Veteran

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	44.0%	48.0%	54.0%	57.0%	52.4%	N/A
■ Targets	47.0%	47.0%	47.0%	51.0%	56.0%	57.0%

ST = Strategic Target

Impact on the Veteran

The 2008 FATS ratio means that 52.4 percent of veterans who otherwise would have lost their homes through foreclosure were able to retain ownership with VA assistance, or at least had the impact of loss lessened by either tendering a deed in lieu of foreclosure or arranging a private sale with a VA claim payment to help close the sale. VA avoided claim payments in most of the FATS cases or else paid smaller claims than if foreclosure had occurred.

The 2008 FATS ratio of 52.4 percent represents a 4.6 percentage point decrease from 2007. This reflects the decline in property values and the significant rise in foreclosures in the overall housing market that have made it more difficult for VA to help veterans avoid foreclosure.

How VA Verifies Results Data for Accuracy

VA personnel are skilled and trained in loan servicing procedures. These procedures are documented in the VA loan servicing technician guide and are updated regularly based on loan servicing industry best practices.

Prior to input of the staff's completed servicing actions, a supervisory check of the results data is completed to verify the accuracy of the actions taken.

If these actions result in the veteran's defaulted loan becoming current, then another supervisory check is done to verify the successful intervention data for accuracy.

How VA Leadership Uses Results Data

VA uses the data to measure the effectiveness of field station efforts to assist veterans in avoiding foreclosure. Since veterans benefit substantially from foreclosure avoidance, and at the same time VA realizes cost savings, VA has redesigned the program to promote greater loss mitigation efforts by primary servicers.

This redesign effort included development of the VA Loan Electronic Reporting Interface (VALERI) service. With VALERI, servicing of delinquent VA-guaranteed loans will be done in a more effective manner. Full implementation of VALERI will be completed by the end of the 2008 calendar year.

Additional Performance Information for Strategic Objective 3.6

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Housing program during CY 2004, which resulted in a rating of "Results Not Demonstrated." Please see OMB PART reviews on page 78 for more information.

Program Evaluations

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

New Policies, Procedures, or Process Improvements

In 2008 VA experienced increased inquiries and usage of the VA-Guaranteed Home Loan and the Specially Adapted Housing (SAH) grants. Legislation passed which increased the maximum guaranty amount up to 175 percent of the Freddie Mac single-family conventional conforming loan limit in certain high cost areas. SAH maximum grant amounts were raised to $12,000 and $60,000 as a result of new legislation. In addition, these amounts will increase annually based on a cost-of-construction index. SAH grants of up to $14,000 for temporary residences, previously available only to veterans, are now available to veterans and servicemembers. This legislation also added disabilities resulting from severe burn injuries to the eligibility criteria for the SAH grant.

Other Important Results

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

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 234.

Complete Listing of Measures Supporting Strategic Objective 3.6

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap
Green	2
Yellow	2
Red	0
Total	4

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

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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	44.0%	48.0%	54.0%	57.0%	52.4% Y	56.0%	57.0%
Veterans satisfaction level % (Housing) (1) No Housing survey was completed for 2004 or 2005.	(1) N/A	(1) N/A	93.1%	Avail. 12/2008	Avail. 12/2009	95.0%	97.0%
Lender Satisfaction (Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program) (1) No Housing survey was completed for 2004 or 2005.	(1) N/A	(1) N/A	93.2%	Avail. 12/2008	Avail. 12/2009	94.0%	95.0%
Statistical quality index % (Housing)	98.0%	98.0%	99.0%	99.2%	99.6% G	98.0%	98.5%
Rate of homeownership for veterans compared to that of the general population %	N/A	N/A	N/A	N/A	115.2% G	108.0%	110.0%
E-FATS (Ratio of dollars saved through successful loan interventions, to dollars spent by VA on Loan Administration FTE who perform intervention work) (Housing)	N/A	N/A	7.0:1	6.8:1	5.8:1 Y	7.0:1	8.0:1

Strategic Goal Four
Contributing to the Nation's Well-Being

STRATEGIC OBJECTIVE 4.1
Emergency Preparedness

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

Making a Difference for the Veteran

VA: Maintaining Readiness in Case of Emergencies

In May 2008 VA participated in the Federal Executive Branch's National Level Exercise (NLE). The Office of Operations, Security, and Preparedness (OSP) coordinated VA's participation in this mandatory multi-phased exercise. All phases of VA's continuity programs were utilized. They included the continuity of government (COG), continuity of operations (COOP), and patient reception operations.

VA's participation in the COG portion of the exercise included the relocation of the Secretary and the Deputy Secretary, as well as other senior leadership to alternate locations. VA's participation at the interagency level involved representation on the National Continuity Team and the National Response Coordination Center, as well as the Department of Homeland Security National Operations Center and the Department of Health and Human Service's Secretary's Operations Center.

All phases of COOP operations were tested during this exercise including enhanced communications. New video and audio teleconferencing capabilities were employed that resulted in greater efficiencies.

VA deployed approximately 140 staff members to its primary COOP site at the Martinsburg VA Medical Center. The Medical Center's top management actively participated by ensuring that the facility could meet the support requirements necessary for the COOP participants to carry out their responsibilities. All phases of COOP operations were tested during this exercise including security, communications, logistics, protocol, documentation, and overall functionality. VA employed new video and audio teleconferencing capabilities, which resulted in greater efficiencies.

Each participating office initiated a complete review of their continuity plans to assess their mission-essential functions, critical systems, and vital records. An evaluation team from the Federal Emergency Management Agency reviewed continuity plans during the exercise. VA's overall evaluation was outstanding.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure
PERCENT OF VA LEADERSHIP WHO SELF-CERTIFY THEIR TEAMS "READY TO DEPLOY" TO THEIR COOP SITE

Performance Trends

	2005	2006	2007	2008	ST
■ Results	85%	85%	90%	100%	N/A
■ Targets	Baselined	100%	100%	100%	100%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Attendance is taken at each primary COOP site. The National Level Exercise attendant sheets are then disseminated and display a list of all of the VA leaders along with their primary COOP site location.

Impact on the Veteran

One hundred percent of VA leadership has certified that their respective teams are ready to deploy to their Continuity of Operations Plan (COOP) site. However, these organizations still routinely exercise deployment to their COOP site and demonstrate their ability to perform essential functions. In case of a national disaster, veterans can be assured of continuity of operations.

How VA Leadership Uses Results Data

VA uses the data to determine the need for additional exercises and leadership training. VA requires its leaders to be cognizant of COOP requirements and to gain hands-on experience.

Additional Performance Information for Strategic Objective 4.1

OIG Major Management Challenges

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

GAO High-Risk Areas

- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area (see page 319 for more details)

Program Assessment Rating Tool (PART) Evaluation

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

Program Evaluations

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

Other Important Results

The Office of Operations, Security, and Preparedness completed construction of the Sensitive Compartmented Information Facility (SCIF). This facility will enable senior VA leadership to communicate with other Departments/ Agencies using the crisis management systems during emergencies.

With enhanced communications, VA is able to participate immediately in decision-making meetings across the Federal government. This will have a positive impact on VA's ability to respond during crisis.

VA purchased 40 Very Small Aperture Terminals (VSATs), which ensure that VA facilities in areas affected by emergencies are capable of communicating when normal lines of communication are inoperable. These VSATS can be deployed around the United States wherever an emergency is anticipated. The Department plans to eventually have one VSAT positioned at every VA medical center.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Strategic Objective 4.1

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap

Green	2
Yellow	0
Red	0
Total	2

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

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of confirmed Successors to the Secretary who attend orientation and/or the annual update (OS&P)	N/A	N/A	N/A	N/A	100% G	95%	100%
Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	N/A	85%	85%	90%	100% G	100%	100%

STRATEGIC OBJECTIVE 4.2
Medical Research and Development

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

Making a Difference for the Veteran

VA Researchers Find That Flat Abnormal Growths in the Colon May Account for Many Cancers

Dr. Roy M. Soetikno and his team collaborated with Japanese gastroenterologists to develop expertise in detecting flat or depressed lesions in the colon.

A study including more than 1,800 patients at the VA Palo Alto Health Care System suggests that flattish abnormal growths in the colon—considered until recently to be rare in the United States and generally ignored during colonoscopies—are more common than previously thought. In addition, they are nearly 10 times more likely to be cancerous than polyps—the small raised knobs of tissue that often contain or signal cancer and are the main target for detection and removal during colonoscopies.

The research was published in the March 2008 issue of the Journal of the American Medical Association and was accompanied by an online video showing the VA team's innovative detection methods. Dr. Roy M. Soetikno, the lead author, and his team collaborated with Japanese gastroenterologists to develop expertise in detecting flat or depressed lesions in the colon. The findings are likely to have an impact on colorectal cancer screening. This article can be accessed via the **Web** at the following address: http://www.research.va.gov/news/research_highlights/cancer-031308.cfm.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
PROGRESS TOWARDS DEVELOPMENT OF ONE NEW TREATMENT FOR POST-TRAUMATIC STRESS DISORDER (PTSD) (FIVE MILESTONES TO BE ACHIEVED OVER 4 YEARS)

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	33%	40%	47%	67%	80%	N/A
☐ Targets	Baselined	Baselined	60%	67%	80%	100%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are analyzed and verified locally by the VA researcher based on milestones achieved and related scientific data. Researcher then forwards summary data to the Office of Research and Development staff in Washington, DC.

Impact on the Veteran

PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened. PTSD related to military service or combat exposure is a major concern in the health of the veteran population. In cases where veterans do not respond to initial treatment, symptoms (including nightmares, disturbing memories during the day, sleep problems, and aggressive behavior) may persist for years. Therefore, effective relief of symptoms is needed. The milestones involve four clinical trials, three of which have been completed. The fourth trial is still ongoing.

How VA Leadership Uses Results Data

Results of PTSD studies are rapidly translated into clinical practice. Findings have been published in the Journal of the American Medical Association and Biological Psychiatry. Results of VA's research has been discussed at conferences with VA, DoD, and university attendees.

Additional Performance Information for Strategic Objective 4.2

OIG Major Management Challenges

- Medical Research (see page 272 for more details)

GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

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

Program Evaluations

The National Research Advisory Council (NRAC), a federal advisory committee, completed its annual, independent evaluation in September 2008. The NRAC was instructed to consider the appropriateness of the research to

the VA healthcare mission; the balance of this research in terms of the burden of disease; and the special responsibilities of VA in the areas of mental health, central nervous system injury, and deployment health. As a result of the review, the NRAC gave the VA Research program an evaluation of "fully successful."

New Policies, Procedures, or Process Improvements

In April 2008, the Office of Research and Development (ORD) announced the establishment of the Cooperative Clinical Trial Award Program. It provides an opportunity for principal proponents to work collaboratively with VA clinical trial and biostatistical experts to develop and complete rigorous interventional research. These clinical trials will determine treatment effectiveness and identify clinical advances that may be implemented in the VA healthcare system.

ORD's Program for Research Integrity Development & Education has created the VA Central Institutional Review Board (IRB) to facilitate the review of ORD multi-site studies. It reviewed its first protocol in August 2008.

Effective March 26, 2008, Cooperative Research and Development Agreements must be used for industry-sponsored research at all VA medical centers. The use of the new agreements is expected to streamline negotiations with sponsors and make it simpler to launch and conduct trials for promising new drugs and medical devices.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 234.

Complete Listing of Measures Supporting Strategic Objective 4.2

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.							
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.							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Five milestones to be achieved over 4 years)	33%	40%	47%	67%	80% G	80%	100%
Progress towards development of a standard clinical practice for pressure ulcers (through August) (Six milestones to be achieved over 5 years)	43%	52%	61%	65%	* 68% Y	72%	100%
Progress toward development of robot-assisted treatment/interventions for patients who have suffered neurological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (through August) (Twelve milestones to be achieved over 5 years)	11%	21%	43%	54%	* 64% Y	68%	100%
Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study	N/A	29%	40%	35%	38.1% G	38%	50%

Recap

Green	2
Yellow	2
Red	0
Total	4

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 4.3
### *Academic Partnerships*

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

Making a Difference for the Veteran

Expanding and Strengthening Training Programs for VA Psychologists

To meet increased needs for mental health services for all veterans, including those returning from the Global War on Terror, the Department of Veterans Affairs (VA) is expanding its training programs for psychologists. "Not all the wounds of war are visible," said Secretary of Veterans Affairs Dr. James B. Peake. "VA is committed to ensuring veterans receive world-class care for mental health services. This initiative meets our short-term needs, but it will also guarantee we have a pool of well-trained psychologists in the future."

VA, which has more than 11,000 mental health professionals to care for veterans, has hired more than 800 psychologists in the last 3 years. Because psychology is a key part of comprehensive health care, the Department anticipates an ongoing need to employ additional psychologists. The best resource for VA recruitment of psychologists has been the Department's own training programs. Seventy-three percent of psychologists hired in the past 2 years have had VA training. As a result, VA has worked with its partners among professional schools and universities to increase the number of psychologists who receive training through VA programs each year, beginning with the 2008-2009 training year. The new positions will bring the national number of training positions in psychology to 620 per year.
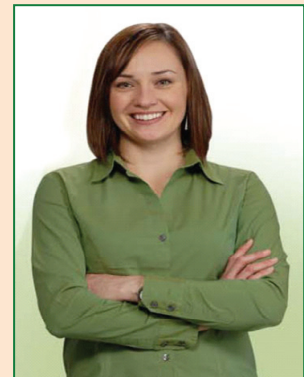
"Since the day I arrived as an intern, I have been inspired by VA's commitment to excellence in research and clinical care. I'm so excited to continue my work here as a full-time psychologist. I work with professionals who are at the top of their field, and I look forward to following in their footsteps," said Shilo Tippett, Ph.D. PTSD Outpatient Clinic.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure (New)

PERCENT OF VHA HEALTHCARE PROFESSIONALS WHO HAVE HAD VA TRAINING PRIOR TO EMPLOYMENT

FY 2008 Was a Transition Year

VA is increasing its emphasis on recruiting trainees as part of its succession and workforce planning initiatives. Trainees form an important recruitment pool from which to draw new VA employees. This new measure will evaluate the percent of VHA healthcare professionals who have had VA training prior to employment. The prior measure, "Medical residents' and other trainees' scores on a VHA survey assessing their clinical training experience," was dropped because of stability in satisfaction.

FY 2008 was a baseline year. Results reporting for this new measure will begin in FY 2009.

Additional Performance Information for Strategic Objective 4.3

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

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

Program Evaluations

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

New Policies, Procedures, or Process Improvements

To address a shortage of nurses across the Nation and ensure that veterans continue to receive personalized, world-class care in VA facilities, the Department established the VA Nursing Academy as a 5-year pilot program. The new multi-campus Nursing Academy will enhance nursing education and practice by the following:

- Expanding teaching faculty in VA facilities and affiliated nursing schools.
- Increasing recruitment of student nurses by increasing exposure to VA.
- Increasing collaboration between VA and selected nursing schools.
- Expanding VA's stipend program for graduate nursing students.

The VA nursing academy is a virtual organization with central administration in Washington and teaching at competitively selected nursing schools across the country who partner with VA.

Despite the nationwide shortage of nurses, the American Association of Colleges of Nursing has reported that more than 40,285 qualified applicants were turned away from nursing schools in 2007 because of insufficient numbers of faculty, clinical sites, classroom space, and clinical mentors. VA currently provides clinical education for students from more than 600 nursing schools, but can do more.

The 5-year pilot program is establishing partnerships with 14 nursing schools across the country beginning with 4 for the 2007-2008 academic year, 6 more beginning in the 2008-2009 academic year, and the final 4 beginning in

2009-2010. Accomplishments were evident by the end of the first year. For further details, see Enabling Objective E-1 on page 200.

Further information about the pilot program can be obtained from VA's Office of Academic Affiliations' **Web** site at www.va.gov/oaa.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Strategic Objective 4.3

During FY 2008 there were no results reported for Strategic Objective 4.3 because VA undertook a reassessment of its partnerships with academic institutions with the goal to strengthen these collaborative training and research efforts. As part of this reassessment, the previous measure, "Medical residents' and other trainees' scores on a VHA survey assessing their clinical training experience" that had been in place for several years, has been dropped. A new measure has been developed; results reporting for this measure will begin in FY 2009.

STRATEGIC OBJECTIVE 4.4
Socioeconomic Well-Being of Veterans

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

Making a Difference for the Veteran

VA's Veteran-Owned Small Business Verification Program

The VA Center for Veterans Enterprise (CVE) has launched a new program to verify the ownership and control of veteran-owned small businesses (VOSB) and service-disabled veteran-owned small businesses (SDVOSB). VOSBs or SDVOSBs wishing to participate in the Veterans First Contracting Program must register in the VetBiz.gov Vendor Information Pages (VIP) Database and submit VA Form 0877, VETBIZ Vendor Information Pages Verification Program. Once verified, businesses will receive official notification, a lapel pin, and a link to download the verification logo for use on their marketing material. Most importantly, these businesses will qualify to participate in contracting and subcontracting opportunities outlined in the law. For more information about the Verification Program, visit the CVE **Web** site at www.vetbiz.gov or call the CVE at the toll-free telephone number 1-866-584-2344.

If you own a veteran-owned small business (VOSB) or a service-disabled veteran-owned small business (SDVOSB) and you would like to participate in the Veterans First Contracting Program, register today at www.vetbiz.gov

In January 2008, the Secretary of Veterans Affairs established the first-ever procurement goals for SDVOSBs and VOSBs pursuant to P.L. 109-461. These goals, covering Fiscal Years 2008 and 2009, are ambitious in that they increase the SDVOSB goal for VA from the statutory minimum 3 percent to 7 percent, and VA's VOSB goal from 7 percent to 10 percent. These increases will result in increased spending to veteran entrepreneurs, contributing to their economic well-being and that of their local communities, consistent with VA's Strategic Plan and objectives.

THE FOLLOWING EVENTS WERE HELD IN THE SUMMER OF 2008 TO SUPPORT VETERAN-OWNED SMALL BUSINESSES:

- *June 2008*: VA held its 7th Annual Champion of Veterans Enterprise Awards Program ceremony to honor individuals and organizations that put veterans and service-disabled veterans first. The award recognizes veterans whose quality performance provides advocates with specific success stories. This year's awards were presented by the Honorable James B. Peake, M.D., Secretary of Veterans Affairs.

- *June 2008*: VA and the National Veteran-Owned Business Association sponsored the 2nd Annual Veteran-Owned Business Accountability Summit. The conference tracked the progress of Federal agencies' implementation of Executive Order 13360, Providing Opportunities for Service-Disabled Veteran-Owned Businesses to increase their contracting and subcontracting in Federal acquisitions.

- *July 2008*: VA and the Veterans Small Business Federal Interagency Council co-sponsored the 4th National Small Business Conference. With a record attendance of more than 1,700 participants, the conference educated VOSBs and SDVOSBs on business development and assisted them in identifying contracting opportunities within the Federal Government. This conference has become the premiere national veterans business conference. In 2009, VA expects over 2,500 participants to attend this conference.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure
PERCENT OF PROCUREMENT OBLIGATIONS AWARDED TO VETERAN-OWNED SMALL BUSINESSES (VOSBS)*AND SERVICE-DISABLED VOSBS (SDVSOBS)

Performance Trends	Impact on the Veteran

Performance Trends

Percent of Total VA Procurement Obligations

VSOB values: 4.50 (2005), 6.17 (2006), 10.37 (2007), 15.28 (2008)

SDVOSB values: 1.25 (2004), 2.15 (2005), 3.58 (2006), 7.09 (2007), 12.35 (2008)

VOSB Goal 10.00%

SDVOS B Goal 3.00%

◆ VSOB   ■ SDVOSB

Source: Goaling Report, U.S. Small Business Administration
_____

* P.L. 109-461 gave VA unique authority to conduct set-aside and sole source procurement with Veteran-Owned Small Businesses. In January 2008, the Secretary established an FY 2008 performance target and instituted PAR reporting requirements. This measure appears in the PAR for the first time.

(1) Actual data through 09/2008. Data will not be final until 09/2009.

How VA Verifies Results Data for Accuracy

Data are analyzed monthly by staff and program managers in the Office of Small and Disadvantaged Business Utilization. Data collection staff is skilled/trained in the proper procedures for extracting and interpreting data.

Impact on the Veteran

VA continues to be a leader in contracting with VOSBs and SDVOSBs, having exceeded the statutory SDVOSB goal in FY 2007. VA nearly doubled its procurement with VOSBs, from $616.2 million to over $1.2 billion. Nearly one-third of all small business dollars spent by VA were with VOSBs, marking the first time expenditures by VA with these firms exceeded $1 billion. Contracting with veteran entrepreneurs is a logical extension of the VA mission and contributes to the economic strength of this important business community. Increased spending also makes entrepreneurship a viable and attractive career option for America's veterans.

How VA Leadership Uses Results Data

These data assist VA leadership, the Congress, the veteran entrepreneurial community, and other stakeholders in gauging the extent of VA compliance and success in implementing the Veterans Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50); the Veterans Benefits, Healthcare and Information Technology Act of 2006 (P.L. 109-461); and Executive Order 13360, *Providing Opportunities for Service-Disabled Veteran-Owned Businesses to increase their Contracting and Subcontracting*, issued in October 2004.

The results also help VA program management identify areas for improvement and assist in targeting training and vendor outreach.

Additional Performance Information for
Strategic Objective 4.4

OIG Major Management Challenges and GAO High-Risk Areas
VA's Office of Inspector General did not identify any major management challenges related to this objective. The Government Accountability Office did not identify any high-risk areas related to this objective.

Program Assessment Rating Tool (PART) Evaluation
No PART evaluations have been completed that specifically address this objective.

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

New Policies, Procedures, or Process Improvements
VA implemented Sections 502 and 503 of Public Law (P.L.) 109-461, the Veterans Benefits, Healthcare and Information Technology Act of 2006 (§8127 and §8128 38 U.S.C.), effective June 20, 2007. This program is known in VA as the "Veterans First Contracting Program." The law establishes a small business program hierarchy within VA that places SDVOSBs and VOSBs first and second, respectively, in VA open market acquisitions. P.L. 109-461 provides VA with unprecedented authorities in contracting with veteran businesses. In addition to authority to set-aside acquisitions for competition exclusively among SDVOSBs, the law also provides VA acquisition professionals with authority to set-aside requirements for VOSBs, and under certain circumstances make sole-source contract awards to SDVOSBs and VOSBs up to $5 million.

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

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

CVE also provides assistance to veteran entrepreneurs seeking to expand an existing business or start a new business. Services available through the CVE include the Vendor Information Pages (VIP) database, verification of veteran business eligibility, business coaching, video marketing, bid matching, market research reports, and topical news and information. CVE connects veterans with community resources who will help them with their business development needs. In June 2008, the Association for Federal Information Resources Management presented CVE with its "Leadership Award in Acquisition and Procurement" for its support of the U.S. General Services Administration's Veterans Technology Services (VETS) Governmentwide Acquisition Contract (GWAC) for service-disabled veteran-owned small businesses.

Data Verification and Quality
VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Strategic Objective 4.4

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap
Green	2
Yellow	0
Red	0
Total	2

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

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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Attainment of statutory minimum goals for <u>service-disabled veteran-owned small businesses</u> expressed as a percent of total procurement (OSDBU) (through September; data will not be final until 09/2009)	1.25%	2.15%	3.58%	7.09%	* 12.35% G	3.00%	3.00%
Percent of total procurement dollars awarded to <u>veteran-owned small businesses</u> (through September; data will not be final until 09/2009) P.L. 109-461 gave VA unique authority to conduct set-aside and sole source procurement with Veteran-Owned Small Businesses. In January 2008, the Secretary established an FY 2008 performance target and instituted PAR reporting requirements. This measure appears in the PAR for the first time.	N/A	4.50%	6.17%	10.37%	* 15.28% G	10.00%	10.00%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

STRATEGIC OBJECTIVE 4.5
Maintaining National Cemeteries as Shrines

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

Making a Difference for the Veteran

Author Honored by VA

On November 6, Deputy Secretary of Veterans Affairs Gordon H. Mansfield presented a Commendation Award to Tom Ruck, the author of *Sacred Ground: A Tribute to America's Veterans*, a book highlighting the national cemeteries operated by the Department of Veterans Affairs (VA). "Tom Ruck has brought honor and recognition to America's heroes and to VA," said Mansfield. "His respect and admiration for the service and sacrifices of our veterans and their families is reflected on every page of his book."

"I wanted the citizens of this country to realize what beauty and serenity lies within VA's national cemeteries," Ruck said. "Americans need to know how well their veterans are being cared for in these national shrines."

Information on VA burial benefits can be obtained from national cemetery offices, from the **Web** at www.cem.va.gov, or by calling VA regional offices toll-free at 1-800-827-1000.

Tom Ruck, the author of *Sacred Ground: A Tribute to America's Veterans*, received a Commendation Award for his book that highlights the national cemeteries operated by VA.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Key Measure
PERCENT OF RESPONDENTS WHO RATE NATIONAL CEMETERY APPEARANCE AS EXCELLENT

Performance Trends	Impact on the Veteran

Performance Trends

	2004	2005	2006	2007	2008	ST
Results	98%	98%	97%	97%	98%	N/A
Targets	98%	98%	99%	99%	99%	100%

ST = Strategic Target

Impact on the Veteran

National cemeteries carry expectations of appearance that set them apart from private cemeteries. The 2008 score reflects VA's strong commitment to maintaining national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s).

Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. VA's cemeteries reflect this appreciation and respect.

How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. Respondents are asked to rate numerous aspects of cemetery appearance, such as the condition of gravesites, headstones, and markers. These data are shared with NCA managers at Central Office, Memorial Service Networks (MSNs), and national cemeteries who use the data to improve the appearance of national cemeteries.

How VA Verifies Results Data for Accuracy

Data are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

Data are accurate at a 95 percent confidence interval at both national and Memorial Service Network (MSN) levels and for cemeteries having at least 400 interments per year.

Additional Performance Information for Strategic Objective 4.5

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during CY 2002, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 82 for more information.

Program Evaluations

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA

to contract for an independent study to look at various issues related to the National Shrine Commitment and its focus on cemetery appearance. Volume 3: Cemetery Standards of Appearance was published in March 2002. This report served as a planning tool and reference guide in the task of reviewing and refining VA's operational standards and measures.

In August 2002, Volume 2: National Shrine Commitment was completed. This report identified the one-time repairs needed to ensure a dignified and respectful setting appropriate for each national cemetery. NCA is using the information in this report to address repair and maintenance needs at national cemeteries. Through 2008 NCA has addressed approximately 33 percent of the total repairs identified in this report.

In August 2008, VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to veterans and their families in accordance with 38 U.S.C. 527. The evaluation was performed by ICF International to provide VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of veterans and their families.

The evaluation validated VA's efforts to identify and measure performance in areas key to maintaining national cemeteries as national shrines. The evaluation also recommended improvements to NCA's methods of assessing customer satisfaction to capture the opinions of family members of veterans up to 5 years post-interment and at smaller, national cemeteries that are not actively performing interments.

The findings from this program evaluation will serve to inform and guide VA's management of the burial benefits program, particularly with respect to VA's efforts to maintain national cemeteries as national shrines. The report is

available to the public on the Department of Veterans Affairs **Web** site at www.va.gov/op3/.

New Policies, Procedures, or Process Improvements

In June 2008, VA completed the establishment of a new NCA Human Resources Center (HRC) to serve the staffing needs of all 131 national cemeteries, 5 Memorial Service Network offices, and the NCA National Training Center. Previously, the human resources needs of NCA field sites were supported by local VHA and VBA servicing stations. Establishment of the HRC has enabled NCA to implement new automated HR procedures and other process improvements that have improved the efficiency and cost effectiveness of NCA's recruitment and workers compensation processes.

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

In 2008, NCA continued the implementation of a new Facility Condition Assessment program as part of its continuing commitment to maintain the appearance of national cemeteries as national shrines. Each national cemetery annually assesses whether the condition of each building and structure at the cemetery is considered acceptable according to system-wide standard definitions within VA and within federal guidelines identified by the Federal Real Property Council. This information is used both to provide additional focus to NCA management on the condition of cemetery facilities and for

the allocation of funds for construction projects. Cemetery facilities are among the most highly visible components of national cemeteries. Maintaining the safety and appearance of cemetery facilities is an important component of maintaining national cemeteries as national shrines.

Other Important Results

The willingness to recommend the national cemetery to veteran families during their time of need is an expression of loyalty toward that national cemetery. In 2008, 98 percent of survey respondents (family members and funeral directors who recently received services from a national cemetery) indicated they would recommend the national cemetery to veteran families in their time of need.

To ensure the appearance of national cemeteries meets the standards our Nation expects of its national shrines, VA performed a wide variety of grounds management functions including raising, realigning, and cleaning headstones to ensure uniform height and spacing and to improve appearance. The rows of pristine, white headstones that are set at the proper height and correct alignment provide the vista that is the hallmark of many VA national cemeteries. In 2008 VA collected data that showed that 65 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 84 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 86 percent of gravesites in national cemeteries had grades that were level and blended with adjacent grade levels. In 2008 National Shrine Commitment projects were initiated at 31 national cemeteries. These projects will raise, realign, and clean more than 506,000 headstones and markers and renovate gravesites in nearly 500 acres.

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

In 2008, 98 percent of survey respondents (family members and funeral directors combined) agreed that the overall appearance of national cemeteries was excellent. This result demonstrates VA's continued commitment to maintaining national cemeteries as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

NCA has an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability by providing managers and staff at all levels with one "NCA scorecard." As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting. NCA schedules 12 visits each year to a representative group of national cemeteries from each MSN that illustrates the diversity of our system in terms of age, size, workload, and climate. To date, NCA has completed 45 site visits assessing 80 national cemeteries. Ten visits assessing 21 national cemeteries were conducted in 2008.

VA continued its partnerships with various civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries. For example, VA executed 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.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on page 234.

Complete Listing of Measures Supporting Strategic Objective 4.5

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap

Green	1
Yellow	4
Red	0
Total	5

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

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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percent of respondents who rate national cemetery appearance as excellent	98%	98%	97%	97%	98% Y	99%	100%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	97%	98%	98%	98%	98% Y	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	64%	70%	67%	69%	65% Y	72%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	76%	72%	77%	75%	84% G	80%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	79%	84%	86%	83%	86% Y	88%	95%

Enabling Goal
Applying Sound Business Principles

ENABLING OBJECTIVE E-1
Development and Retention of a Competent Workforce

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

Making a Difference for the Veteran

VA Creates "Travel Nurse Corps" to Improve Quality of Care for Veterans

To deal with a nationwide shortage of nurses and to improve the quality of care for veterans, the Department of Veterans Affairs (VA) has created a "Travel Nurse Corps" to enable VA nurses to travel and work throughout the Department's medical system. "VA is committed to putting health care facilities closer to veterans," said Secretary of Veterans Affairs Dr. James B. Peake.

The Travel Nurse Corps, headquartered at the Phoenix VA Health Care System, is beginning as a 3-year pilot program. Initially, it will place as many as 75 nurses at VA medical centers across the country. The goals of the program are to improve recruitment, decrease turnover of experienced nurses, and maintain high standards of patient care.

"Those who join the VA Travel Nurse Corps will become key members of a talented group of professionals who are dedicated to providing the best care possible to our Nation's veterans," said Cathy Rick, R.N., VA's Chief Nursing Officer. The program helps VA medical facilities address supplemental staffing needs while also ensuring there is a continued commitment to quality and safety.

Registered Nurse Cynthia Cina was recruited to work in long-term at the Phoenix VA Health Care System. "I like giving back to the men and women who have served our country," says Cino.

Those who join the VA Travel Nurse Corps will become key members of a talented group of professionals who are dedicated to providing the best care possible to our Nation's veterans," said Cathy Rick, R.N., VA's Chief Nursing Officer.

The program is also designed to establish a potential pool for national emergencies and serve as a model for an expanded VA travel corps with nurses who have varying specialties. The program is designed to reduce the use of contracted nurses, thus preserving resources that can be used elsewhere to care for veterans.

To learn more about VA's Travel Nurse Corps, visit the Web site at www.travelnurse.va.gov or e-mail travelnurse@va.gov or *call* toll free at (866) 664-1030 or in Phoenix at (602) 200-2398.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure
PERCENTAGE OF VA EMPLOYEES WHO ARE VETERANS

Performance Trends

	2004	2005	2006	2007	2008	ST
■ Results	26%	28%	31%	31%	30%	N/A
□ Targets	26%	28%	30%	32%	33%	33%
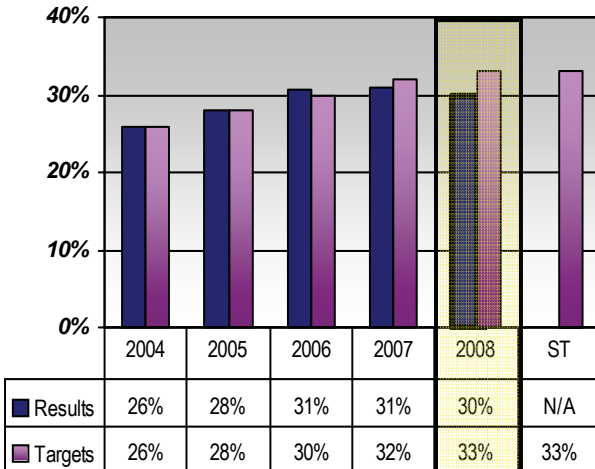
ST = Strategic Target

Impact on the Veteran

VA not only recognizes the value severely injured veterans bring to the workforce, but also the potential challenges they may face in obtaining meaningful careers. VA's Veterans Employment Coordination Service (VECS) created a network of Regional Veterans Employment Coordinators under its Severely Injured Veterans Employment Initiative. These coordinators will provide personal hands-on assistance to severely injured veterans, helping to expand employment opportunities for veterans within VA.

VECS seeks to ensure that severely injured veterans from Operation Enduring Freedom and Operation Iraqi Freedom not only have the tools for success, but access to the resources and networks necessary for their transition to the VA workforce.

How VA Verifies Results Data for Accuracy

In 2006 VA created a new veteran preference field in the PAID accounting system to distinguish non-veterans from veterans who did not receive veterans' preference. Previously, non-preference veterans were not distinguished from non-veterans; thus, the veteran employee data were artificially low. Additionally, current employees who came onboard before 2006 were audited against DoD data to correct their veteran status. Corrections were made using the new data field.

Data entry staff is trained in data entry procedures through both formal and information training at their human resources office. On a day-to-day basis, a data entry guide also serves to help data entry staff follow generally accepted data entry protocols.

How VA Leadership Uses Results Data

The nine Regional Veterans Employment Coordinators are located throughout the country, working closely with a network of local veterans employment coordinators on behalf of all veterans. They serve as employment case managers for severely injured veterans, assisting in identifying VA career opportunities, crafting competitive applications, navigating the Federal hiring process, and evaluating traditional and non-traditional work accommodations. The local veterans employment coordinators are positioned at every human resources office VA-wide and stand ready to assist any veteran seeking employment in VA.

Additional Performance Information for
Enabling Objective E-1

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

GAO High-Risk Areas
- Strategic Human Capital Management: A Governmentwide High-Risk Area (see page 311 for more details)

Program Assessment Rating Tool (PART) Evaluation
No PART evaluations have been completed that specifically address this objective.

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

New Policies, Procedures, or Process Improvements

Student Loan Repayment Programs for many key healthcare occupations
The Department's research has revealed that quality candidates in high-demand fields evaluate both the traditional and non-traditional benefits of a potential job. The Department has focused on the financial issues of today's graduates through the targeted use of student loan repayments for select Title 38 positions. Through branding and tailoring unique messages to the needs of specific supply pools, VHA's Healthcare Retention and Recruitment Office has seen outstanding results from outreach initiatives designed to enhance and supplement local, facility-based recruiting. These recruitment efforts are supplemented by posting VA jobs on popular online recruitment *Web* sites such as *HealtheCareers* (www.healthecareers.com) and *CareerBuilder* (www.careerbuilder.com).

VA Nursing Academy
In 2008, the Department established the VA Nursing Academy as a 5-year pilot program committed to nursing education and practice that will address nursing shortages in VA and the Nation through the following:

- Expanding teaching faculty in VA facilities and affiliated nursing schools.
- Increasing VA recruitment and retention through enhanced clinical experiences for nursing students and expanded teaching opportunities for VA nurses.
- Emphasizing the importance of the continuum of nursing education through expansion of VA's stipend program for graduate students and the Pre- and Post-doctoral Nurse Fellowship Programs.
- Providing financial assistance through a scholarship program for nursing students in exchange for obligations to work in VA facilities following graduation.

The VA Nursing Academy's initial program, "Enhancing Academic Partnerships," involved four academic partnerships of VA facilities and nursing schools and was implemented in the 2007-2008 academic year. Accomplishments of this first year include:

- Increased enrollment in the baccalaureate degree in nursing (BSN) programs in the partnering nursing schools. Each school was required to increase their enrollment by 20 students this first year and by 40 students over the baseline in each of the following years.
- Increased the number of nursing students coming to VA facilities for clinical learning experiences.
- Increased the type of VA clinical experiences available for students.
- Increased the recruitment of BSN graduates in 2008.
- Provided faculty development programs for VA nurses who are serving in faculty positions.
- Implemented a BSN Internship Program prior to graduation to ease the transition from student to new graduate nurse.
- Implemented a Graduate Nurse Residency Program to ease the transition from new

graduate nurse to competent and satisfied registered nurse. This program is also expected to increase retention of recent graduates.

- Enhanced use of simulation learning for nursing students and VA nurses.
- Assigned nursing mentors to students.
- Embedded nurse faculty on VA nursing units to assist with nursing care, enhance evidence-based nursing practice, and aid staff development.
- Increased learning opportunities at VA for critical care, mental health, perioperative care, wound healing, veteran-specific care, and continuity of care.
- Selected six additional VA-nursing school partnerships to begin in the 2008-2009 academic year. The final four partnerships will begin in the 2009-2010 academic year.

Federal Acquisition Certification for Contracting Program

In FY 2008, VA adopted the Federal Acquisition Institute/Office of Federal Procurement Policy training model centered around the Federal Acquisition Certification in Contracting (FAC-C) program, which requires all warranted contracting officers to achieve certification based on their experience and education. VA's goal is to achieve 100 percent certification for its warranted contracting officers at Levels 2 and 3 by November 2008. As of October 2008, VA has achieved a 97 percent certification rate.

Center for Acquisition Innovation (CAI)

In October 2007, VA's Office of Acquisition and Logistics established the CAI to be a center of excellence for acquisition operations. CAI has offices in three locations. The Frederick, Maryland, CAI will house both an operational support center and the VA Acquisition Academy. The Academy will be the training and learning center for VA's acquisition workforce to learn the federal acquisition process. The Academy will focus on providing students with the knowledge and on-the-job experience they need to prepare them for a career in the federal acquisition community.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Enabling Objective E-1

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target	Recap	
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets			
Enabling Goal: Deliver world-class service to veterans and their families through effective communication and management of people, technology, business processes, and financial resources.								Green	1
								Yellow	1
								Red	0
								Total	2

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

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percentage of VA employees who are veterans (HR&A)	26%	28%	31%	31%	30% Y	33%	33%
The Alternative Dispute Resolution (ADR) participation rate in the Equal Employment Opportunity (EEO) complaint process (HR&A)	13.0%	17.0%	22.0%	28.0%	45.0% G	30.0%	35.0%

ENABLING OBJECTIVE E-2
Outreach and Communications

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

Making a Difference for the Veteran

Secretary Peake Pledges New Programs for Women Veterans

At the VA National Summit on Women Veterans' Issues held in June, Secretary of Veterans Affairs Dr. James B. Peake pledged an aggressive push to ensure women veterans receive the highest quality of care in VA medical facilities. Although VA already has services for women patients equal to those men receive, Peake told the audience of more than 400 women-veteran advocates, "We are reinventing ourselves by expanding our women-centric focus to initiate new programs that meet the needs of women veterans."

Citing the demographic shift that brings increasing numbers of women to VA for care, Peake announced several initiatives including hiring full-time women veteran program managers in VA medical centers; developing quality measurements specifically for women patients; purchasing more state-of-the-art specialized women's health care equipment; and expanding medical education in women's health for VA care providers, as well as the formation of a work group that will focus on women's needs in prosthetics.

In June, the Secretary Peake (center), Dr. Kussman, Under Secretary for Health (left) and Brigadier General Mary Kight from California (right) attended the VA National Summit on Women Veterans' Issues that focused on how to inform more women veterans of their VA benefits.

Summit attendees also learned that VA recently established an additional work group whose goal is to ensure every female veteran enrolled in VA care has a women's health primary care provider, with an emphasis on continuity of care. The conference also focused on how to inform more women veterans of their VA benefits. It was the fourth women's summit, which VA holds every 4 years.

For more information on VA women veterans' programs, visit the **Web** at http://www1.va.gov/womenvet/.

Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure
PERCENTAGE OF TITLE 38 REPORTS THAT ARE SUBMITTED TO CONGRESS BY DUE DATE

Performance Trends

	2005	2006	2007	2008	ST
Results	21%	13%	40%	59%	N/A
Targets	100%	35%	45%	50%	100%

(1) 79 percent were delivered on time or within 15 days of due date, and 86 percent were delivered on time or within 30 days of due date.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are analyzed weekly in management meetings. Title 38 reports are tracked in WebCIMS, VA's electronic document management system. Actual delivery date to the Hill is used to determine timeliness.

Impact on the Veteran

Congress uses Congressionally mandated reports to determine the success of new legislative initiatives affecting veterans and to monitor the continued appropriateness of other programs impacting veterans.

How VA Leadership Uses Results Data

VA uses the results data to measure the Department's progress in submitting reports in a timely manner to Congress.

VA's relationship with its stakeholders is critical. Congress is a key stakeholder and VA's timely submission of Title 38 reports is an important element in maintaining productive and effective relationships with Congressional decision makers.

Supporting Measure
PERCENTAGE OF RESPONSES TO PRE- AND POST-HEARING QUESTIONS THAT ARE SUBMITTED TO CONGRESS WITHIN THE REQUIRED TIMEFRAME

Performance Trends	Impact on the Veteran

Performance Trends

	2005	2006	2007	2008	ST
Results	21%	15%	27%	57%	N/A
Targets	Baselined	35%	35%	45%	100%

(1) 71 percent were delivered on time or within 15 days of due date, and 82 percent were delivered on time or within 30 days of due date.
(2) ST = Strategic Target

Impact on the Veteran

Congress holds hearings on proposed legislation that will impact veterans; Congress also holds oversight hearings that examine the effectiveness of veterans' programs.

VA has a responsibility to provide Congress with timely responses to questions so that Members have the information they need and veterans are well served.

How VA Verifies Results Data for Accuracy

Data are analyzed weekly in management meetings. Questions for the record are assigned and tracked in WebCIMS, VA's electronic document management system. Actual delivery date to the Hill is used to determine timeliness.

How VA Leadership Uses Results Data

VA uses the data to track the timeliness of responses to Congress.

VA's relationship with its stakeholders is critical. Congress is a key stakeholder and VA's timely submission of responses to hearing questions provides Congressional decision makers the data from which to make decisions.

Additional Performance Information for Enabling Objective E-2

OIG Major Management Challenges and GAO High-Risk Areas

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

Program Assessment Rating Tool (PART) Evaluation

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

Program Evaluations

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

New Policies, Procedures, or Process Improvements

OCLA provided each program office a listing of the next fiscal year congressionally mandated reports in June.

Other Important Results

VA's Center for Women Veterans' staff held over 100 collaborative meetings and town-hall forums with women veterans; organizations concerned with women veterans' issues; and federal, state, and local community representatives to inform them of VA benefits and services available to women veterans. Center staff also monitored VA's portion of Transition Assistance Program briefings to ascertain the type and quality of gender-specific information provided to separating or retiring women servicemembers.

Complete Listing of Measures Supporting Enabling Objective E-2

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap
Green	2
Yellow	0
Red	1
Total	3

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-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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA)	N/A	21%	15%	27%	57% G	45%	100%
Percentage of testimony submitted to Congress within the required timeframe (OCLA) (OCLA coordinates requisite clearance for testimony among VA internal organizations and OMB prior to submission to Congress and does not have independent clearance authority.)	N/A	N/A	N/A	75%	58% R	90%	100%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	54% w/i 15 days	21% by due date	13% by due date	40% by due date	59% G	50% by due date	100%

ENABLING OBJECTIVE E-3
Reliable and Secure Information Technology

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

Making a Difference for the Veteran

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My Health*e*Vet wins CIO 100 and Gold Awards

MyHealtheVet is a one-stop location for veterans to receive critical medical and benefits information and to provide ways for veterans to input and view some of their own medical records online.

My HealtheVet -- the Web-based portal that enables veterans to create and maintain a personal health record -- has received two major awards from organizations that focus on effective and innovative use of Internet technology. VHA's Office of Information received one of the prestigious 2008 "CIO 100 Awards" for its My HealtheVet Web site. The CIO 100 award program recognizes organizations around the world that exemplify the highest level of operational and strategic excellence in Information Technology.

Earlier this year, My HealtheVet was selected as the Gold Award winner for Best Practices in Consumer Empowerment and Protection Awards in the Category of Patient/Consumer Safety by the Utilization Review Accreditation Committee, an independent nonprofit group known as a leader in promoting health care quality through its accreditation and education programs.

VA developed My HealtheVet to be a one-stop location for veterans to receive critical medical and benefits information and to provide ways for veterans to input and view some of their own medical records online. Recent upgrades to the Web-based portal include an Active Duty Center for newly discharged veterans, a new calendar option, and Military Health System learning modules featuring 3 online courses developed in concert with the Department of Defense. Another planned upgrade will enable veterans to view their lab results for certain tests and view appointments.

For more information, visit www.myhealth.va.gov on the *Web*.

Significant Trends, Impacts, and VA's Use and Verification of FY 2008 Results

Supporting Measure
EARNED VALUE MANAGEMENT PORTFOLIO PERFORMANCE AS MEASURED BY COST AND SCHEDULE PERFORMANCE VARIANCES

See below

Supporting Measure
GRADE ON FEDERAL INFORMATION SECURITY ACT REPORT

See below

FY 2008 Was a Transition Year for VA's Information Technology Function

VA's IT function and underlying activities underwent significant reorganization in FY 2007 and 2008. New measures, including those shown above, were published in VA's FY 2009 budget submission to Congress.

FY 2009 targets and the results achieved against these targets will be reported in the Department's FY 2009 PAR.

Additional Performance Information for Enabling Objective E-3

OIG Major Management Challenges
- IT Security Controls (see page 300 for more details)
- Information Security Program (see page 301 for more details)

GAO High-Risk Areas
- Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area (see page 317 for more details)

Program Assessment Rating Tool (PART) Evaluation
No PART evaluations have been completed that specifically address this objective.

New Policies, Procedures, or Process Improvements
The VA Office of Information Protection and Risk Management implemented the following policies and procedures to further strengthen information security and protect sensitive information at VA:

- Directive 6066, Protected Health Information.
- VA Handbook 6500, Information Security Program Handbook, implementing procedures for VA Directive 6500, Information Security Program.
- VA Handbook 6500.2, Management of Security and Privacy Incidents.
- Directive 6502, Enterprise Privacy Program.

- Directive 6600: Responsibility of Employees and Others Supporting VA in Protecting Personally Identifiable Information, establishing VA requirements for protecting personally identifiable and sensitive information on veterans, their family members, and employees.
- Directive 6601: Removable Storage Media, establishing VA policy regarding use of removable storage media.
- Directive 6371: Destruction of Temporary Paper Records.
- VA Directive 6609, Mailing of Personally Identifiable and Sensitive Information.

- A memorandum which specifies language to be placed in VA contracts regarding information security and privacy.

There are a number of directives and handbooks in draft or in departmental concurrence that are scheduled to be issued in FY 2009 that will supplement Directive 6500 mentioned above and will further strengthen controls over information security at VA.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Enabling Objective E-3

During FY 2008, there were no results reported for Enabling Objective E-3 because VA's IT function and underlying activities underwent significant reorganization in FY 2007 and 2008 with an accompanying revision of all IT-related measures. FY 2008 was a "transition year" where VA's new measures were developed. VA's FY 2009 budget submission included the new measures together with FY 2009 targets. Results achieved against these targets will be reported in the Department's FY 2009 PAR.

ENABLING OBJECTIVE E-4
Sound Business Principles

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

Making a Difference for the Veteran

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Loma Linda Medical Center Gets Electricity From the Sun

This photovoltaic (PV) system was installed at VA's Loma Linda, California Medical Center to provide clean, natural sun-powered electricity.

The Department of Veterans Affairs (VA) has completed installing a rooftop photovoltaic (PV) system at the Loma Linda, California, VA Medical Center. The system provides clean, natural, sun-powered electricity; reduces the medical center's electricity costs; and provides environmental benefits to the medical center, VA, and the community.

Workers installed 1,600 solar panels on the roof of the 4-story Jerry L. Pettis Memorial VA Medical Center in hopes of cutting the Loma Linda hospital's electricity bill by at least $60,000 a year. The solar panels fit comfortably over 70 percent of the hospital's flat, 200,000-square-foot roof. The project began generating power in August and is meeting expectations.

"Hospitals are big users of energy, so whatever VA can do to become a good 'green' neighbor will benefit all of us, both in the short and the long terms," said Dr. James B. Peake, Secretary of Veterans Affairs. "I'm proud of these innovative steps our people are taking and look for them to expand."

The project is part of a VA-wide push to use renewable energy at facilities. Other technologies planned for VA medical centers include wind, geothermal, and biomass energy, as well as using solar energy for water heating. E-mail inquiries may be sent to energy@va.gov.
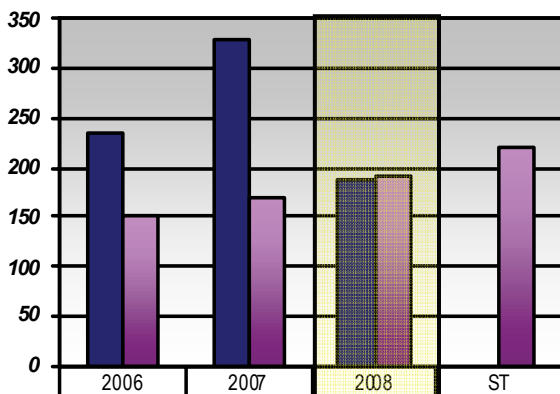
Significant Trends, Impacts, Use and Verification of FY 2008 Results

Supporting Measure
TOTAL ANNUAL VALUE OF JOINT VA/DOD PROCUREMENT CONTRACTS FOR HIGH-COST MEDICAL EQUIPMENT AND SUPPLIES

Performance Trends			
($ millions)			

	2006	2007	2008	ST
Results	$236	$328	$188	N/A
Targets	$150	$170	$190	$220

(1) 2006 and 2007 results are corrected.
(2) Beginning in 2007, medical supplies were added to this measure.
(3) Actual data through 07/2008. Final data are expected in 12/2008.
(4) ST = Strategic Target

How VA Verifies Results Data for Accuracy
Sales data are pulled from the high-tech medical equipment sales database and analyzed by subject matter experts from the National Acquisition Center for accuracy.

Impact on the Veteran
VA/DoD use of joint contracting saved VA over $35 million from March to December 2007. The savings allows VA to focus on patient care while providing high-quality, high-tech health care.

An overview of the savings is below:

Three month periods ending,
- June 2007 had a savings of $11,498,608 (10% of total VA procurements)
- September 2007 had a savings of $18,817,664 (10.4% of total VA procurements)
- December 2007 had a savings of $5,447,043 (14% of total VA procurements)

The savings shown above are based on recent equipment consolidations (shown as total savings and a percentage against total purchases during the consolidation period).

How VA Leadership Uses Results Data
VA uses the results data to verify that joint contracting vehicles are being used to the maximum extent possible by VA's medical facilities.

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

Performance Trends					
	2004	2005	2006	2007	2008	ST
Results	80%	98%	104%	112%	113%	N/A
Targets	Baselined	95%	95%	95%	95%	95%

(1) FY 2008 result is estimated; final data are expected in 01/2009.
(2) ST=Strategic Target

How VA Verifies Results Data for Accuracy
Data are verified for accuracy in a variety of ways. There is an Enhanced Data Validation Plan that includes methods for evaluating frequency, methods, error tolerance, and reporting reliability. In addition, a VA Management Quality Assurance Service team performs a site visit, validating data integrity in meeting VA portfolio goals.

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

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

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

VA recognizes increases in utilization due to patient care and privacy issues while examining means of measuring utilization in terms of workload.

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

Performance Trends	Impact on the Veteran
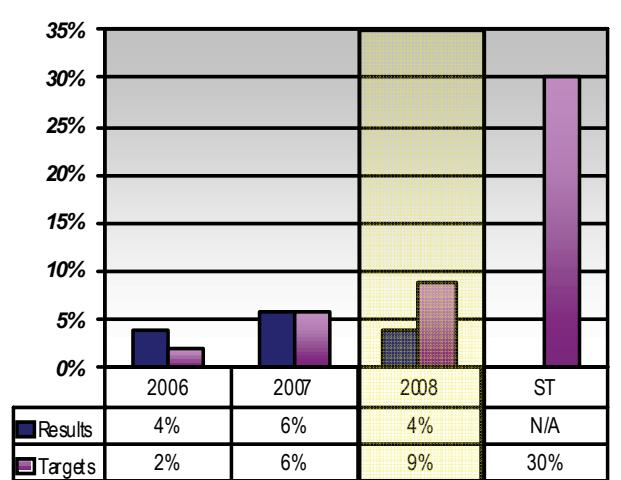
Performance Trends

	2006	2007	2008	ST
Results	4%	6%	4%	N/A
Targets	2%	6%	9%	30%

(1) Actual data through 08/2008. Final data are expected in 01/2009.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

FY 2008 data are verified by comparing with last year's data and contacting facilities supplying the information. Square footage data are as verified via real property reporting. In addition, VA automated systems used in this reporting have both automatic and manual checking procedures in place that produce error reports, batch totals, and consistency checks.

Impact on the Veteran

As VA decreases energy consumption, cost savings can be devoted to providing more and improved services to veterans.

How VA Leadership Uses Results Data

VA uses the data to monitor and report energy efficiency at facilities. The data help identify optimal energy management practices for possible nationwide replication. Conversely, management also uses the data to identify where energy efficiency improvements may be needed.
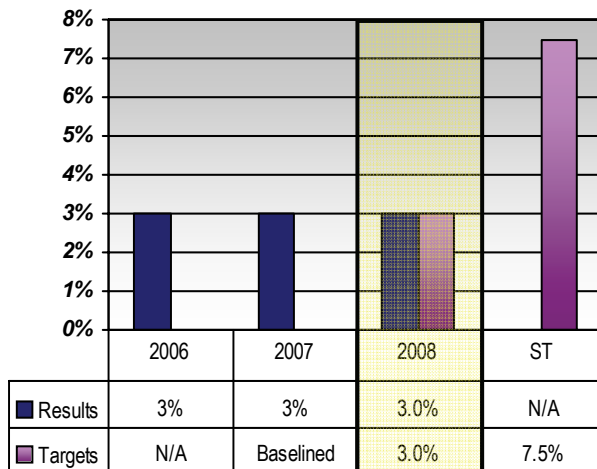
For example, VA targeted several facilities with relatively high consumption per square foot to implement selected energy conservation measures. These measures, such as steam trap replacements, lighting retrofits, and renewable energy projects, improve facility energy efficiency and help control energy costs.

Supporting Measure
PERCENT OF TOTAL FACILITY ELECTRICAL CONSUMPTION THAT IS RENEWABLE

Performance Trends	Impact on the Veteran

Impact on the Veteran

By using more renewably-generated electricity at its facilities, VA reduces its own and the Nation's dependence on petroleum, enhances facility energy security, and improves the environment.

How VA Leadership Uses Results Data

With this data, VA leadership is able to determine how well VA is progressing towards providing veterans with the benefits related to renewable energy use, and where improvements need to be made.

Performance Trends

	2006	2007	2008	ST
■ Results	3%	3%	3.0%	N/A
■ Targets	N/A	Baselined	3.0%	7.5%

(1) Actual data through 08/2008. Final data are expected in 01/2009.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

The data will be verified by comparing to last year's data and directly with facilities supplying the information. In addition, VA automated systems involved in reporting have both automatic and manual checking procedures in place using error reports, batch totals, and consistency checks.

Additional Performance Information for Enabling Objective E-4

OIG Major Management Challenges

- Financial Management System Functionality (see page 279 for more details)
- Financial Management Oversight (see page 281 or more details)
- Benefits Delivery Network System Records (see page 287 for more details)
- Open Market Procurements and Inventory Controls (see page 289 for more details)
- Contract Modifications to Use Expired Years Funds (see page 291 for more details)

- Contract Award and Administration (see page 293 for more details)
- Electronic Contract Management System (see page 297 for more details)

GAO High-Risk Areas

- Federal Real Property: A Governmentwide High-Risk Area (see page 314 for more details)
- Management of Interagency Contracting: A Governmentwide High-Risk Area (see page 320 for more details)

Program Assessment Rating Tool (PART) Evaluation

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

Administration also conducted a PART evaluation of VA's General Administration program during CY 2004, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 79 and 83 for more information.

New Policies, Procedures, or Process Improvements

The Office of Construction and Facilities Management (CFM) completed its reorganization and now reports directly to the Deputy Secretary. This increases the emphasis on providing facility solutions to health care needs, benefits programs, and national cemeteries.

CFM has increased the use of Indefinite Delivery Indefinite Quantity contracts to improve the facility master plan and project space plan development. This is expected to define budget and scope such that budget overruns and reprogrammings will be minimized.

In October 2007, the VHA Chief Financial Office released a comprehensive 141 page non-healthcare debt desk guide to the field. In January 2008, a national non-healthcare debt conference was held to review and train all attendees on the proper implementation of the contents of the desk guide, and emphasize the importance of proper management of non-healthcare debt as it relates to financial requirements and operational oversight.

In addition to the above-cited Non-Health Care Guidebook, the VHA Chief Business Office (CBO) developed Web-based procedure guides for first and third-party medical care collections fund (MCCF) accounts receivable processing. These guides were published in December 2007, and several training sessions were provided via national conference calls. CBO worked across the organization to update the third-party MCCF accounts receivable follow-up timelines contained in the Medical Care Debts handbook. This update was accomplished to ensure more follow-up on higher dollar receivables, which

comprise a larger portion of the third-party accounts receivable portfolio and result in greater collections. Training was provided on these revised follow-up timelines through several nationwide conference calls as well as a presentation at the CBO National Conference.

Federal Acquisition Certification for Contracting Program

In FY 2008, VA adopted the Federal Acquisition Institute/Office of Federal Procurement Policy training model centered around the Federal Acquisition Certification in Contracting (FAC-C) program, which requires all warranted contracting officers to achieve certification based on their experience and education. VA's goal is to achieve 100 percent certification for its warranted contracting officers by November 26, 2008.

Center for Acquisition Innovation (CAI)

In October 2007, VA Office of Acquisition and Logistics established the CAI to be a center of excellence for acquisition operations. CAI has offices in three locations. The Frederick, Maryland, CAI will house both an operational support center and the VA Acquisition Academy. The academy will be the training and learning center for acquisition interns to learn the federal acquisition process. The academy will focus on providing students with the knowledge and on-the-job experience they need to prepare them for a career in the federal acquisition community.

Data Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 217.

Complete Listing of Measures Supporting Enabling Objective E-4

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Recap

Green	14
Yellow	6
Red	0
Total	20

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-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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Gross Days Revenue Outstanding (GDRO) for third party collections (VHA)	N/A	Baseline	54	59	56 G	57	54
Dollar value of 1st party and 3rd party collections (VHA):							
1st Party ($ in millions)	$742	$772	$863	$915	$922 Y	$950	$1,159
3rd Party ($ in millions)	$960	$1,056	$1,096	$1,261	$1,497 G	$1,341	$1,531
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies** (through July) (1) Corrected **Beginning in 2007, medical supplies were added to this measure.	N/A	Baseline	(1) $236M	(1) $328M	* $188M Y	$190M	$220M
Obligations per unique patient user (VHA) (Estimate) (FY 2005 - 2007 results are expressed in constant 2005 dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI-U (CPI for All Urban Consumers) was used to project the FY 2008 estimate and target.)	$5,493	$5,597	$5,455	$5,740	* $5,891 G	$5,942	N/A
Percent of tort claims decided accurately at the administrative stage (OGC)	89.0%	88.4%	92.2%	92.6%	93.6% G	91.5%	91.5%
Cumulative % of FTEs (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)	N/A	0%	0%	33%	54% G	54%	100%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0 G	0	0
Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA) (1) Corrected	4	4	(1) 4	4	3 G	4	0

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

Strategic Goal/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

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-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.

Strategic Goal/Measure	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Average number of orders (prosthetics devices and batteries) processed annually per DALC employee (OM) (DALC = Denver Acquisition and Logistics Center)	14,394	16,238	16,794	17,577	18,888 Y	20,000	24,000
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (Estimate)	80% Baseline	98%	104%	112%	* 113% G	95%	95%
Percent Condition Index (owned buildings) (OAEM) (Estimate)	N/A	82% Baseline	79%	74%	* 64% Y	85%	87%
Ratio of non-mission dependent assets to total assets (OAEM) (Estimate)	N/A	22% Baseline	15%	12%	* 13% G	13%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (Estimate) (Targets and results were adjusted to conform with Federal Real Property Council Tier 1 definitions)	$4.52 Baseline	$4.85	$5.59	$5.80	* $6.46 Y	$4.52	$4.52
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM) (through August)	N/A	N/A	4%	6%	* 4% Y	9%	30%
Percent of total facility electricity consumption that is renewable (OAEM) (through August)	N/A	N/A	3%	3%	* 3.0% G	3.0%	7.5%
Percent of contract awards (design development, construction documents, construction) that meet operating plan target dates within a 90-day variance (OCFM) (Estimate)	N/A	73.3%	71.4%	73.0%	* 83.0% G	75.0%	90.0%
Percent of direct lease acquisitions that meet target dates (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 70%	100% G	80%	95%
Percent of property acquisitions that meet target dates (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 75%	100% G	80%	95%
Percent of space criteria departmental updates that are not older than 3 years (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 100%	100% G	98%	100%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

Assessment of Data Quality

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

Veterans Health Administration

I. Data Accuracy
VHA's Data Quality Program and data quality workgroups also provide guidance on data quality policies and practices as follows:

- Develop policy and guidance for field and other staff that provide standard information related to the data content, context, and meaning of specific data elements in VHA databases.
- Provide training and education to users through presentations at Veterans Health Administration electronic Health University (VeHU), Information Technology Conference (ITC) and program specific conferences.
- Disseminate best practices and data quality guidance through the VHA Data Quality Web site, a quarterly data quality newsletter, and through publication of user guides on subjects such as Data Quality, Identity Management and Catastrophic Overwrites which affect patient health care records.
- Participate in VHA's data standardization activities that involve the standardization of VHA's clinical and administrative data in support of critical activities including VA's Health Data Repository program and the Clinical and Health Data Repository data sharing and interoperability project (a collaborative effort between VA and DoD).
- Address patient safety risks through implementation of strong data quality practices that ensure the correct identification of patients and reduce the likelihood of catastrophic overwrites to the patient's longitudinal health record.
- Participate in various workgroups providing stewardship of and expertise on VHA data that provide increased data quality for future efforts such as Health*e*Vet VistA and in VA workgroups such as the effort to identify and document the uses of social security numbers in electronic systems and other records, and to develop alternatives for individual identification. Monitored and resolved data integrity issues and conflicts for more than 400 records with SSN discrepancies.
- Conducted an analysis of the accuracy of Date of Death data to identify how to improve the quality of this information.
- Collaborated in federal and external efforts, e.g., American Health Information Community (AHIC) VA/DoD Clinical Data Repository/Health Data Repository (CHDR), Connecting for Health (Markle Foundation) and National Health Information Network (NHIN) to improve data quality and support interoperability with health partners.
- Developed requirements for the Identity Management Data Quality (IMDQ) Toolkit which is a software application. The toolkit will re-host the legacy Master Patient Index (MPI) Identity Management user interfaces and improve current functionality for the HealtheVet VistA and MPI environments. The IMDQ Team will use the IMDQ Toolkit as the primary tool for identifying, managing and resolving issues with active patient's longitudinal health record and ensuring the integrity of the records for all persons across VHA.
- The Identity Management Data Quality team also identified additional data quality requirements or business rules to improve VHA's VistA system around patient identity data by adding software requirements to

prevent errors to patient record identity data that would reduce the quality of the identity data, such as preventing a change to a patient's social security number when that number had been validated by the Social Security Administration for that individual, thereby preserving the quality of the data for the patient and their electronic healthcare record.

VHA has broadened the Data Quality Program. In FY 2008, the Data Quality Program drafted a strategic framework that articulated the following goals:

- Improve the comprehensiveness, timeliness, consistency, and accuracy of VHA data for clinicians, researchers, administrators, veterans, sharing partners and lines of business.
- Reduce patient safety risk through implementation of strong data quality practices.
- Manage the integrity of patient identity information to provide the longitudinal health record.
- Enhance the patient experience by providing and maintaining consistent, complete and accurate data.
- Identify and promulgate industry and VHA data quality business standards and practices.
- Provide effective communication, education and training to improve data quality.
- Improve data quality to support interoperability with health and other partners.

II. Data Reliability/Comparability
VHA's abstracted data provides a reliable estimate of the quality of care being provided and is used to make clinical decisions as well as being used for accountability purposes. Many of the health care quality metrics can be trended over time and have external benchmarks for comparability.

Data reliability and consistency are critical elements for ensuring the timely and appropriate credentialing of health-care professionals. To this end, VetPro was implemented in 2001.

In December 2006, VetPro was expanded to include all licensed, registered, and certified health care professionals. To assure data reliability, original documents used in the credentialing process are scanned into VetPro and are readily available to clinical managers for decision-making and granting of clinical privileges. Any inconsistencies in the data provided and the verification of such data is automatically identified by VetPro and the credentialer must then take appropriate steps to reconcile the information. All primary-source documentation of credentials are stored electronically, including scanned images of the original paper documents.

VHA has long been recognized as a leader in documenting credentials and privileges of health-care professionals through its Credentialing Team. To assure accuracy in managing data, new Credentialing Team members complete a detailed orientation prior to assuming full duties as a program analyst.

Team members have access to three Web-based training modules, one in medical staff leadership and two in provider profiling. There are six more modules related to other aspects of credentialing and privileging due to launch on or before March 2009.

All new credentialers undergo VetPro Security and Confidentiality training prior to being given access to VetPro, the VHA's electronic credentials databank. Program analysts randomly audit credentialing files to assure accuracy of information.

VetPro promotes and demonstrates to other federal and private agencies the value of a secure, easily accessible, consistent, valid data bank of health professionals' credentials.

In sum, VetPro standardized the process of credentialing and privileging throughout VHA by:

- Establishing a secure, accessible, valid electronic database.
- Ensuring appropriate credentials for clinical roles of practitioners.
- Allowing verification of practitioners' track records.
- Promoting telemedicine and emergency readiness due to ease of sharing of electronic files as needed.

III. Data Consistency

VHA's data consistency efforts are implemented through three programs:

- *Data Stewardship* – Establishes and formalizes accountability and governance for the characteristics and management of organizational data and ensures that the appropriate people representing business processes, data and technology are involved in decisions relating to the data they produce, manage and use.
- *Clinical Data Quality Coordination*: Develops clinical data quality guidance and operating policies for VHA. Establishes and maintains mechanisms to identify resolve and monitor clinical data quality.
- *Business Product Management*: Ensures that business stakeholder data quality requirements are identified and communicated through appropriate processes and monitors progress to ensure business needs are met.

Veterans Benefits Administration

I. Data Accuracy

VBA's data management systems have been substantially improved in recent years with such programs as the VETSNET suite of applications and other corporate data solutions. These applications and the analytical tools associated with the data warehouse provide leadership with more robust data, and better support for information management and analysis.

Information is collected in defined formats and entered into specific fields of database records. Data are checked for completeness by system audits and manual verifications.

Certain data, such as SSN, are verified with the Social Security Administration periodically. Prior to award of benefits by VBA, the veteran's record is manually reviewed and data validated to ensure correct entitlement has been approved.

Employees are skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed.

II. Data Reliability/Comparability

The Office of Performance Analysis and Integrity (OPA&I), which reports directly to the Under Secretary for Benefits, assesses data for completeness, consistency, accuracy, and appropriateness of use as performance and workload management indicators. These data are extracted from VBA's systems of record, such as VETSNET, and are imported into an enterprise data warehouse.

All reports emanating from the enterprise data warehouse are developed using business rules provided by the respective VBA business lines. Supporting documentation for the enterprise data warehouse is maintained and readily available. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

VBA leadership uses performance data to make program decisions concerning benefits processing and other organizational needs. The decision to consolidate functions such as original pension claims processing to improve service is one example of the use of performance data in the decision making cycle. To the extent possible, performance data is comparable

between years, and is routinely reported in during the Monthly Performance Review, in annual budget submissions, and in other forums.

III. Data Consistency

Each VBA business line's requirements for data definitions, collection and documentation are well-documented in users guides and manuals.

During the migration to the corporate environment for the Compensation and Pension, Vocational Rehabilitation and Employment, and Loan Guaranty Programs, reporting consistency is maintained through synchronization of the legacy and corporate data within the corporate database. Corporate reporting requirements are well-defined, but additional requirements and modifications are continually under development. As business users identify new requirements, they are documented and tested to ensure reliability.

Reports are generated on regular schedules (daily, monthly, annually) to ensure consistency between reporting periods. Data are validated monthly by all five VBA business lines, and migrated into Monthly Operations Reports by OPA&I for use by VBA leadership as well as at the local level to make program and operational decisions.

National Cemetery Administration

I. Data Accuracy

NCA determines the annual distribution of living veterans and estimated veteran deaths from data provided by the VA Office of the Actuary based on current census figures. NCA's methodology for estimating the percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence was reviewed in a 1999 OIG audit assessing the accuracy of the data used for this measure. Audit results showed that NCA personnel generally made sound decisions and accurate calculations in determining the percent of veterans served by a burial option. Data were revalidated in the 2002 report entitled Volume 1:

Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.

NCA utilizes an annual mail-out survey to assess customer satisfaction with the appearance, quality of service provided, and other important aspects of VA national cemeteries. This survey is administered by an independent contractor. Data are accurate at a 95% confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year.

Performance data are also captured in NCA's Burial Operations Support System (BOSS) and Automated Monument Application System (AMAS) databases. These data are entered daily by NCA personnel who are trained in cemetery data collection and BOSS data entry procedures.

Automated monthly and fiscal-year-to-date reports are provided by VA's Quantico Regional Processing Center and are analyzed, verified, and distributed by trained NCA central office personnel to NCA Central Office, MSN, and national cemetery managers. After reviewing the data for general conformance with previous report periods, headquarters staff flag and resolve any irregularities through contact with the reporting stations and comparisons with source data from the BOSS and AMAS systems.

NCA has established an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability. As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to review cemetery data collection systems and verify collection methods. This review ensures that cemetery performance data are collected and reported in a manner that is accurate and valid.

II. Data Reliability/Comparability

NCA uses data on the percent of veterans served by a burial option within a reasonable distance

(75 miles) of their residence to determine the need for future national cemeteries and to prioritize funding decisions for potential state veterans cemeteries. These data are comparable between years and show the impact that funding for new cemeteries has made toward serving the burial needs of veterans.

Data from respondents to NCA's annual mail-out survey are collected and reported by an independent contractor. These data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. Data provided by this survey are reliable and are used by NCA management to develop funding requests and determine priorities for the operation and maintenance of national cemeteries as national shrines.

III. Data Consistency

Since 1999, NCA has consistently utilized a 75-mile standard for determining the percent of veterans served by a burial option within a reasonable distance of their residence. NCA utilizes the most current VetPop model based on census data and developed by the VA Office of the Actuary to determine the distribution of living veterans for this measure. The consistency of the methodology for calculating performance on this measure is verified in both the 2002 Future Burial Needs report and in the 2008 report entitled Evaluation of the VA Burial Benefits Program, prepared by an independent contractor as required by 38 U.S.C. 527.

The methodology for assessing customer satisfaction on NCA's annual mail-out survey has remained consistent since its inception in 2001. The survey collects data annually from family members and funeral directors who recently received services from a national cemetery. To ensure sensitivity to the grieving process, NCA allows a minimum of 3 months after an interment before including a respondent in the sample population.

The data collection method, requirements and process is specified in the survey contract. These meet industry standards for survey methodology. VA headquarters staff oversees the data collection process to verify that the contractor complies with data collection procedures.

NCA's BOSS database was originally implemented in the early 1990's and continues to serve as VA's primary source for national cemetery workload data. BOSS data fields and input instructions are well documented in BOSS User Guides. Monthly, semi-annual, and annual reports generated from BOSS are automated and generated on regular time schedules to ensure data consistency between reporting periods.

Veterans Benefits Administration
Quality Assurance Program (Millennium Act)

VBA maintains a national quality assurance program independent of the field stations responsible for processing claims and delivering benefits. The following information about our programs—including compensation and pension, education, vocational rehabilitation and employment, housing, and insurance—is provided in accordance with title 38, section 7734.

Cases Reviewed and Employees Assigned by Program		
	Cases Reviewed	Employees Assigned
Compensation and Pension (C&P) (STAR Accuracy Reviews)	19,603	31
Education	1,587	4
Vocational Rehabilitation and Employment	6,146	8
Loan Guaranty (Housing)	1,211	5
Insurance	11,040	4

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

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

The third tier of the national quality assurance program consists of special ad-hoc reviews. The quality assurance staff completes special focused reviews as needed in support of the agency mission and needs. These reviews are generally one-time case or examination reviews conducted for a specified purpose.

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

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

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

The STAR system includes review of work in three areas: claims that usually require a rating decision, authorization work (claims that generally do not require a rating decision), and fiduciary work.

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

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

was correct, including effective dates. Accuracy performance measures are calculated based on the results of the benefit entitlement review.

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

Results for C&P rating and Pension Management Center reviews for the 12-month period ending June 30, 2008, are as follows:

	Rating Reviews		Authorization Reviews		Pension Management Center Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	9,260	87%	6,326	94%	395	97%
Decision Documentation & Notification	9,260	90%	6,326	92%	395	92%

The fiduciary work review focuses on the appointment of fiduciaries, the content of field examinations, and the accountings by fiduciaries. The fiduciary review through June 2008 was based on 3,622 cases with an accuracy rate of 82 percent. Most of the errors were found in the area of protection. "Protection" includes oversight of the fiduciary/beneficiary arrangement, analysis of accounting, adequacy of protective measures for the residual estate, and any measures taken to ensure that VA funds are used for the welfare and needs of the beneficiary and recognized dependents. If any of the individual components is in error, the entire case is in error.

Actions Taken to Improve Quality – Compensation and Pension

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

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

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

Training remains a priority and is conducted using a variety of mediums including satellite broadcasts, training letters, and computer-assisted training. As part of our ongoing quality improvement effort to provide timely feedback, the C&P quality review staff began conducting monthly quality calls in March 2008 to discuss STAR error trends with regional office staff. C&P Training and STAR staffs collaborate on

training based on error trend analysis. Particular effort is made to ensure high-quality centralized training for new Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs). VBA implemented national individual performance review plans with standardized review categories, sample size, and performance standards for all VSRs and RVSRs.

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

Summary of Findings and Trends – Education

Education Service reviewed 1,587 cases in FY 2008. From 2007 to 2008, payment accuracy improved from 94.8 to 95.9 percent. Errors in determining the correct date for reduction or termination of payment were 22.9 percent of all payment errors. Errors in determining training time (part or full time) were 17.1 percent, and incorrect payment for intervals

between terms constituted 17.1 percent. These three causes accounted for 57.1 percent of all payment errors for the FYTD in 2008, slightly more than the 53.3 percent of payment errors that they constituted in 2007.

Actions Taken to Improve Quality – Education

As in previous years, the 2008 quarterly quality results identified error trends and causes. Errors in the areas identified then became topics for refresher training in regional processing offices. In addition, annual appraisal and assistance visits provided recommendations for improving specific quality areas.

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

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

VR&E completed quality assurance (QA) reviews on 6,146 cases in 2008. The national QA reviews were conducted over a 12-month period, with each regional office reviewed twice during the fiscal year. The goal was to review at least 80 cases from each regional office.

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

Accuracy Elements	Target Score 2008	Actual Score 2008
Accuracy of Entitlement Determinations	96%	98%
Accuracy of Evaluation, Planning, and Rehabilitation Services	87%	82%
Accuracy of Fiscal Decisions	94%	87%
Accuracy of Outcome Decisions	92%	96%

In addition to review of cases from each regional office, the QA & Field Survey Team conducted site visits of 13 regional offices in 2008.

Actions Taken to Improve Quality – Vocational Rehabilitation and Employment

The VR&E accuracy scores met or exceeded the target scores for FY 2007 in the following two elements: Accuracy of Entitlement Decisions and Accuracy of Outcome Decisions. These scores are attributed to the following initiatives implemented over the last 3 years:

- Each regional office conducts a review of 10 percent of its caseload each year. This ensures consistency in the QA review process and office procedures.
- The QA review results for national and local reviews are available on the VA Intranet Web site. This information enables regional offices to assess individual quality and to identify training needs.
- The QA Review Team currently works with the Training Team to provide trend data and develop training that clarifies administration of VR&E benefits.

Although the VR&E program is not meeting current targets for Accuracy of Fiscal Decisions and Accuracy of Evaluation, Planning, and Rehabilitation Services, trends for both measures show improvement. Current initiatives to improve performance in these areas include targeted development of quality standards of practice, implementation of policy clarifying service requirements, development of automated job aids, and extensive training for new and experienced counselors.

Summary of Findings and Trends – Loan Guaranty (Housing)

The Loan Guaranty housing program reviewed 10,344 cases under its statistical quality control program during 2008. The defect rate equaled less than 1 percent, with the current national

accuracy index being 99 percent. This is an improvement from 2007.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 45 on-site audits and 36 in-house audits of lenders participating in VA's home loan program. VA audits of lenders during 2008 amounted to approximately $5,760,000 in liability avoidance via indemnification agreements. VA has also collected $1,171,922 in 2008 as a result of having indemnification agreements in place.

The Portfolio Loan Oversight Unit (PLOU) conducts two types of reviews: in-house and on-site. PLOU reviewed 94 billing invoices and completed 3,721 associated invoice reviews of the portfolio services contractor, as well as 7,276 non-invoice reviews related to contract compliance. Additionally, PLOU conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA. The amount traced and recovered for VA in 2008 is $565,458.

Loan Guaranty staff conducted 7 on-site reviews of VA Regional Loan Centers and an on-site review of the Winston-Salem Eligibility Center. On-site reviews are conducted by VA Quality Control Staff.

In 2008 the reviews by Loan Management/PLOU recovered excessive contractor charges in the amount of $2,409,187. PLOU also discovered approximately $17,909 of potentially recoverable amounts from GI lenders in connection with title issues. Additionally, PLOU researched and provided legal descriptions to the Countrywide Home Loans tax unit on 1,338 Real Estate Owned properties.

Actions Taken to Improve Quality – Loan Guaranty (Housing)

The Loan Guaranty Service disseminates the results of statistical quality control (SQC) reviews to field offices on a monthly basis. The Service prepares and releases trend reports that identify negative trends and action items found during surveys. The reports are published to assist field personnel in identifying frequent problems facing loan guaranty management. Additionally, summaries of best practices employed by individual field stations are disseminated to all field stations with loan guaranty activity.

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

The property management services contract with Ocwen terminated on July 24, 2008. In July 2008, VA awarded a new performance-based property management services contract to Countrywide Home Loans (CHL), a wholly-owned subsidiary of Bank of America (BOA). Under this new contract, CHL manages and sells all VA-acquired properties as a result of foreclosure or termination of GI and portfolio loans. The Property Management Oversight Unit (PMOU) monitors the management and marketing of the properties by CHL. These assets are currently worth approximately $753 million. The PMOU monitors CHL's performance by inspecting properties nationwide to ensure compliance with the contract requirements and performs on-site case reviews at CHL's operations center on a quarterly basis. The PMOU is also responsible for reviewing and certifying all payments made to CHL, including reimbursement of expenses for the management and sale of acquired properties. This requires quality assurance checks to ensure that CHL is entitled to the claimed reimbursement.

Summary of Findings and Trends – Insurance

The Insurance program's principal quality assurance tool is the SQC review. It assesses the ongoing quality and timeliness of work products by reviewing a random sample of completed or pending work products. These work products are generally grouped into two broad categories based on the operating divisions in which they are performed – Policyholders Services or Insurance Claims Divisions.

Policyholders Services, whose work products deal with the maintenance of active insurance policies, had an overall accuracy rate of 95.6 percent for 2008. Work products included correspondence, applications, disbursements, record maintenance, refunds, and telephone inquiries. Insurance Claims Division is responsible for the payment of death and disability awards, the issuance of new life insurance policies, and the processing of beneficiary designations. The accuracy rate for Insurance Claims work products was 99.4 percent. Work products included death claims, awards maintenance, beneficiary designation changes, disability claims, and medical reinstatement applications. In total, the accuracy rate for all 2008 insurance work products was 97.5 percent.

Over 97.1 percent of the work measured in Policyholders Services and 97.4 percent in Insurance Claims was within accepted timeliness standards. The overall timeliness rate for 2008 insurance work products was 97.3 percent.

The insurance quality assurance program also includes internal control reviews and individual employee performance reviews. The internal control staff reviews 100 percent of all employee-prepared disbursements and also reviews insurance operations for fraud through a variety of reports. Reports are generated daily and identify various Insurance transactions based on specific criteria that indicate possible fraud. Primary end products processed by

employees in the operating divisions are evaluated based on the elements identified in the Individual Employee Performance Requirements. As a result of these controls, insurance disbursements are 99 percent accurate.

Actions Taken to Improve Quality – Insurance

The Insurance Service uses SQC, employee performance review programs, and feedback from Internal Control reviews to measure quality and timeliness on an overall and individual basis. These programs are valuable as training tools because they identify trends and problem areas.

SQC reviews are based on random samples of key work products and evaluate how well these work products are processed in terms of both quality and timeliness. Exceptions are brought to the attention of the insurance operations division chiefs, unit supervisors, and employees who worked the case. VBA's Insurance Service evaluates the SQC programs periodically to determine if they are functioning as intended. Individual performance reviews are conducted monthly. The performance levels – critical and non-critical elements – are identified in the Individual Employee Performance Requirements. These reviews are based on a random sampling of the primary end products produced by employees in the operating divisions. Those items found to have errors are returned to the employee for correction. At the end of the month, supervisors inform employees of their error rates and timeliness percentages as compared to acceptable standards.

The Internal Control Staff monitors, reviews, and approves insurance disbursements and certain other controlled transactions, as well as reviews post-audit reports. Work products with any detected errors are returned for correction.

The results of SQC, employee performance reviews, and Internal Control feedback are used to address any areas where improvement is needed via corrective training and other steps to improve error rates and timeliness percentages.

The Insurance program has successfully implemented a dozen job aids under the initiative called "Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems." This program captures "best practices" and standardized procedures for processing various work items and makes them available on each employee's desktop. The job aids are an important tool in reducing error rates and improving timeliness.

Key Performance Measure Sorted by Strategic Objective	Definition	Measure Validation	Data Source and Frequency
Objective 1.2 Compensation: National accuracy rate (core rating work)	Processing accuracy for compensation claims that normally require a disability or death rating determination. Review criteria include: addressing all issues, Veterans Claims Assistance Act (VCAA)-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.	This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.	**Source:** Findings from Compensation and Pension (C&P) Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the Performance Analysis and Integrity (PA&I) information storage database. **Frequency:** Case reviews are conducted daily. The review results are tabulated monthly on a 12-month rolling basis.
Objective 1.2 Compensation and Pension: Rating-related actions - average days to process	The average elapsed time (in days) it takes to complete compensation and pension claims that require a rating decision is measured from the date the claim is received by VA to the date the decision is completed. Includes the end products (EPs): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source:** VETSNET Operations Reports (VOR). **Frequency:** Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.
Objective 1.2 Compensation: Rating-related actions - average days pending	The measure is calculated by counting the number of days for all pending compensation claims that require a rating decision from the date each claim is received through the current reporting date. The total number of days is divided by the total number of pending claims. Includes the end products (EPs): EP110, EP010, EP140, EP020, EP310, and EP320.	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source:** VETSNET Operations Reports (VOR). **Frequency:** The element is a snapshot of the age of the inventory at the end of each processing day.
Objective 1.3 Vocational Rehabilitation and Employment (VR&E) Rehabilitation rate	The rehabilitation rate calculation is as follows: (a) the number of disabled veterans who successfully complete VA's vocational rehabilitation program and acquire and maintain suitable employment and veterans with disabilities for which employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (b) the total number leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program and have been classified under one of three "maximum rehabilitation gain" categories: (1) the veteran accepted an employment position incompatible with disability limitations, (2) the veteran is employable but has informed VA that he/she is not interested in seeking employment, or (3) the veteran is not employed and not employable for medical or psychological reasons.	The primary goal of the VR&E program is to assist service-disabled veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success in meeting this goal, as it represents the number of veterans successfully reentering the workforce following completion of their VR&E program.	**Source:** VR&E management reports **Frequency:** Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.
Objective 1.4 Compensation: Average days to process - DIC actions	The average length of time it takes to process a Dependency and Indemnity Compensation (DIC) claim from the date the claim is received by VA to the date the claim is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of claims completed. DIC actions are all Original Service Connected Death Claims (End Product 140) processed.	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source:** VETSNET Operations Reports (VOR). **Frequency:** Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.
Objective 2.2 Average days to complete original and supplemental education claims	Elapsed time, in days, from receipt of a claim in the Department of Veterans Affairs to closure of the case by issuing a decision. Original claims are those for first-time use of this benefit. Any subsequent school enrollment is considered a supplemental claim.	Timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which the work can be completed, and is thus the best quantifying measure for education processing.	**Source:** Education claims processing timeliness is measured by using data captured automatically through VBA's BDN. This information is reported through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system. **Frequency:** Monthly

Data Verification/Quality			Data Limitations
Accuracy	**Reliability/ Comparability**	**Consistency**	
Data Verification/Quality Rating Scale:	**5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low**		
Data accuracy is maintained through the following mechanisms: Data collection staff is skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating: 5**	Data can be used to make decisions such as those regarding training needs; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating: 4**	Collection sampling standards are documented, available and used; source data are well defined and documented; data reporting schedules are documented, distributed and followed. **Data Consistency Rating: 5**	There is a slight chance of an erroneous entry by the end user.
Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating: 5**	Data can be used to make decisions such as those regarding realignment of resources; data is released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating: 5**	Collection standards are documented and programmed electornically; source data are well defined and documented; and data is reported monthly. **Data Consistency Rating: 5**	No data limitations noted.
Data are captured electronically through an automated process; data are reviewed for anomolies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating: 5**	Data can be used to make decisions such as those regarding realignment of resources; data is released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating: 5**	Collection standards are documented and programmed electornically; source data are well defined and documented; and data is reported monthly. **Data Consistency Rating: 5**	No data limitations noted.
Data collection staff is skilled/trained in proper procedures. Data is verified against source data and sent out to the Regional Offices for validation. **Data Accuracy Rating**: 4	Data are collected and compiled on a monthly basis. Data collected is used by VR&E Management, VBA Management, and Regional Offices to measure the program's success and to identify areas of concern and progress. Data can be compared between years to assess progress or program effectiveness. **Data Reliability Rating**: 4	The source data are well defined and documented -- definitions are available and used. Data collection and distribution on a monthly basis are consistent and documented. **Data Consistency Rating**: 4	There is a slight chance of an erroneous entry by the end user.
Data are captured electronically through an automated process; data are reviewed for anomolies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating: 5**	Data can be used to make decisions such as those regarding realignment of resources; data is released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating: 5**	Collection standards are documented and programmed electornically; source data are well defined and documented; and data is reported monthly. **Data Consistency Rating: 5**	No data limitations noted.
More than half of all claims are received electronically, and date of claim is automatically determined. Imaging clerks and authorization personnel are skilled and trained in determining date of claim for manual input. Procedures for date of claim input, completion, and change are documented and followed. Timeliness data is verified through sampling on a quarterly basis during Quality Assurance reviews. Timeliness error rates of three percent or more on Quality Assurance reviews result in corrective refresher training. No 3rd party evaluations are conducted. **Data Accuracy Rating: 5**	Timeliness data is received in a timely manner to facilitate program management decisions, and for other critical reporting. It is maintained in easily accessible electronic storage covering more than a decade, and can be extracted in both standard and ad hoc report formats. The stored data includes both detail and summary information to ensure its reliability for decision-making. **Data Reliabililty Rating: 5**	Timeliness data is collected according to long-established, well-documented, and consistently used standards. The definitions for source data are clear and documented, and are available and used. Data reporting schedules are documented, distributed, and followed. **Data Consistency Rating: 5**	The necessity for manual input of date of claim opens the possibility of data entry errors. While basic and refresher training can reduce this possibility, they cannot entirely eliminate it. Although quality reviews identify problems in this area, they are conducted after the fact, and individual errors cannot be detected in time to prevent their inclusion in overall data.

Key Performance Measure Sorted by Strategic Objective	Definition	Measure Validation	Data Source and Frequency
Objective 3.1 **Percent of patients rating VA health care service as very good or excellent: Inpatient and Outpatient**	Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your quality of care?" The numerator is the number of patients who respond 'very good' or 'excellent.'	Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.	<u>Source</u>: Survey of Health Experiences of Patients <u>Frequency</u>: Surveys are conducted as follows: Inpatient - Semi-annually Outpatient - Quarterly.
Objective 3.1 **Percent of primary care appointments scheduled within 30 days of desired date**	This measure tracks the time between when the primary care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. The percent is calculated using the numerator, which is all appointments scheduled within 30 days of desired date (includes both new and established patient experiences), and the denominator, which is all appointments in primary care clinics posted in the scheduling software during the review period.	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	<u>Source</u>: VistA scheduling software <u>Frequency</u>: Monthly
Objective 3.1 **Percent of specialty care appointments scheduled within 30 days of desired date**	This measure tracks the time between when the specialty care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. This includes both new and established specialty care patients. The percent is calculated using the numerator, which is all appointments scheduled within 30 days of desired date, and the denominator, which is all appointments posted in the scheduling software during the review period in selected high volume/key specialty clinics.	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	<u>Source</u>: VistA scheduling software <u>Frequency</u>: Monthly
Objective 3.1 **Percent of new patient appointments completed within 30 days of desired date**	This measure tracks the number of days between the appointment request date and the day the appointment was completed for new patients in primary care and specialty clinics. The percent is calculated by dividing all new patient appointments scheduled within 30 days of the desired date (the numerator) into all new appointments posted in the scheduling system (the denominator). Wait times associated with clinic appointment cancellations are included in this calculation (appointments cancelled by patients are not included). (Medical Care)	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	<u>Source</u>: VistA scheduling software <u>Frequency</u>: Monthly
Objective 3.1 **Percent of unique patients waiting more than 30 days beyond the desired appointment date**	This measure tracks the number of new and established patients who are waiting to be seen. A patient is classified as "waiting" once the date that they want to be seen has passed. The percent is calculated by dividing all patient appointments scheduled beyond 30 days of the desired date (the numerator) by all appointments posted in the scheduling system (the denominator). When individual patients are waiting for more than one appointment, the calculation counts only the appointment with the longest wait time. (Medical Care)	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	<u>Source</u>: VistA scheduling software <u>Frequency</u>: Monthly
Objective 3.1 **Clinical Practice Guidelines Index II**	The Clinical Practice Guidelines Index is a composite measure comprised of the evidence and outcomes-based measures for high-prevalence and high-risk diseases that have significant impact on overall health status. The indicators within the Index are comprised of several clinical practice guidelines in the areas of ischemic heart disease, hypertension, diabetes mellitus, major depressive disorder, schizophrenia, and tobacco use cessation. The percent compliance is an average of the separate indicators. As clinical indicators become high performers, they are replaced with more challenging indicators. The Index is now in Phase II.	The CPGI II demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking care in VA. The measure targets elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses.	<u>Source</u>: VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores. <u>Frequency</u>: Data are reported quarterly with a cumulative average determined annually.

Data Verification/Quality			Data Limitations
Accuracy	**Reliability/ Comparability**	**Consistency**	
Data Verification/Quality Rating Scale:	**5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low**		
The data collection process is documented and followed when surveys are received. **Data Accuracy Rating: 5**	Data collected is used by VHA to measure patient satisfaction. The results are used to imform and drive quality improvement. **Data Reliability Rating: 5**	Collection standards are documented, available, and used. **Data Consistency Rating: 5**	None
Data collection staff are skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating:** 5	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for primary care appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating:** 5	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating:** 5	None
Data collection staff are skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating:** 5	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for specialty care appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating:** 5	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating:** 5	None
Data collection staff are skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating:** 5	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for new patient appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating:** 5	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating:** 5	None
Data collection staff are skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating:** 5	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for unique patients awaiting appointments and by improving efficiencies and addressing missed opportunities. **Data Reliability Rating:** 5	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating:** 5	None
Data collection staff are skilled and trained in gathering statistically valid random samples of medical records for review. **Data Accuracy Rating:** 4	Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management and care access to limit the effects and improve the quality of life for the veteran. **Data Reliability Rating:** 4	Collection standards are documented/available/used. **Data Consistency Rating:** 4	None

Key Performance Measure Sorted by Strategic Objective	Definition	Measure Validation	Data Source and Frequency
Objective 3.1 **Prevention Index III**	The Prevention Index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes. The nine diseases or health factors include: rate of immunizations for Influenza and Pneumococcal pneumonia; screening for tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, and cholesterol levels; and prostate cancer education. Each disease has an indicator. Each indicator's numerator is the number of patients in the random sample who actually received the intervention they were eligible to receive. The denominator is the number of patients in the random sample who were eligible to receive the intervention. As prevention indicators become high performers, they are replaced with more challenging indicators. This Index is now in Phase III.	The Prevention Index III demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients.	**Source**: VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores. **Frequency**: Data are reported quarterly with a cumulative average determined annually.
Objective 3.1 **Annual percent increase of non-institutional, long term care average daily census using 2006 as the baseline.**	The percentage increase is based on the Average Daily Census (ADC) of veterans enrolled in Home and Community-Based Care programs (e.g., Community Residential Care, Home-Based Primary Care, Contract Home Health Care, Adult Day Health Care (VA and Contract), and Homemaker/Home Health Aide Services). The percentage increase is also based on the number of veterans being cared for under the Care Coordination/Home Telehealth settings.	The measure captures the expansion of access to non-institutional care within VHA programs and/or contracted services. Non-institutional care is deemed to be more desirable and cost efficient for those veterans that are appropriate for this level of care. The measure drives both expansion of the variety of services and expansion of geographic access.	**Source**: The ADC data are obtained from VHA workload reporting databases designed to capture both VHA-provided care and VHA-paid (fee-based or contracted) care. **Frequency**: Quarterly
Objective 3.2 **Compensation and Pension: Rating-related actions - average days to process**	The average elapsed time (in days) it takes to complete compensation and pension claims that require a rating decision is measured from the date the claim is received by VA to the date the decision is completed. Includes the end products (EPs): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source**: VETSNET Operations Reports (VOR). **Frequency**: Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.
Objective 3.2 **Pension: Non-rating actions - average days to process**	The average length of time (in days) it takes to process a pension claim that does not require a rating decision from the date the claim is received by VA to the date the claim is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of claims completed. Pension Non-Rating includes: Disability and Death Dependency (EP 130); Income, Estate and Election Issues (EP 150); Income Verification Match Cases - DIC (EP 154); Eligibility Verification Report Referrals (EP 155); and Original Death Pension (EP 190).	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source**: VETSNET Operations Reports (VOR). **Frequency**: Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.
Objective 3.2 **Pension: National accuracy rate (authorization work)**	The claims processing accuracy for pension claims that normally do not require rating decisios (i.e. determinations and verifications of income as well as dependency and relationship matters). Review criteria include: correct decision, correct effective date, correct payment date when applicable and Veterans Claims Assistance Act (VCAA)-compliant development. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.	This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.	**Source**: Findings from C&P Service STAR are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database. **Frequency**: Case reviews are conducted daily. The review results are tabulated monthly and annually.
Objective 3.3 **Average number of days to process TSGLI disbursements**	Traumatic Injury Protection Program (TSGLI) is a disability rider to the SGLI program that provides automatic traumatic injury coverage to all servicemembers covered under the SGLI program who suffer losses due to traumatic injuries. TSGLI payments range from $25,000 to a maximum of $100,000 depending on the type and severity of injury. Processing time, calculated as days, begins when the veteran's claim is complete and ends when the Internal Controls staff approves the disbursement.	The purpose of TSGLI is to provide rapid financial assistance to traumatically injured servicemembers so that their families can be with them during an often extensive recovery and rehabilitation process. The timeliness of disbursements is the primary reflection of this purpose and provides a clear indication of the ability to process the workload in a quality, timely manner.	**Source**: Data on processing time are collected and stored through the Life Claims Management System (LCMS) maintained by the Office of Servicemembers' Group Life Insurance (OSGLI). **Frequency**: Monthly

Data Verification/Quality			Data Limitations
Accuracy	**Reliability/ Comparability**	**Consistency**	
Data Verification/Quality Rating Scale:	**5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low**		
Data collection staff are skilled and trained in gathering statistically valid random samples of medical records for review. **Data Accuracy Rating:** 4	Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management and care access to limit the effects and improve the quality of life for the veteran. **Data Reliability Rating:** 4	Collection standards are documented/available/used. **Data Consistency Rating:** 4	None
Data is verified through sampling against source data. The data captured is verified against previously captured data to determine the percent increase of veterans receiving home and Community-Based Care. **Data Accuracy Rating: 5**	Data can be used to project the need for services, evaluate existing services and promote access to required services in Home and Comminity-Based Care **Data Reliability Rating:** 5	Collection standards are documented/available/used. **Data Consistency Rating:** 5	None
Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating:** 5	Data can be used to make decisions such as those regarding realignment of resources; data is released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating:** 5	Narrative Input: Collection standards are documented and programmed electronically; source data are well defined and documented; and data is reported monthly. **Data Consistency Rating: 5**	No data limitations noted.
Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating:** 5	Data can be used to make decisions such as those regarding realignment of resources; data is released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating:** 5	Narrative Input: Collection standards are documented and programmed electronically; source data are well defined and documented; and data is reported monthly. **Data Consistency Rating: 5**	No data limitations noted.
Data accuracy is maintained because the data collection staff is skilled and trained in the proper procedures; data entry procedures are documented and followed; data entry staff is skilled in the procedures; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating: 5**	Data can be used to make decisions regarding training needs; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability: 4**	Collection sampling standards are documented, available and used; source data are well defined and documented; data reporting schedules are documented, distributed and followed. **Data Consistency Rating: 5**	There is a slight chance of an erroneous entry by the end user.
Data are verified through sampling source data. Data are provided monthly. VA reviews and analyzes the data when it is received. **Data Accuracy Rating: 5**	Data can be compared between years to assess progress or program effectiveness and to make program decisions. **Data Reliability Rating: 5**	Collection standards are available and source data are well defined and documented. **Data Consistency Rating: 5**	No data limitations noted.

Key Performance Measure Sorted by Strategic Objective	Definition	Measure Validation	Data Source and Frequency
Objective 3.4 **Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence**	The measure is the number of veterans served by a burial option divided by the total number of veterans, expressed as a percentage. A burial option is defined as a first family member interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery that is available within 75 miles of the veteran's place of residence.	Reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery is available within 75 miles of the veteran's place of residence. VA established a 75-mile service area standard because NCA data show that more than 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at the time of death.	**Source**: For 2004 and 2005, the number of veterans and the number of veterans served were extracted from a revised VetPop2000 model using 2000 census data. For 2006 and 2007, the number of veterans and the number of veterans served were extracted from the VetPop2004 version 1.0 model using 2000 census data. For 2008 and projected data, the number of veterans and the number of veterans served were extracted from the VetPop2007 model using 2000 census data. **Frequency**: Recalculated annually or as required by the availability of updated veteran population census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries also determine the veteran population served.
Objective 3.4 **Percent of respondents who rate the quality of service provided by the national cemeteries as excellent**	The number of survey respondents who agree or strongly agree that the quality of service received from national cemetery staff is excellent divided by the total number of survey respondents, expressed as a percentage.	NCA strives to provide high-quality, courteous, and responsive service in all of its contacts with veterans and their families and friends. These contacts include scheduling the committal service, arranging for and conducting interments, and providing information about the cemetery and the location of specific graves.	**Source**: NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. **Frequency**: Annually
Objective 3.5 **Percent of graves in national cemeteries marked within 60 days of interment**	The number of graves in national cemeteries for which a permanent marker has been set at the grave or the reverse inscription completed within 60 days of the interment divided by the number of interments, expressed as a percentage.	The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. The amount of time it takes to mark the grave after an interment is important to veterans and their family members.	**Source**: Burial Operations Support System (BOSS); data input by field station staff. **Frequency**: Monthly
Objective 3.6 **Foreclosure avoidance through servicing (FATS) ratio**	The FATS ratio measures the effectiveness of VA supplemental servicing of defaulted guaranteed loans. The ratio measures the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure.	The primary goal of Loan Guaranty Service is to assist veterans in obtaining home ownership. The FATS ratio measures VA's ability to assist veterans in maintaining home ownership during periods of personal financial strain.	**Source**: Data are extracted from the Loan Service and Claims (LS&C) System. This system is used to manage defaults and foreclosures of VA-guaranteed loans. **Frequency**: Data are collected on a monthly basis.
Objective 4.2 **Progress towards development of one new treatment for PTSD**	PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened, as in the example of combat. PTSD related to combat exposure is a major concern in the health of the veteran population. The long-term goal of this research is to develop at least one new effective treatment for PTSD and publish the results by 2011.	The results from the clinical trials will be published in peer-reviewed scientific journals, providing an evidence base for clinical practice generally and for Clinical Practice Guidelines specifically.	**Source**: Data are obtained from (1) the written annual research progress reports, which are submitted electronically through the Office of Research and Development's ePROMISE system; (2) personal communications with the investigator in relation to this performance goal, which will be noted and filed; and (3) submission of an application for VA research funding by the Principal Investigator, which will include a summary of progress. **Frequency**: Annually
Objective 4.5 **Percent of respondents who rate national cemetery appearance as excellent**	The number of survey respondents who agree or strongly agree that the overall appearance of the national cemetery is excellent divided by the total number of survey respondents, expressed as a percentage.	NCA will continue to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places to which veterans and their families are drawn for dignified burials and lasting memorials.	**Source**: NCA's Survey of Satisfaction with National Cemeteries. The survey's respondents are family members and funeral directors who have recently received services from a national cemetery. **Frequency**: Annual

Data Verification/Quality			Data Limitations
Accuracy	**Reliability/ Comparability**	**Consistency**	
Data Verification/Quality Rating Scale:		5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low	
NCA staff are trained and skilled in proper procedures for calculating the number of veterans that live within the service area of cemeteries that provide a first interment burial option. Changes to this calculation methodology or other changes to the measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reports. Results of a VA Office of the Inspector General audit assessing the accuracy of data used for this measure affirmed the accuracy of calculations made by NCA personnel. **Data Accuracy Rating: 5**	Data on this measure are used to determine potential areas of need for future national cemeteries and to guide funding decisions for state veteran cemetery grants. Data are timely, are used in monthly VA performance reports and annual GRPA reports, and enable VA stakeholders to assess VA's progress toward meeting the burial needs of veterans on an annual basis. **Data Reliability Rating: 5**	Current data sources and collection standards are well defined. Data sources and collection standards have been documented by independent program studies conducted in 2002 and 2008. **Data Consistency Rating: 5**	Provides performance data at specific points in time while at the same time, veteran demographics are constantly changing.
Data are collected by an independent contractor skilled in data collection and analytical techniques. Data are accurate at 95% confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. **Data Accuracy Rating: 5**	Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance reports and annual GRPA reports, and to enable stakeholders to assess VA's annual performance on providing quality service to veterans and their families. **Data Reliability Rating: 5**	VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are defined by contract. **Data Consistency Rating: 5**	The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.
National cemetery employees are trained and skilled at entering data into NCA's BOSS system. Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS. **Data Accuracy Rating: 5**	Data are used by NCA managers to identify and correct potential problems in the headstone and marker ordering, delivery, and setting process. Data are available at the beginning of each month and are available for use in GPRA reports and VA internal Monthly Performance Reports. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness. **Data Reliability Rating**: 5	Data collection standards for this measure are automated at VA's Quantico Regional Processing Center (QRPC). Monthly reports are generated automatically by QRPC on the 25th day of each month. Source data are well defined in NCA's BOSS users guide. **Data Consistency Rating: 5**	None
VA personnel are skilled and trained in loan servicing procedures. Prior to input of the staff's completed servicing actions, a supervisory check of the results data is completed to verify the accuracy of the actions taken. If these actions result in the veteran's defaulted loan becoming current, then another supervisory check is done to verify the successful intervention data for accuracy. **Data Accuracy Rating: 5**	FATS data can be used to make program decisions and can be compared between years to assess progress or program effectiveness. Supporting documentation is maintained and readily available. **Data Reliability Rating:** 5	FATS data are well defined and documented. Definitions of FATS data elements are available and used. **Data Consistency Rating:** 5	In order to better assist veterans and capitalize on some of the servicing industry's best practices, VA underwent a complete business process redesign of how it conducts servicing of defaulted loans. This redesign effort included development of the VA Loan Electronic Reporting Interface (VALERI) service. With VALERI, servicing of delinquent VA-guaranteed loans is done in a more effective manner. Full implementation of VALERI will be completed by the end of the 2008 calendar year. At that point, data will no longer be available in the Loan Servicing and Claims (LS&C) system and the FATS measure will be replaced.
Research scientists are skilled and trained in anxiety disorder and the data verification needed to provide accurate data. **Data Accuracy Rating: 5**	Results data derived from this measure is rapidly translated into clinical pratice. The findings are published and discussed to help meet the needs of veterans and others suffering from Post-Traumatic Stress Disorder. **Data Reliability Rating: 5**	Collection standards are documented/available/used.Source data are well defined and documented; definitions are available and used. **Data Consistency Rating:** 5	None
Data are collected by an independent contractor skilled in data collection and analytical techniques. Data are accurate at 95% confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. **Data Accuracy Rating: 5**	Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance reports and annual GRPA reports, and to enable stakeholders to assess VA's annual performance on maintaining national cemeteries as national shrines. **Data Reliability Rating: 5**	VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are clearly defined and incorporated into a contract with the firm that conducts the survey. **Data _Consistency Rating:_ 5**	The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.

Performance Measures Tables
By Organization and Program

The following table displays our key and supporting measures by organization and program.

For each measure, we show available trend data for 5 years. **This report highlights the actual 2008 result as compared to the 2008 target is designated as follows:**

- **Green or G**: Target was met or exceeded.

- **Yellow or Y**: Target was not met, but the deviation was not significant or material.

- **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

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

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

The table showing measures by organization and program includes the total amount of resources (FTE and obligations) for each program. The GPRA program activity structure is somewhat different from the program activity structure shown in the program and financing (P&F) schedules of the President's budget. However, all of the P&F schedules have been aligned with one or more of our programs to ensure all VA program activities are covered.

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

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

VA continues working to ensure the quality and integrity of our data. The Key Measures Data Table starting on page 228 provides the definition, data source, frequency of collection, any data limitations, and data verification and measure validation for each of VA's 25 key measures. The Assessment of Data Quality beginning on page 217 provides an overall view of how our programs verify and validate data for all of the measures. Definitions for the key as well as supporting measures are located in Part IV.

FY 2008 Performance Measures by Organization and Program

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

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Veterans Health Administration

P&F ID Codes: 36-0152-0-1-703   36-0160-0-1-703
36-0162-0-1-703   36-0181-0-1-703   36-5358-0-1-703
Medical Care Programs   36-4014-0-3-705   36-8180-0-7-705   36-0165-0-1-703

	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Resources							
FTE	194,055	197,650	197,900	207,615	219,535		
Total Program Costs ($ in millions)	$30,772	$31,668	$33,468	$36,433	$42,531		
Performance Measures							
Percent of patients rating VA health care service as very good or excellent:							
Inpatient (through July)	74%	77%	78%	78%	* 79% G	79%	81%
Outpatient (through July)	72%	77%	78%	78%	* 78% Y	79%	81%
Percent of primary care appointments scheduled within 30 days of desired date	94%	96%	96%	97%	98.7% G	97%	97%
Percent of specialty care appointments scheduled within 30 days of desired date	93%	93%	94%	95%	97.5% G	95%	96%
Percent of new patient appointments completed within 30 days of desired date	N/A	N/A	N/A	N/A	Baseline	Baseline	95%
Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/A	N/A	N/A	N/A	Baseline	Baseline	10%
Clinical Practice Guidelines Index II (through July) The 2004 and 2005 results are for CPGI I. The 2006, 2007, and 2008 results are CPGI II. In FY 2009, VHA is transitioning to CPGI III.	77%	87%	83%	83%	* 84% Y	85%	87%
Prevention Index III (through July) The 2004 and 2005 results are for PI II. The 2006, 2007, and 2008 results are PI III. In FY 2009, VHA is transitioning to PI IV.	88%	90%	88%	88%	* 88% G	88%	88%
Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list) (Estimate) (1) Corrected	N/A	N/A	(1) 3,700	127	* 96 G	<200	<200
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (through July)	69%	73%	74%	74%	* 76% Y	80%	90%
Percent of unclassified electronic DoD health records available electronically to VA clinicians for separated servicemembers (VHA)	N/A	N/A	N/A	100%	100% G	100%	100%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Veterans Health Administration							
P&F ID Codes: 36-0152-0-1-703 36-0160-0-1-703 36-0162-0-1-703 36-0181-0-1-703 36-5358-0-1-703 *Medical Care Programs* 36-4014-0-3-705 36-8180-0-7-705 36-0165-0-1-703							
Percent of veterans returning from a combat zone who respond "yes, completely" to survey questions on the following:							
If they believe that their VA provider listened to them (through July)	N/A	N/A	Baseline	64%	* 79% G	70%	76%
If they had trust and confidence in their VA provider (through July)	N/A	N/A	Baseline	59%	* 75% G	70%	76%
Number of outpatient visits at Joint Ventures and significant sites (Facilities providing 500 or more outpatient visits and/or admissions per year) (VHA)	N/A	N/A	121,229	102,595	N/A	126,128	133,845
Gross Days Revenue Outstanding (GDRO) for third party collections (VHA)	N/A	Baseline	54	59	56 G	57	54
Dollar value of 1st party and 3rd party collections (VHA):							
1st Party ($ in millions)	$742	$772	$863	$915	$922 Y	$950	$1,159
3rd Party ($ in millions)	$960	$1,056	$1,096	$1,261	$1,497 G	$1,341	$1,531
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies** (through July) (1) Corrected **Beginning in 2007, medical supplies were added to this measure.	N/A	Baseline	(1) $236M	(1) $328M	* $188M Y	$190M	$220M
Common Measures							
Obligations per unique patient user (VHA) (Estimate) (FY 2005 - 2007 results are expressed in constant 2005 dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI-U (CPI for All Urban Consumers) was used to project the FY 2008 estimate and target.)	$5,493	$5,597	$5,455	$5,740	* $5,891 G	$5,942	N/A
Special Emphasis Programs							
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline **(1) Baseline = 43,325**	N/A	N/A	(1) Baseline	-5.3%	31.7% G	7.7%	22.8%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percent of severely-injured or ill OEF/OIF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient (through July)	N/A	N/A	Baseline	91%	* 89% Y	92%	95%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone	N/A	N/A	Baseline	95%	97% G	96%	97%
Percent of Admission notes by surgical residents that have a note from attending physician within one day of hospital admission to a surgery bed service	N/A	75%	86%	89%	89% Y	95%	95%

P&F ID Codes: 36-0161-0-1-703 36-0160-0-1-703
36-4026-0-3-703

Medical Research

Resources							
FTE	3,206	3,206	3,193	3,175	3,142		
Total Program Costs ($ in Millions)	$1,067	$851	$831	$867	$981		
Performance Measures							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Five milestones to be achieved over 4 years)	33%	40%	47%	67%	80% G	80%	100%
Progress towards development of a standard clinical practice for pressure ulcers (through August) (Six milestones to be achieved over 5 years)	43%	52%	61%	65%	* 68% Y	72%	100%
Progress toward development of robot-assisted treatment/interventions for patients who have suffered neurological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (through August) (Twelve milestones to be achieved over 5 years)	11%	21%	43%	54%	* 64% Y	68%	100%
Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study	N/A	29%	40%	35%	38.1% G	38%	50%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	

Veterans Benefits Administration

Compensation P&F ID Codes: 36-0102-0-1-701   36-0151-0-1-705

	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	Strategic Target
Resources							
FTE	7,568	7,538	7,725	8,410	9,943		
Total Program Costs ($ in millions)	$27,261	$29,626	$31,802	$35,306	$37,589		
Performance Measures							
National accuracy rate (core rating work) % (Compensation) (through July)	87%	84%	88%	88%	* 86% Y	90%	98%
Compensation & Pension rating-related actions - average days to process	166	167	177	183	179 R	169	125
Rating-related compensation actions - average days pending (a) Corrected	120	122	130	(a) 132	121 Y	120	100
Average days to process - DIC actions (Compensation)	125	124	136	132	121 Y	118	90
Overall satisfaction rate % (Compensation)	59%	58%	(1) N/A	(1) N/A	(1) N/A	65%	90%
National accuracy rate (compensation authorization work) % (through July)	90%	90%	91%	92%	* 95% G	93%	98%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a servicemember's discharge (Compensation)	N/A	55%	46%	53%	59% G	50%	65%
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans	N/A	N/A	N/A	(2)	(2)	(2)	(2)
Percent of compensation recipients who were kept informed of the full range of available benefits	43%	44%	(1) N/A	(1) N/A	(1) N/A	53%	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing their quality of life	N/A	N/A	N/A	(2)	(2)	(2)	(2)
Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)	80%	N/A	N/A	(2)	(2)	(2)	(2)
Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA) (a) 2008 and Strategic Targets established by BVA	529	622	657	660	645 G	(a) 700	(a) 675

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Productivity Index % (Compensation and Pension)	N/A	N/A	90%	88%	79% R	90%	100%
National accuracy rate (Fiduciary work) % (Compensation & Pension) (through July)	81%	85%	83%	84%	* 82% Y	85%	98%
Average number of days to process a claim for reimbursement of burial expenses (Compensation)	48	57	72	91	84 G	84	21
National Accuracy Rate for burial claims processed % (Compensation) (through July)	94%	93%	94%	95%	* 96% G	96%	98%

(1) No customer satisfaction survey was performed for 2006-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.

(2) This measure is being removed as it does not reflect the intent of the governing statute of the Compensation program.

Pensions			36-0151-0-1-705			36-0200-0-1-701	
Resources							
FTE	1,535	1,540	1,561	1,515	1,461		
Total Program Costs ($ in millions)	$3,495	$3,569	$3,722	$3,823	$4,020		
Performance Measures							
Non-rating pension actions - average days to process	58	68	92	104	119 R	84	60
National accuracy rate (authorization pension work) % (through July)	84%	86%	88%	91%	* 92% G	92%	98%
Compensation & Pension rating-related actions - average days to process	166	167	177	183	179 R	169	125
National accuracy rate (core rating-related pension work) % (through July)	93%	90%	90%	91%	* 88% R	93%	98%
Rating-related pension actions - average days pending	77	83	90	89	87 G	90	65
Overall satisfaction rate % (Pension)	66%	65%	(1) N/A	(1) N/A	(1) N/A	71%	90%
Percent of pension recipients who were informed of the full range of available benefits	40%	41%	(1) N/A	(1) N/A	(1) N/A	45%	60%
Percent of pension recipients who said their claim determination was very or somewhat fair	64%	65%	(1) N/A	(1) N/A	(1) N/A	70%	75%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	78%	(1) N/A	(1) N/A	(1) N/A	82%	95%
Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA) (a) 2008 and Strategic Targets established by BVA	529	622	657	660	645 G	(a) 700	(a) 675
Productivity Index % (Compensation and Pension)	N/A	N/A	90%	88%	79% R	90%	100%
National accuracy rate (Fiduciary work) % (Compensation & Pension) (through July)	81%	85%	83%	84%	* 82% Y	85%	98%

(1) No customer satisfaction survey was performed for 2006-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.

The indicators below are the component end-products for the measure on average days to complete rating-related actions. We do not establish separate performance goals for these indicators.

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Claims Completed in FY 2008
Average days to process rating-related actions	**166**	**167**	**177**	183	179	899,863
Initial disability compensation	186	185	196	208	198	236,330
Initial death compensation/DIC	125	124	136	132	121	30,438
Reopened compensation	178	179	191	196	195	492,962
Initial disability pension	94	98	113	118	113	39,943
Reopened pension	101	103	120	123	120	53,167
Reviews, future exams	87	95	79	82	74	40,835
Reviews, hospital	54	55	53	56	52	6,188

P&F ID Codes: 36-0137-0-1-702   36-8133-0-7-702
36-0151-0-1-705

Education							
Resources							
FTE	841	852	889	958	1,002		
Total Program Costs ($ in millions)	$2,495	$2,690	$2,844	$3,080	$3,097		
Performance Measures							
Average days to complete original education claims	26	33	40	32	19 G	24	10
Average days to complete supplemental education claims	13	19	20	13	9 G	11	7

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FY 2008 Performance Measures by Organization and Program

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

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Estimate)	71%	71%	70%	70%	* 71% G	71%	80%
Customer satisfaction-high rating (Education)	86%	(1) N/A	(1) N/A	(1) N/A	(1) N/A	89%	95%
Telephone Activities - Blocked call rate % (Education)	20%	38%	43%	32%	4% G	20%	10%
Telephone Activities - Abandoned call rate % (Education) (a) Corrected	10%	17%	20%	(a) 14%	5% G	10%	5%
Payment accuracy rate % (Education)	94%	96%	94%	95%	96% G	96%	97%

Measures Under Development

Percent of Montgomery GI Bill participants who successfully completed an education or training program	N/A	N/A	N/A	N/A	N/A	TBD	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal	N/A	N/A	N/A	N/A	(1) N/A	TBD	TBD

(1) No customer satisfaction survey was performed for 2005-2008. VBA anticipates that a survey office will be in place in 2009 and that the first survey will be conducted in 2010 for 2009.

Vocational Rehabilitation and Employment   P&F ID Codes: 36-0135-0-1-702   36-0151-0-1-705

Resources							
FTE	1,105	1,115	1,110	1,187	1,283		
Total Program Costs ($ in millions)	$676	$706	$702	$771	$775		
Performance Measures							
Rehabilitation rate % (VR&E)	62%	63%	73%	73%	76% G	75%	80%
Speed of entitlement decisions in average days (VR&E)	57	62	54	54	48 G	52	40
Accuracy of decisions (Services) % (VR&E)	86%	87%	82%	77%	82% G	79%	96%
Customer satisfaction (Survey) % (VR&E) (1) No customer satisfaction survey was performed for 2005-2007. (2) 2008 data will be available by the end of CY 2009.	79%	(1) N/A	(1) N/A	(1) N/A	(2) TBD	84%	92%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	94%	97%	95%	93%	95% G	94%	99%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E)	N/A	N/A	73%	73%	75%G	75%	80%
Common Measures **							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	80%
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	85%
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	N/A	N/A	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	$8,856	$8,000 G	$8,000	$6,500

** These are designated as "common measures" because they are also used by other agencies that manage vocational rehabilitation programs. They also support the Performance Improvement Initiative of the President's Management Agenda. Targets shown above are estimates and may change. VBA anticipates receiving the first batch of data from the Department of Labor in December 2008. This information will be used to set a baseline.

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

Resources					
FTE	1,256	1,049	1,042	983	911
Total Program Costs ($ in millions)	$389	$2,072 (a)	$210 (b)	$240	$978 (a)

(a) Includes positive subsidy, administrative expenses, and upward reestimates, which are required to comply with Credit Reform Act guidelines.
(b) The total program costs do not include any subsidy costs due to a negative subsidy of the Loan Guarantee program.

Performance Measures							
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	44.0%	48.0%	54.0%	57.0%	52.4% Y	56.0%	57.0%
Veterans satisfaction level % (Housing) (1) No Housing survey was completed for 2004 or 2005.	(1) N/A	(1) N/A	93.1%	Avail. 12/2008	Avail. 12/2009	95.0%	97.0%
Lender Satisfaction (Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program) (1) No Housing survey was completed for 2004 or 2005.	(1) N/A	(1) N/A	93.2%	Avail. 12/2008	Avail. 12/2009	94.0%	95.0%
Statistical quality index % (Housing)	98.0%	98.0%	99.0%	99.2%	99.6% G	98.0%	98.5%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Specially Adapted Housing Independence (Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence)	N/A	N/A	93.2%	Avail. 12/2008	Avail. 12/2009	98.0%	99.0%
Rate of homeownership for veterans compared to that of the general population %	N/A	N/A	N/A	N/A	115.2% G	108.0%	110.0%
E-FATS (Ratio of dollars saved through successful loan interventions, to dollars spent by VA on Loan Administration FTE who perform intervention work) (Housing)	N/A	N/A	7.0:1	6.8:1	5.8:1 Y	7.0:1	8.0:1

Insurance	P&F ID Codes:	36-0120-0-1-701			36-4012-0-3-701		
	36-4010-0-3-701	36-4009-0-3-701			36-8132-0-7-701		
	36-8150-0-7-701	36-8455-0-8-701			36-0151-0-1-705		

Resources							
FTE	490	488	482	451	365		
Total Program Costs ($ in millions)	$2,580	$2,580	$3,344	$3,192	$3,157		
Performance Measures							
Average number of days to process TSGLI disbursements (Insurance)	N/A	N/A	3.8	3.0	2.5 G	5	5
Percent of servicemembers covered by SGLI (Insurance)	N/A	98%	99%	99%	99% G	98%	98%
Conversion rate of disabled SGLI members to VGLI % (Insurance)	N/A	35%	41%	40%	45% Y	50%	50%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted servicemember (Insurance)	N/A	1.9	1.8	1.8	1.7 G	1.7	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	1.0	0.9	0.9	0.9 G	0.9	1.0
Ratio of premium rates charged per $1,000 by other organizations compared to the SGLI premium rates charged per $1,000 by VA for similar coverage (Insurance)	N/A	1.4	1.3	1.2	1.3 G	1.0	1.0
Ratio of premium rates charged per $1,000 by other organizations compared to the VGLI premium rates charged per $1,000 by VA for similar coverage (Insurance)	N/A	0.9	0.9	0.9	1.0 G	1.0	1.0

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	96%	96%	96%	96%	95% G	95%	95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	1,692	1,697	1,724	1,756 G	1,725	1,750

National Cemetery Administration

Burial Program P&F Codes: 36-0129-0-1-705 36-0183-0-1-705
36-5392-0-1-705 36-0151-0-1-705

Resources							
FTE	1,492	1,523	1,527	1,541	1,512		
Total Program Costs ($ in millions)	$406	$403	$421	$465	$598		
Performance Measures							
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	75.3%	77.1%	80.2%	83.4%	84.2% G	83.7%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	94% Y	97%	100%
Percent of graves in national cemeteries marked within 60 days of interment	87%	94%	95%	94%	93% Y	95%	98%
Percent of respondents who rate national cemetery appearance as excellent	98%	98%	97%	97%	98% Y	99%	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	74%	72%	72% Y	80%	93%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically (Internet)	N/A	N/A	N/A	N/A	45%	Baseline	75%
Percent of applications for headstones and markers that are processed within 20 days for the graves of veterans who are not buried in national cemeteries	N/A	13%	62%	38%	95% G	75%	90%
Percent of headstones and markers that are undamaged and correctly inscribed	97%	96%	96%	96%	96% G	96%	98%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	97%	98%	98%	98%	98% Y	99%	100%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	64%	70%	67%	69%	65% Y	72%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	76%	72%	77%	75%	84% G	80%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	79%	84%	86%	83%	86% Y	88%	95%

Board of Veterans' Appeals

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

Resources							
FTE	440	433	452	444	469		
Administrative costs only ($ in millions)	$50	$50	$54	$54	$60		
Performance Measures							
Deficiency-free decision rate (BVA)	93.0%	89.0%	93.0%	94.0%	95.0% G	92.0%	92.0%
Appeals resolution time (Number of Days) (Joint BVA-VBA Compensation and Pension measure) (a) 2008 and Strategic Targets established by BVA	529	622	657	660	645 G	(a) 700	(a) 675
BVA Cycle Time (Days)	98	104	148	136	155 Y	150	104
Appeals decided per Veterans Law Judge (BVA)	691	621	698	721	754 G	752	800
Cost per case (BVA time only)	$1,302	$1,453	$1,381	$1,337	$1,365 G	$1,648	$1,619

Departmental Management

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

Total FTE and Program Costs (less BVA and OIG FTE and costs, which are identified separately)							
FTE	2,697	3,167	2,162	3,626	9,428 [a]		
Total Program Costs ($ in millions)	$718	$762	$928	$1,531	$3,165		
(a) Increase primarily reflects the centralization of IT personnel under the Department's Chief Information Officer.							
Performance Measures							
Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement (OSDBU) (through September; data will not be final until 09/2009)	1.25%	2.15%	3.58%	7.09%	* 12.35% G	3.00%	3.00%

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percent of total procurement dollars awarded to <u>veteran-owned small businesses</u> (through September; data will not be final until 09/2009) P.L. 109-461 gave VA unique authority to conduct set-aside and sole source procurement with Veteran-Owned Small Businesses. In January 2008, the Secretary established an FY 2008 performance target and instituted PAR reporting requirements. This measure appears in the PAR for the first time.	N/A	4.50%	6.17%	10.37%	* 15.28% G	10.00%	10.00%
Number of pilot, demonstration, and existing programs implemented by VA in which faith-based and community organizations participate (CFBCI)	N/A	4	6	12	12 G	12	14
Percentage of VA employees who are veterans (HR&A)	26%	28%	31%	31%	30% Y	33%	33%
The Alternative Dispute Resolution (ADR) participation rate in the Equal Employment Opportunity (EEO) complaint process (HR&A)	13.0%	17.0%	22.0%	28.0%	45.0% G	30.0%	35.0%
Percent of confirmed Successors to the Secretary who attend orientation and/or the annual update (OS&P)	N/A	N/A	N/A	N/A	100% G	95%	100%
Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	N/A	85%	85%	90%	100% G	100%	100%
Cumulative % of FTEs (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)	N/A	0%	0%	33%	54% G	54%	100%
Percent of tort claims decided accurately at the administrative stage (OGC)	89.0%	88.4%	92.2%	92.6%	93.6% G	91.5%	91.5%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0 G	0	0
Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA) (1) Corrected	4	4	(1) 4	4	3 G	4	0

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

FY 2008 Performance Measures by Organization and Program

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

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Average number of orders (prosthetics devices and batteries) processed annually per DALC employee (OM) (DALC = Denver Acquisition and Logistics Center)	14,394	16,238	16,794	17,577	18,888 Y	20,000	24,000
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA)	N/A	21%	15%	27%	57% G	45%	100%
Percentage of testimony submitted to Congress within the required timeframe (OCLA) (OCLA coordinates requisite clearance for testimony among VA internal organizations and OMB prior to submission to Congress and does not have independent clearance authority.)	N/A	N/A	N/A	75%	58% R	90%	100%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	54% w/i 15 days	21% by due date	13% by due date	40% by due date	59% G	50% by due date	100%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (Estimate)	80% Baseline	98%	104%	112%	* 113% G	95%	95%
Percent Condition Index (owned buildings) (OAEM) (Estimate)	N/A	82% Baseline	79%	74%	* 64% Y	85%	87%
Ratio of non-mission dependent assets to total assets (OAEM) (Estimate)	N/A	22% Baseline	15%	12%	* 13% G	13%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (Estimate) (Targets and results were adjusted to conform with Federal Real Property Council Tier 1 definitions)	$4.52 Baseline	$4.85	$5.59	$5.80	* $6.46 Y	$4.52	$4.52
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM) (through August)	N/A	N/A	4%	6%	* 4% Y	9%	30%
Percent of total facility electricity consumption that is renewable (OAEM) (through August)	N/A	N/A	3%	3%	* 3.0% G	3.0%	7.5%
Percent of contract awards (design development, construction documents, construction) that meet operating plan target dates within a 90-day variance (OCFM) (Estimate)	N/A	73.3%	71.4%	73.0%	* 83.0% G	75.0%	90.0%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percent of direct lease acquisitions that meet target dates (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 70%	100% G	80%	95%
Percent of property acquisitions that meet target dates (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 75%	100% G	80%	95%
Percent of space criteria departmental updates that are not older than 3 years (OCFM) (1) FY 2007 results are provided only for the last 6 months of the fiscal year.	N/A	N/A	N/A	(1) 100%	100% G	98%	100%

Office of Inspector General

P&F ID Code: 36-0170-0-1-705

Resources							
FTE	434	454	510	470	513		
Administrative costs only ($ in millions)	$66	$70	$74	$74	$78		
Performance Measures							
Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions	N/A	N/A	2,241	2,061	1,884 G	1,848	2,200
Percentage of prosecutions successfully completed	N/A	N/A	96%	95%	94% G	85%	90%
Number of audit, inspection, and evaluation reports issued that identify opportunities for improvement and provide recommendations for corrective action	N/A	N/A	150	217	212 G	120	165
Number of CAP reports issued that include relevant health care delivery pulse points	N/A	N/A	64	45	46 G	30	45
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	N/A	N/A	$900	$670	$500 G	$500	$1,000
Return on investment (monetary benefits divided by cost of operations in dollars)	N/A	N/A	N/A	N/A	6 to 1 G	6 to 1	10 to 1
Percentage of recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA (Measure description changed for clarification purposes only)	N/A	N/A	93%	86%	88% G	80%	90%

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FY 2008 Performance Measures by Organization and Program
(G = Green; Y = Yellow; R = Red)

Organization/Program/Measure (Key Measures in Bold)	Past Results				FY 2008		Strategic Target
	FY 2004	FY 2005	FY 2006	FY 2007	Results	Targets	
Percentage of preaward recommendations sustained during contract negotiations (1) After OIG makes recommendations, VA contracting officers conduct contract negotiations.	N/A	N/A	70%	66%	(1) 57% Y	63%	65%
Customer satisfaction survey scores (based on a scale of 1 to 5, where 5 is high):							
Investigations	N/A	N/A	4.9	4.9	4.6 G	3.0	5.0
Audit	N/A	N/A	4.3	3.7	4.0 G	3.0	5.0
Healthcare Inspections	N/A	N/A	4.6	4.4	4.7 G	3.0	5.0

Dropped Measure; No Further Reporting After FY 2007						
Veterans Benefits Administration (Education)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007 Final	FY 2007 Target
Montgomery GI Bill usage rate (%): All program participants	58%	65%	66%	67%	67%	68%

Footnote for why measure was dropped:

Measure was dropped and replaced with the measure for MGIB usage rate for veterans who have passed their 10-year eligibility period. The revised usage rate provides a more accurate measure of usage.

* These are partial or estimated data; final data will be published in the FY 2010 Congressional Budget and/or the FY 2009 Performance and Accountability Report.

Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA.

We reviewed OIG's report and provided responses, which are integrated within the OIG's report. Our responses include the following for each challenge area:

- *Estimated resolution timeframe (fiscal year)* to resolve the challenge
- *Responsible Agency Official* for each challenge area
- *Completed 2008 milestones* in response to the challenges identified by the OIG
- *Performance results/impacts* of completed milestones
- *Planned 2009 milestones* along with *estimated completion quarter*
- *Anticipated impacts* of the planned milestones

VA is committed to addressing its major management challenges. Using OIG's perspective as a catalyst, we will take whatever steps are necessary to help improve services to our Nation's veterans. We welcome and appreciate OIG's perspective on how the Department can improve its operations to better serve America's veterans.

The table below shows the strategic goal to which each challenge is most closely related, as well as its estimated resolution timeframe.

Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
Strategic Goal 3: Honoring, Serving, and Memorializing Veterans			
OIG 1	**Health Care Delivery**		**256**
1A	Quality of Care	2009 and beyond	256
1B	New and Significantly-Increased Health Problems Associated with OEF/OIF	2009 and beyond	266
1C	Research	2009 and beyond	272
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans			
OIG 2	**Benefits Processing**		**274**
2A	Workload	2009	274
2B	Quality	2009	276
2C	Staffing	2009	278
Enabling Goal: Applying Sound Business Principles			
OIG 3	**Financial Management**		**279**
3A	Financial Management System Functionality	2014	279
3B	Financial Management Oversight	2011	281
3C	Benefits Delivery Network System Records	Completed	287
OIG 4	**Procurement Practices**		**288**
4A	Open Market Procurements and Inventory Controls	2009 and beyond	289
4B	Contract Modifications to Use Expired Years Funds	2009 and beyond	291
4C	Contract Award and Administration	2009	293
4D	Electronic Contract Management System	2009	297

Department of Veterans Affairs

Memorandum

Date: July 16, 2008

From: Inspector General (50)

Subj: FY 2008 Performance and Accountability Report

To: Secretary of Veterans Affairs (00)

1. Attached is the Office of Inspector General (OIG) update of the most serious management problems facing VA, for use as part of the FY 2008 Performance and Accountability Report (PAR). Our staff worked with VA staff to arrange publication of the full OIG report on major management challenges in the PAR.

2. Section 3516 of Title 31, United States Code, requires OIG annually to submit this statement to the Department. The law also states the agency may comment on, but may not modify, the OIG statement. Please ensure that all suggested changes made by the Department are provided to OIG for review prior to incorporating the changes in the PAR.

3. In the past year, the work you, the Deputy Secretary, and I have undertaken to resolve difficult and important problems has forged a strong and cooperative working relationship that has helped us in accomplishing our respective missions. I look forward to working with both of you to complete the implementation of key OIG recommendations in the future.

GEORGE J. OPFER

Attachment

**Department of Veterans Affairs
Office of Inspector General
Washington, DC 20420**

FOREWORD

America relies on VA to take care of the men and women who have sacrificed so much to protect this Nation. As younger service members return from war in Afghanistan and Iraq, and veterans from earlier wars and peacetime deal with their service injuries along with the challenges of being senior citizens, they turn to VA for the benefits they have earned. VA health care and benefits delivery must be made as effective and efficient as possible, which requires that VA support services—financial management, procurement practices, and information management—must also be strong and secure.

The Office of Inspector General (OIG) seeks to help VA become the best-managed service delivery organization in Government. OIG audits, inspections, investigations, and Combined Assessment Program (CAP) reviews recommend improvements in VA programs and operations, and act to deter waste, fraud, and abuse. Each year, as required by Section 3516 of Title 31, United States Code, OIG provides VA with an update summarizing the most serious management and performance challenges identified by OIG work and other relevant Government reports, as well as an assessment of the Department's progress in addressing those challenges.

This report contains the updated summation of major management challenges organized by the five OIG strategic goals—health care delivery, benefits processing, financial management, procurement practices, and information management—with assessments of VA's progress on implementing OIG recommendations.

OIG will continue working with VA to address each of these issues. Together we can ensure that the Department will provide the best possible service to the Nation's veterans and their dependents, and that OIG recommendations continue to assist VA in becoming a Government leader in sound management.

GEORGE J. OPFER
Inspector General

MAJOR MANAGEMENT CHALLENGES

The Office of Inspector General (OIG) identified the major management and performance challenges currently facing VA. Left uncorrected, these challenges have the potential to impede VA's ability to fulfill its program responsibilities and ensure the integrity of operations. For the most part, these challenges are not amenable to simple, near-term resolution and can only be addressed by a concerted, persistent effort, resulting in progress over a long period of time.

OIG's strategic planning process is designed to identify and address the key issues facing VA. OIG focused on the key issues of health care delivery, benefits processing, financial management, procurement practices, and information management in its *2005–2010 OIG Strategic Plan*. The flexibility and long-range vision in the OIG Strategic Plan are essential in a period of expanding need for VA programs and services. Although the Nation's newest and oldest veterans both face a growing need for VA health care and benefits programs, many of the specific services they need differ, and all of them must be the best possible.

The following summaries present the most serious management problems facing VA in each area and assess the Department's progress in overcoming them. While these issues guide our oversight efforts, we continually reassess our goals and objectives to ensure that our focus remains timely and responsive to changing priorities. *(On these pages, the words "we" and "our" refer to OIG. OIG comments in this report are up-to-date as of November 1, 2008; VA responses were submitted in September 2008. Years are fiscal years (FY) unless stated otherwise.)*

OIG CHALLENGE #1: HEALTH CARE DELIVERY
-Strategic Overview-

The quality of veteran health care is the most critical issue facing the Veterans Health Administration (VHA) today. The effectiveness of clinical care, budgeting, planning, and resource allocation are negatively affected due to the continued yearly uncertainty of the number of patients who will seek care from VA. Over the past 7 years, OIG has invested about 40 percent of its resources in overseeing the health care issues impacting our Nation's veterans and has conducted reviews at all VA Medical Centers (VAMC) as well as national inspections and audits, issue-specific Hotline reviews, and investigations. VHA faces challenges in managing its health care activities, with particular concern noted in the quality of care, mental health needs of Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) veterans, and VHA research activities.

OIG CHALLENGE #1A: Quality of Care

OIG continues to assess the quality of care at delivery points throughout VA, with significant challenges noted in access to care for rural health, elder care, credentialing and privileging, the Home Respiratory Care Program (HRCP), and systemic problems with outpatient scheduling and patient waiting times.

The OIG Combined Assessment Program (CAP) inspection process highlights that VHA provides quality health care at many facilities. However, medical and supportive care provided to veterans who do not live close to a facility is less consistently available. OIG finds that veterans who live in rural areas may not have readily available access to specialty care, even at a further distance from their local community. This difficulty in the provision of specialty care across the country means that it is challenging, if not impossible, to provide a standard health care benefit to all enrolled veterans.

In addition, VHA has made only limited progress in addressing the longstanding and underlying causes of problems with outpatient scheduling, accuracy of reported waiting times, and completeness of electronic waiting lists (EWLs). Of concern is VHA's delay in implementing appropriate quality assurance procedures necessary to ensure the reliability of waiting times and waiting lists. Audits of outpatient scheduling and patient waiting times completed since 2005 have identified noncompliance with policies and procedures for scheduling, inaccurate reporting of patient waiting times, and errors in EWLs. Although VHA has recognized the need to improve scheduling practices and the accuracy of waiting times data, no meaningful action has been taken to achieve this goal to date. Nine recommendations in prior OIG audit reports issued in 2005 and 2007 that were agreed to by VHA remain unimplemented, as confirmed by our most recent follow-up work in this area in 2008.

The May 2008 OIG report on Veterans Integrated Service Network (VISN) 3 waiting times determined scheduling procedures were not followed, which affected the reliability of reported waiting times and caused inaccuracies in EWLs. OIG recommended that the Under Secretary for Health establish procedures to routinely test the accuracy of reported waiting times and completeness of EWLs, as well as take corrective action when testing shows questionable differences between the desired dates of care shown in medical records and those documented in VHA's scheduling system. This report and prior reports indicate that the problems and causes associated with scheduling, waiting times, and waiting lists are systemic throughout VHA. Moreover, VHA has not ensured compliance with its policy that patients' preferences for desired appointment dates are documented and that veterans receive appointments within the required timeframes. Scheduling roughly 40 million appointments annually, VHA needs to properly document desired appointment dates and ensure patient waiting times are accurate. This is not only a data integrity issue in which VA reports unreliable performance data; it affects quality of care by delaying— and potentially denying—deserving veterans timely care.

A separate, but nevertheless urgent, issue relates to the improvements needed in VHA's credentialing and privileging process. Credentialing refers to the process by which health care organizations screen and evaluate medical providers in terms of licensure, education, training, experience, competence, and health status. OIG identified that providers' previously undisclosed medical licenses create significant problems due to their unmonitored status. OIG also found significant deficiencies in the privileging of physicians, which is the process by which physicians are granted permissions by the medical center to perform specific diagnostic and therapeutic procedures. Providers' privileging for diagnostic and therapeutic interventions is not always appropriate to the capabilities of the medical staff and facilities. Over time, VHA has developed extensive and detailed procedures for credentialing and privileging; however, standardization of these processes and adherence to VHA guidance must be improved to ensure appropriately qualified staff.

Although much appropriate attention has been focused on younger, more recent combat veterans, a large percentage of veterans who are dependent on VA for care are those elderly veterans who are in contract community nursing homes (CNHs). Vulnerabilities in this important program continue to exist, including lack of program oversight, lack of standardized inspection procedures, and inconsistency in local VA medical center review team composition and processes, including the regularity and documentation of visits.

To cite a specific example of quality of care issues identified by OIG oversight work, audits of VHA's HRCP found that VHA facilities had not established home respiratory care teams or completed quarterly program reviews as required. Facility staff did not timely and consistently complete patient reevaluations,

patient home visits, or vendor quality assurance visits. OIG identified a need for facilities to strengthen oversight and contract administration to ensure the delivery of quality care and services, and reduce unsupported or improper payments. OIG projects that VHA had approximately $3.4 million in unsupported costs and improper payments during the 12-month review period and that an estimated $16.8 million in unsupported costs and improper payments could occur in the next 5 years if contract administration is not strengthened.

VA's Program Response to OIG Challenge #1A: Quality of Care
ESTIMATED RESOLUTION TIMEFRAME: FY 2009 and beyond

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Reorganized VHA's **clinical quality** and **performance** and **patient safety** programs. Created a **new Office of Quality and Safety** to provide enhanced coordination and oversight of the Office of Quality and Performance and the National Center for Patient Safety to coordinate and compile multiple sources of clinical quality, performance, and safety data developed within and outside VHA.	**Formal structures** have been established for the work of these program offices to be informed by work of other programs, such as the National Surgical Quality Program.
Reorganized the Under Secretary's Coordinating Committee for Quality and Safety (USCCQS) to **engage** significant **stakeholders**, formalize data flows to the Committee, and track follow-up to Committee action items.	The USCCQS provides a clear **focal point** for information flow to senior leadership, decision making, and follow-through on action items.
Established a formal Advisory Committee, consisting of VHA's leading academic clinicians in the area of clinical **quality measurement** and improvement and patient safety, to provide consultation, advice, and input.	The Committee was organized in July 2008 and will meet again in September and quarterly thereafter; it will provide consultation, advice, and input to VHA's Office of Quality and Performance.
Published a **"Hospital Quality Report Card"** in June 2008 that detailed facility performance, including waiting times, staffing, nosocomial infections, satisfaction, quality of care, procedural volume, patient safety, availability of services, and accreditation, across multiple dimensions including age, gender, race/ethnicity, rural vs. urban, and intensive care units.	Report Card resulted in greater accountability and transparency of VA quality and performance, improved the ability to identify potential problems in high-risk groups of veterans, and identified disparities in health that may be amenable to system interventions.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
For Non-VA Care Services, began a **demonstration pilot, Project Healthcare Effectiveness through Resource Optimization (HERO)**, to address quality of care for non-VA providers through quality standards included in the Project HERO contracts. Project HERO monitors provider accreditation status, patient safety, access to care, and clinical information exchange for inpatient and outpatient episodes using 79 industry-standard quality metrics.	This is the **first large-scale attempt** to place high quality standards on a significant portion of services provided to veterans outside of VA facilities. This also assists in improving the level and quality of service provided to veterans.
VHA disagrees with the OIG assessment that appropriate implementation of quality assurance procedures to ensure reliability of wait times and wait lists has been delayed. VHA dramatically improved trend in access, which is independent of the issue of measures for wait times, and has implemented the following initiatives to address quality assurance measures for wait times and wait lists. • Established formal **scheduler national training program** requiring successful completion of training for employees to be permitted access to menu options for creating outpatient appointments, making entries to the electronic wait list (EWL) and the Primary Care Management Module (PCMM). • Required **audit** of **scheduler performance** at the local level by supervisors consistent with VHA Directive 2006-055. In addition, VHA periodically requires review by facilities of patients waiting in excess of 30 days.	Trained over 48,000 unique employees, and certified all individuals with access to the menu packages were identified and trained in FY 2007 and 2008. On-going training has proactively identified scheduler errors and enhanced veteran satisfaction.
• Implemented **No Veteran Left Behind** initiative to reduce primary care wait time and electronic wait lists.	New Patient Wait Times improved and EWL decreased.
• Implemented s**cheduler training module** to provide uniform training in scheduling and restricted access to the scheduling package only to schedulers who completed the training.	Reduced scheduling errors.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
• Hired outside consultant to provide recommendations on **wait time measurement**. • Convened expert panel to revise the **Scheduling Directive**.	Consultant recommendations and the finalization of new Scheduling Directive will refine identified waiting times measurement issues.
• Identified multiple **software problems** related to **documentation of desired appointment date**. These issues include field limitations for desired date change explanations, lack of a data field to ensure consistent location in **Computerized Patient Record System (CPRS)** for providers to enter desired date for an appointment or a consult, and lack of consistent display of desired date documentation on the scheduler Veterans Health Information Systems and Technology Architecture (VistA) screen.	Resolution of these issues will **create functionality** within CPRS for **documentation** by providers of desired dates for appointments and consults, to link these entries to the appointment package, and **display** this **information** for **schedulers** to view while creating appointments. In addition, a new multiple choice field was added for schedulers to indicate why changes from provider instructions are made to desired date.
• Implemented national software that **links consults creation date information to scheduled appointments.**	Provides reports on **wait times** from consult requests to appointment creation, to appointment completion, and in addition, provides wait times from desired date. Because of variation in business practices and in use of the consult package, the **clinical meaning** of this information is being **evaluated** at the local level.
• Reviewed comprehensive lists of consults identified as **not properly closed out**. Found a multitude of reasons why consults did not result in a scheduled appointment or a listing on the EWL. Also found that the CPRS consult software application has been adopted by providers system-wide for many purposes other than purely the purpose of requesting clinical consultation. Providers have been using this software to request approval for use of non-formulary drugs, purchase of prosthetics, inpatient EKGs, DVA van travel, etc.	Publishing a **new Consult Directive** will define clinical consultation and distinguish it from other uses of the consult package.
• Recognized a nation-wide problem with **inconsistent hiring practices** including grade variation resulting in high turnover and lack of promotion potential. At some locations, schedulers are hired at the GS-2 & GS-3 level, while they are hired at the GS-6 level at other locations.	Finalizing a **career ladder national scheduler position description**, to standardize grades and clearly define the levels of complexity at different grades for schedulers.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Improved access to care **for new mental health patients**.	At the end of FY 2007, a target was set for completing full evaluation and development/initiation of a treatment plan for all new patients within 15 days – as of June 2008, **more than 90 percent of new patients** now have a completed evaluation and treatment plan within 15 days of first being seen.
Provided teleretinal screening of veterans at 229 locations (includes VAMCs and CBOCs) in VA.	Improved veteran access to a validated technology-based system for the prevention of avoidable blindness due to diabetes while providing diabetic health education with the goal of better self-management of the disease. This is a new system implemented in VA that has screened more than 200,000 veteran patients, principally in primary care. This gives VA the greatest experience worldwide and provides convenient local access to services that help prevent avoidable blindness.
Reviewed Spinal Cord Injury (SCI) Center Clinic access expectations with SCI Leadership.	99 percent of SCI Center appointments between January 2008 and March 2008 were seen within 30 days.
Implemented improvements to the process of medical staff appointments including providing system-wide education on standards and requirements for credentialing and privileging, instituting triggers for automatic review of malpractice actions, and instituting procedures to identify all medical licenses held by a provider.	Improved ability to identify potential problems with licensed providers even if they fail to personally disclose all licenses.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Established the Office of Rural Health (ORH) to improve access to quality health care for rural veterans. FY 2008 actions included the following: • **Implemented Mobile Health Care Pilot Project** at four VISNs to operate mobile health care units. • **Created Ten New Outreach Clinics** to extend access to on-going primary care and mental health services for veterans in rural and highly rural areas. • **Established a Veterans Rural Health Advisory Committee** to examine ways to improve and enhance VA health care services for rural veterans and to make recommendations to the Secretary. • **Initiated a Web-Based Curriculum** for a training program on providing geriatric medicine in rural VA clinics. • Expanded **Home-Based Primary Care** and the **Medical Foster Home** program into areas serving rural veterans. • **Veterans Rural Health Resource Centers:** With sites selected in FY 2008, the Resource Centers will serve as full-functioning satellite offices for ORH. The Resource Centers will contribute a highly meaningful perspective to the work of ORH from their locations in three separate areas of the United States – western, central, and eastern – that serve large rural and highly rural veteran populations.	Through the ORH, VHA's capacity to provide health care to veterans close to where they live is enhanced through these projects; at the same time, veterans living in rural areas have improved access to health care.
Increased the number of VA facilities equipped with **video teleconferencing** (VTC) equipment from 349 at the end of FY 2007 to 385 by Quarter 3 of FY 2008.	VTC units in more than 30 specialty areas enabled VA to deliver care to veterans in rural areas or where services were scarce, with the majority of visits occurring for mental health services.
Care Coordination Home Telehealth (CCHT) services are currently implemented in more than 148 VA sites nationally. More than 40 percent of the 34,000 patients currently receiving care via CCHT live in rural and remote areas.	CCHT programs allow VA health care providers to care for patients in their homes without geographical or travel barriers.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Developed Amputation System of Care (ASC) proposal to integrate with existing Polytrauma systems of care. Amputation Regional Centers to provide highest level of **specialized expertise** to the most complex patients; Amputation Network Sites to provide full range of clinical and ancillary services.	This ASC will provide a system in which veterans will find the amputation state-of-the-art care expertise they require. This model of care was developed in response to the growing demand for amputation services within the VA system. The ASC will use an interdisciplinary team approach; state of the art technology in evaluation, fabrication, and fitting of prosthetic limbs; and expertise in the prescription, provision, and training of the newest technology in prosthetic limbs.
Approved a **fifth Poly Trauma Center (PRC)** for **San Antonio**. The architectural and engineering contract has been awarded and design is underway.	The PRC in San Antonio will provide coordinated, comprehensive, and integrated care to veterans who require **state-of-the-art rehabilitation** services. Construction of the PRC in San Antonio was approved to geographically expand these services for the veterans and military population in the southwest region of the country. Veterans in this region of the country are presently served by the PRCs in Tampa, Florida, or Palo Alto, California.
Assessed the **Emerging Consciousness Program (ECP)** and developed a proposal for enhancements to the program with regard to new technology, therapeutic interventions, and clinical and research protocols.	The ECP program promotes **return to consciousness** and will facilitate progress to the next level of rehabilitation care for individuals with ongoing disorders of consciousness secondary to severe traumatic brain injury (TBI).
Developed a code proposal to revise International Classification of Diseases, 9th Revision, Clinical Management (ICD-9-CM) coding.	If approved by the World Health Organization, the proposed code will improve uniform symptom codes and diagnostic classification, tracking, reporting, and research related to TBI.
Formalized a policy whereby **Spinal Cord Injury and Disorders (SCI/D)** Home Care staff will provide outreach to veterans with SCI/D in community nursing homes.	SCI Home Care staff serves as a resource to community nursing homes providing **consultative care** and education in caring for person with SCI/D, specifically skin and bowel and bladder care issues.
Established **Home Respiratory Care Program (HRCP)** at all medical facilities and established four national performance measures to measure progress.	Increased oversight of HRCP by improving communication between Home oxygen clinicians, therapists, and prosthetics staff and establishing HRCP monthly/quarterly meetings as an avenue for addressing any identified patient, administrative, or clinical issues.
Provided **training** to Prosthetic representatives PR and Chief Medical Officers (CMO) on HRCP administrative policies and procedures.	Improved understanding of HRCP policies and procedures and ensures compliance with program requirements.
Established a monitoring mechanism using the Prosthetics Home Oxygen Software to track renewal/expiration dates of patient prescriptions and ensure that all new Home Oxygen patients comply with existing requirements.	Increased compliance with Clinical Practice Recommendations on medical documentation and prescription criteria with an overall average of 97.09 percent in VISN compliance, thus reducing the number of expired prescriptions considerably.

GOAL: Improve Quality of Health Care	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Developed a policy to allow those with **Power of Attorney (POA)** and legal guardians to perform in-person authentication in lieu of the veteran via My HealtheVet (MHV).	This development has improved quality of care by allowing POAs and legal guardians to have access to MHV to order medications online for the veteran, view appointments and reports, and conduct secure messaging.

GOAL: Improve Quality of Health Care	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Refine and reissue **Hospital Quality Report Card** on an annual basis. **(Q4)**	Enhance **accountability** and **transparency**. Improve ability to identify potential problems in high-risk groups of veterans. Reduce gaps in performance.
Develop and issue national standards for **provider privileging** to ensure appropriate alignment with medical staff and facility capabilities. **(Q4)**	Ensure clinical procedures are performed by appropriately qualified staff in facilities capable of fully addressing expected and unexpected needs of patients.
Support the following initiative to provide health care to veterans living in rural areas: **Native American/Alaska and Hawaii Natives Initiative** – To identify barriers to access to health care services faced by this population of rural and highly rural veterans, with particular attention to the need to accept and incorporate their traditions. ORH will promote care for these veterans. **(Q4)**	VHA's capacity to provide health care to veterans close to where they live will be enhanced through these partnerships and initiatives.
Revise training for schedulers based on new **Scheduling Directive**, new **Consult Directive**, and scheduling process modeling group. **(Q4)**	The training and the directives will improve accuracy in scheduling appointments for veterans.
Begin work, through the chartered **business process modeling** group, to recommend standardized processes, perform gap analyses, and develop training tools pertaining to the scheduling process. **(Q4)**	Anticipate improved standardized scheduling performance.
Continue collaboration with the Office of **Geriatrics and Extended Care** to expand on various quality management tools for use in the community nursing home program. **(Q4)**	These tools will improve compliance with VHA policies and provide data that will assist with monitoring policy compliance and improve quality of care by permitting analysis of direct measures of quality in nursing homes (such as staffing levels, scope and severity of deficiencies, improvements in skin care, and bowel & bladder issues).
Implement **Amputation System of Care** (ASC) program. **(Q4)**	The ASC will provide specialized expertise in **amputation rehabilitation**, incorporating the latest practice in medical rehabilitation management, rehabilitation therapies, and technological advances in prosthetic components.

GOAL: Improve Quality of Health Care	
Planned FY 2009 Milestones (Estimated Completion Quarter)	**Anticipated Impacts**
Implement a "**Polytrauma Marker**" in its patient data files, which will be supported by consensus operational and computable definitions of polytrauma and TBI. **(Q4)**	The marker along with other databases will identify the cohort of veterans with **polytrauma** and **TBI**; will provide information regarding service utilization; will facilitate **tracking** of patients; and help plan for their long-range care needs.
Develop **Clinical Practice Guidelines for TBI** care. **(Q4)**	VHA clinicians will have access to the most current evidence-based recommendations for the **diagnosis** and **management** of patients with mild **TBI**, leading to improved treatment and health care outcomes for veterans.
VA will continue to implement the **Blind Rehabilitation Continuum of Care** for Visually Impaired Veterans. **(Q4)**	The Continuum of Care will **expand services** for visually impaired veterans and provide treatment with the latest technological devices for all veterans and servicemembers with vision-related deficits who need rehabilitation training.
Add two sites, one in San Juan, Puerto Rico, and one in San Antonio, Texas, to the **Polytrauma Telehealth Network**. **(Q4)**	These two sites will **improve access** to specialist services for OEF/OIF combat-wounded veterans.
Establish four Home Respiratory Care Program metrics in the areas of medical documentation and prescription criteria, expired prescriptions, verification of equipment delivery and vendor billing, and quarterly home oxygen visits. **(Q4)**	Improve monitoring and prompt renewal of **prescriptions**, increase **accountability** and management of home oxygen contracts, and reduce improper payments. Will increase home visits to oxygen patients.

OIG CHALLENGE #1B: New and Significantly-Increased Health Problems Associated with OEF/OIF

The health and welfare of millions of battle-tested veterans requires world-class care when these veterans seek care from VHA. Significant improvements have been made to better care for these national heroes, but VHA progress has been slow in appropriately dealing with mental health care, suicide prevention, and aid for homeless veterans.

Providing appropriate mental health care for veterans, especially those returning from recent conflicts in OEF/OIF, is a continuing and significant challenge for VHA. Veterans returning from current conflicts experience Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD) with great frequency. Appropriate, timely, and compassionate care for veterans with PTSD, the physical and psychological effects of TBI, and the impact of these problems on the family will continue to be major issues for VHA.

In 2007, OIG published a national report on VHA's mental health strategic plan initiatives on suicide prevention, along with a number of single case reviews of the care of patients who committed, or were thought to have committed, suicide. Current education initiatives to train first contact non-clinical personnel about crisis situations involving veterans at risk for suicide have yet to be implemented at all VA facilities. Of the programs implemented, fewer than half include mandatory training on suicide response protocols.

VA has devoted significant resources to homeless veterans, especially by homeless grant and per diem programs. Nevertheless, veterans who are homeless need more than just a home, and OIG continues to review VA programs designed to assist veterans at risk because of their homelessness or other lifestyle characteristics. Homeless veterans need health care, mental health care, and the support and social services to ensure education, jobs, and the permanent housing that can result from a more stable life.

VA's Program Response to
OIG Challenge #1B: New and Significantly-Increased Health Problems Associated with OEF/OIF
ESTIMATED RESOLUTION TIMEFRAME: FY 2009 and beyond

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
In May 2008, a call center became operational that will reach two distinct populations of OEF/OIF veterans: • Those veterans who had prior use of military or veteran health care services. This population is approximately 15,500. • All OEF/OIF veterans who have been discharged from the military, but have not yet engaged VA for health care services. This population is approximately 550,000. By the fall of 2008, the call center will have reached all of the above veterans.	OEF/OIF veterans are informed about changes in VA services and benefits to which they are entitled. This outreach activity may prompt new veterans to come to VA for health care before a symptom or non-acute issue becomes a serious health care condition.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Provided VA Support to Demobilizing Reserve Component (RC) Servicemembers: In May 2008 the VA Outreach Office initiated a demobilization initiative to inform demobilizing RC combat servicemembers of their enhanced VA health care and dental benefits, to offer them assistance in completing the enrollment application form (1010EZ), to collect the completed forms during their mandatory demobilization separation briefings, and match the DD214 with the 1010EZ for registering into the system and to initiate enrollment into VHA care.	This facilitated enrollment helps by getting the administrative details of enrollment into VA healthcare out of the way prior to the veteran's arrival for his/her first appointment. This will improve access and utilization by OEF/OIF combat veterans.
Collaborated with DoD on Post Deployment Health Reassessments (PDHRAs): The Department of Defense screens servicemembers 4 to 6 months after returning from duty in the combat zone for indicators of possible mental or physical disorders. Members who screen positive for a possible condition are referred to a definitive medical facility for further evaluation.	Since November 2005, VA has had employees on-site to provide information on VA care and benefits, to enroll interested Reservists and Guard members in the VA healthcare system, and to arrange appointments at VA healthcare facilities for referred servicemembers or veterans. Since inception, over 94,000 Reserve and Guard members have completed the PDHRA on-site screening resulting in over 22,000 referrals to VA facilities and over 11,000 referrals to Vet Centers for further evaluation.
Allocated more than $360 million for mental health enhancements, specifically for **suicide prevention** efforts.	Through the Mental Health Enhancement Initiative (2004-2008) and the congressional supplemental funding, over 4,000 new positions have been added for mental health services. Of the new positions, 381 are for suicide coordinators, case managers, and/or support staff to directly support suicide prevention efforts. Another important focus has been promoting access to mental health services. As of July 31, 2008, 151 of 153 medical centers have expanded clinic hours for mental health services. Nationally, we are at 93 percent compliance for conducting more comprehensive evaluations and initiating treatment within 14 days for new referrals to mental health.
Required mandatory **training on suicide prevention** for all non-professional staff with patient contact.	Developing Project Save as a training tool, which establishes mechanisms for **Suicide Prevention Coordinators** to track staff training.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Expanded the **Suicide Prevention Hotline**. Current workload is about 250 calls/day.	The Hotline is staffed 24/7 with clinicians who have real-time access to a veteran's record if the veteran receives or has received care through VA. Hotline staff performed over 1,800 rescues – no doubt saving many lives.
Evaluated **suicide rates** among veterans, and used this information to plan policy and practice.	**Observations** from 2002-2006 that suicide rates are as follows: 1) Rates among OEF/OIF veterans are not greater than age-, sex-, and race-matched individuals from the general population. 2) Rates among veterans of all eras receiving VA health care are approximately 1.6 fold greater than individuals from the general population.
Established 23 new Vet Centers and augmented the clinical staff at 64 existing Vet Centers in FY 2008. This program enhancement increased the number of Vet Centers from 209 to 232, and added 150 additional staff members.	Increased capacity to provide **outreach** and **readjustment** counseling assures increased access to returning OEF/OIF combat veterans and families, while meeting workload demand from eligible combat veterans from other conflicts.
Hired 100 GWOT **outreach specialists** that are providing outreach services to OEF/OIF veterans as they return from combat at Active Military, National Guard, and Reserve **demobilization sites**.	Increased capacity for **aggressive outreach** to OEF/OIF veterans assures adequate access to care for new combat veterans and family members.
Trained all Vet Center service providers on **motivational interviewing** techniques to use when working with substance using veterans.	Improved effectiveness of Vet Center staff for delivery of readjustment counseling to substance using veterans, a frequent co-morbid condition to war-related PTSD.
Completed **mandatory training** in **traumatic brain injury (TBI)**, for mental health professionals and began using the standard TBI clinical screens as part of Vet Center intake assessments.	Improved **capacity** among Vet Center service providers to detect possible TBI and make **timely referrals** to VA medical facilities.
Provided **Gatekeeper** training for all Vet Center staff; the training was based on a model developed by the U.S. Air Force for early detection of **suicide risk**, and on means for effective and timely intervention.	Improved effectiveness of Vet Center suicide prevention efforts will enhance crises response outcomes and will ultimately **save veterans' lives**.
Developed and piloted a **public information campaign** for prevention of veteran suicides.	**Increased awareness** of veteran suicides as a public health problem, improved coordination of care with community providers, and increased calls to the VA Suicide Prevention Hotline.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Implementing two initiatives to disseminate **evidence-based psychotherapies** for PTSD throughout VA health care system.	These initiatives involve providing clinical training to VA mental health staff in the delivery of Cognitive Processing Therapy (CPT) and Prolonged Exposure Therapy (PE). As a result, as of the end of July 2008, over 1,000 VA mental health clinicians have been trained in CPT or PE.
Established a national **PTSD Mentoring Program** to provide training and support in PTSD program development and management with the goal of improving PTSD treatment and clinical outcomes.	Each VISN has selected mentors and participants, or mentorees, who will be working together toward improved communication and program development goals in PTSD treatment within their home VISNs. A VA National Mentoring Program Web site has been established to disseminate information to all VA staff working within the field of PTSD treatment. National calls are held monthly with the mentors and with a steering committee for the mentoring program.
Engaged the **Institute of Medicine (IOM)** to evaluate the long-term health consequences of TBI, with a particular focus on mild and moderate TBI, for veterans of OEF/OIF. Study is part of a National Academy of Sciences' comprehensive review and evaluation of the available scientific and medical information regarding the health status of Gulf War veterans.	Provides a comprehensive review and evaluation of the available scientific and medical information regarding the health status of Gulf War veterans.
Developed a **Web-based application** to track the number of veterans who have **screened positive** for possible TBI, the number referred for follow-up evaluation, and the number who have completed follow-up evaluation.	Provides the **database** necessary to **monitor** the completion of the **TBI screenings** and **TBI evaluations** and provides the framework for addressing problems at the network and facility levels.
In collaboration with **DoD,** sponsored a State-of-the-Art **Conference on Approaches to TBI Screening, Treatment, Management, and Rehabilitation**.	Provides the framework to make recommendations for further research, policy, or processes that will address gaps in knowledge and improve **quality of outcomes** of VA TBI care.
Began work to establish an **interagency agreement** with the **Department of Education** to coordinate with National Institute on Disability and Rehabilitation Research on research related to the rehabilitation of individuals with TBI.	This research will translate evidence-based practices into the development of new clinical interventions.
Developed the **Family Care Map** – a Web-based clinical tool for use by Poly Trauma Center (PRC) multidisciplinary clinical teams and families.	The Family Care Map seeks to **standardize and improve support** for family members while their veteran is undergoing inpatient rehabilitation at a PRC.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Implemented the Blind Rehabilitation Service Continuum of Care for **visually impaired veterans** across VA to serve approximately 12,075 patients with low vision annually. Fifty-five new outpatient low vision and blind rehabilitation clinics have been planned and are being implemented nationally.	The Continuum of Care will **expand services for visually impaired veterans** and provide treatment with the latest technological devices for all veterans and servicemembers with vision-related deficits who need rehabilitation training.
Established the **Federal Recovery Coordinator (FRC) Program** as a joint VA/DoD program with a Federal Recovery Coordinator assigned to oversee and coordinate services for **catastrophically wounded** OEF/OIF servicemembers. Nine FRCs are in place and serving 88 servicemembers.	Improved access to all clinical and non-clinical care for catastrophically wounded OEF/OIF servicemembers/veterans/families.
Began OEF/OIF **Care Management Program** at the facilities to coordinate care provided to veterans and family members with a nurse or social worker case manager. 100 Transition Patient Advocates also support severely injured or ill OEF/OIF veterans by acting as an advocate for the patient and family as they move through VA's system of care. As of July 2008, 1,698 severely injured OEF/OIF veterans and active duty servicemembers receive care management services.	Care of all severely ill and injured OEF/OIF servicemembers and veterans is well-coordinated by a designated healthcare facility OEF/OIF Care Management team. Improved communication with family members.
Increased **VA Liaison** staffing at nine **Military Treatment facilities**.	Meets increased workload and facilitates transfer of OEF/OIF servicemembers from VA to DoD.
Developed, together with DoD, a proposal to add new ICD-9-CM codes to better describe mild, moderate, and severe traumatic brain injury (TBI), as well as codes to represent the effect of TBI that are not immediately known (late effects). Proposal has been endorsed by the National Center for Health Care Statistics for presentation to the ICD-9-CM Coordinating and Maintenance Committee in September 2008.	The adoption of these codes will improve patient safety, quality of care, and public health. It will also be a positive impact on the value of health care data for patients suffering from TBI with medical decisions made based on accurate and precise data.
Provided training opportunities for Homeless Grant and Per Diem Program Liaisons on grant recipient oversight, program monitoring, case management, and development of performance measures focused on providing access for those veterans with substance use disorders and/or diagnosed with a mental illness.	As noted in congressional testimony, there has been a dramatic decline in the homeless population.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
The Readjustment Counseling Service (RCS) will establish an additional **39 new Vet Centers** by the end of FY 2009. This program enhancement will increase the number of Vet Centers from **232 to 271**, and increase Vet Center staffing by 174 positions. **(Q4)**	Increased Vet Center capacity will ensure that combat veterans and family members seeking readjustment counseling will receive adequate care.
On a pilot program basis, RCS will implement a **24/7 informational call center** to be manned by **combat veterans** to extend further outreach to OEF/OIF veterans. **(Q4)**	Distinct from a clinical crisis line, the call center will promote **rapport** with fellow combat veterans and provide them with information needed to access VA services.
Implement components of the Uniform Mental Health Services Handbook related to PTSD care as well as other mental health problems. **(Q4)**	Multiple metrics are being developed and will be applied to evaluate the impact of this implementation. As one example, full implementation should result in all women veterans having access to a woman therapist for care of PTSD related to Military Sexual Trauma if that is their preference.
Further expand training in **Cognitive Processing Therapy** (CPT) and **Prolonged Exposure** (PE) therapy for PTSD. **(Q4)**	**Doubles the number of VA mental health staff** trained in CPT and PE therapies to 2,000 by the end of FY 2009, and promotes greater veteran access to evidence-based treatment.
Provide for CPT or PE in every medical facility for every eligible veteran with PTSD who requests or agrees to one of these therapy approaches as mandated in the Uniform Mental Health Services Handbook. **(Q4)**	Metrics will be developed to ensure full availability of these two therapies.
Identify in Care Management Record Tracking Application active duty, enrolled, and not enrolled veteran specialty users (amputees, burns, blind). **(Q1)**	Improves and ensures knowledge of VA healthcare and care management services as needed through an active listing of specialized OEF/OIF population.
Expand Care Coordination Services (CCS) Telemental health care for OEF/OIF Veterans: Based on current estimates, about 50,000 unique veterans will receive **mental health care** via **clinical video teleconferencing** in FY 2009. **(Q4)**	The expansion in **telemental** health programs will increase access to delivery of care to OEF/OIF veterans needing mental health services.
Implement **telehealth technology** to support care/case management of combat wounded veterans through development and implementation of a telerehabilitation **disease management protocol**. **(Q2)**	Care/case management of veterans needing rehabilitative services using telehealth technologies in their homes will result in the **proactive recognition and treatment** of clinical care issues.

GOAL: Improve Quality of Health Care for OEF/OIF Veterans	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue to refine plan for **facilitating transition** from institutional care to the home, and for ensuring long-term care needs of severely injured OEF/OIF veterans. **(Q4)**	Several initiatives address the continuum of long-term services for veterans with polytrauma and TBI. These include: medical foster home care, assisted living pilot program, implementation of the rehabilitation and reintegration plan of care for every veteran with TBI, and in-home monitoring using telehealth.

OIG CHALLENGE #1C: Research

Congressional interest over reported problems in VHA research programs underscores the need for continued OIG oversight of this high priority issue. OIG issued several reports in 2007 and 2008 that highlight VHA deficiencies in human subjects protection and research funds administration. It is imperative that VA researchers comply with policies and procedures that protect patients, ensure sound scientific results, and provide transparent fiscal accountability.

Throughout 2007 and into 2008, OIG has continued to highlight problems with human subjects protection in VHA research. Both Federal and VHA policies require that all research involving human subjects be approved by an Institutional Review Board (IRB), that research subjects give informed consent, and that institutions provide assurances of regulatory compliance. VHA Handbook 1200.5, *Requirements for the Protection of Human Subjects in Research*, adopted July 15, 2003, outlines VHA policy for the ethical conduct of research involving human subjects. A number of reports have focused on systemic problems with IRB oversight of human subjects protection; others have focused on individual Principal Investigators who did not properly adhere to VHA research policy in the area of human subjects protection. Many of these deficiencies revolve around informed consent, verification that subjects recruited met inclusion or exclusion criteria, and the reporting of adverse events to the IRB.

The 2008 audit of VHA controls over the administration of funds for research and education activities at VA's Nonprofit Corporations (NPCs) revealed significant vulnerabilities. The audit found that the NPCs did not implement adequate controls to properly manage funds, safeguard equipment, and guard against conflicts of interest. VHA did not establish clear lines of authority, provide effective oversight, or require minimum control requirements. As a result, VHA does not have reasonable assurance that NPCs fully comply with applicable laws and regulations or that they effectively manage research and education funds.

VA's Program Response to OIG Challenge #1C: Research
ESTIMATED RESOLUTION TIMEFRAME: FY 2009 and beyond

GOAL: Improve Protection of Human Subjects and Administration of Research Funds

Responsible Agency Official: Principal Deputy Under Secretary for Health

Completed FY 2008 Milestones	Performance Results/Impacts
The Office of Research and Development (ORD) carried out formal education program to ensure compliance with necessary law and VA policies. Held six local accountability meetings. The Office of Research Oversight (ORO) sponsored a major review project to ensure that Institutional Review Board (IRB) informed consent concerns are evaluated and corrected in one facility in VA.	ORO increased emphasis on its VA evaluations to ascertain if audits are being done to ensure informed consent adequacy.
Created a requirement that Privacy Officers and Information Security Officers be non-voting members of VA IRBs.	Revised policy will emphasize the necessity and appropriateness of adverse event reports to IRBs and ORO.
Increasing emphasis on VA evaluations to ascertain if audits are being done to ensure informed consent adequacy.	Revision of Handbook 1058.1 will emphasize the necessity of adverse event reports to IRBs and to ORO.

GOAL: Improve Protection of Human Subjects and Administration of Research Funds	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Will develop an **education program** to assist Research Compliance Officers in developing and improving authorized audits and frequent evaluations of informed consent in VA research compliance. Planned actions emphasize critical topics such as informed consent and auditing requirements in current policy. **(Q4)**	The education program will assist Research Compliance Officers to fulfill their increased duties.
Will **revise policies and procedures** requiring additional detail in VA research auditing by October 2009. ORD also plans completion of edition of VHA Handbook 1200.5 by December 31, 2009. **(Q4)**	The revised policies and procedures will specify requirements for research auditing compliance in each facility.
With the expansion of the auditing done in VA research, the appropriateness of the informed consent will be systematically noted. Will **expand emphasis on auditing** requirements in current Directives. **(Q4)**	The expansion of auditing will ensure increased protection of human subjects and give the subjects a greater awareness of the benefits and risks of research.

GOAL: Improve Protection of Human Subjects and Administration of Research Funds	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Will sponsor a major program for more than 600 VHA research staff that will emphasize critical topics such as informed consent. **(Q2)**	The education program will promote a culture of awareness of requirements and compliance. The program will involve Medical Center Directors, Chiefs of Staff, Associate Chief Officers for Research and Development, Research Compliance Officers, and Administrative Officers.

OIG CHALLENGE #2: BENEFITS PROCESSING
-Strategic Overview-

Large inventories of pending claims for compensation and pension benefits have been a problem for many years. Making headway has proven difficult because VA faces an increasing disability claims workload from returning OEF/OIF veterans, reopened claims from veterans with chronic progressive conditions, and additional claims from an aging veteran population. The complexity of benefits laws, court decisions interpreting those laws, technology issues, workload, and staffing issues contribute to VA's benefit processing challenges. Increases in VA funding levels have enabled VA to hire additional claims examiners to help reduce the backlog of pending claims, but VA now faces a challenge to train and incorporate them effectively into a productive workforce. With the significant expansion of its claims workforce through current recruitment efforts, the loss of seasoned claims processing staff, and increasing receipt of claims from veterans, VA will face additional significant challenges in the accuracy and consistency of benefit decisions. OIG oversight in the form of audits and investigations provides recommendations for improvement in timeliness, quality, internal controls, and work to reduce the volume of improper payments.

OIG Challenge #2A: Workload

The Veterans Benefits Administration (VBA) anticipates receiving 872,000 rating-related claims in 2009, which represents a 51 percent increase from 2000. Through May 2008, however, VBA has reversed the trend of receiving more claims than they have completed, with completed rating-related claims exceeding receipts by over 5,000. They also reduced pending non-rating-related claims over the previous year. This indicates some progress in reducing claims backlog. VBA will be challenged to maintain and improve on this performance while aggressively recruiting in order to complete its planned expansion of claims processing staffing by about 25 percent and training the newly hired staff.

At the same time, May 2008 data shows pending appeals increased from a year earlier, which may reflect not only increases in claims filed and completed, but also the continuing complex environment of claims processing in VA compensation and pension monetary benefit programs. According to testimony of Secretary Peake in February 2008, the number of original compensation cases with eight or more disabilities claimed has increased by 168 percent since 2000.

VA's Program Response to OIG Challenge #2A: Workload
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Reduce Claims Backlog and Pending Appeals Backlog
**Responsible Agency Officials: Under Secretary for Benefits;
Chairman, Board of Veterans' Appeals**

Completed FY 2008 Milestones	Performance Results/Impacts
Modified the Veterans Service Representative (VSR) training protocols to **focus new hires** on processing burial and dependency claims to allow them to become productive quickly.	Allowed newly hired VSRs to **become productive quickly** in the areas of burial and dependency claims processing. Freed other more experienced regional office staff for assignment to disability claims processing.
Consolidated original pension benefits (live and death) to the Pension Management Centers (PMCs), formerly the Pension Maintenance Centers.	Allowed regional offices to focus on processing other disability claims.
Began a joint VA and Department of Defense (DoD) **Disability Evaluation System pilot**.	Provides one examination to separating servicemembers, streamlining the disability process for both VA and DoD.
Began **consolidation** of general inquiry phone calls to **nine National Call Centers**.	Allowed regional office personnel to focus on processing disability claims.
Proposed a regulation to implement the **Expedited Claims Adjudication** (ECA) **initiative** to streamline the claims adjudication and appeal process. Regulation allows represented claimants to voluntarily waive certain response timelines, agree to respond quickly to VA requests for evidence, and file any desired appeals in an expedited manner.	Proposed regulation remains under development. The regulation aims to reduce Appeals Resolution Time (ART) for ECA appeals in this 2-year pilot project.
Continued to emphasize **reducing avoidable remands**.	The Board reduced the remand rate from 56.8 percent in FY 2004 to 36.8 percent in FY 2008.
Used **overtime** for writing and dispatching decisions.	In FY 2007 and FY 2008, the Board prepared approximately 2,000 decisions using overtime.
Used **mentoring** and **training** tools to promote efficient case review and decision writing with an emphasis on writing clear, concise, coherent, and correct decisions.	In FY 2008, the Board **retained 95.7 percent** of its 70 new attorneys due to the excellent 1-on-1 mentoring program by senior attorneys and the Board's MCLE accredited classroom training. Retaining attorneys reduces the in-house resources needed to hire, train, and mentor new attorneys and increases productivity at the Board.
Expanded the flex-place program from 88 to 100 for **high-achieving attorneys** who have committed to increasing production.	On average, full-time attorneys in the flex-place program produced 13 more decisions in FY 2008 than full-time attorneys in the office.
Used aggressive hiring practices to **add additional FTE** to address appellate workload.	Increased the number of appeals decided from 40,401 in FY 2007 to 43,757 in FY 2008.

GOAL: Reduce Claims Backlog and Pending Appeals Backlog	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Begin the **consolidation** of certain parts of appeals work, such as Notices of Disagreement ready for decision, to **two Appeals Resource Centers**. **(Q1)**	Will allow regional office personnel to focus on the appeals workload at their station.
Complete the **consolidation** of general inquiry phone calls to **nine National Call Centers**. **(Q3)** **Consolidation of survivor benefit claims processing** to the Pension Management Centers. **(Q4)**	Will allow regional office personnel to focus on claims processing.
Full **implementation** of ECA. Final rule expected. **(Q1)**	Claimants participating in the 2-year pilot program should experience a 25 percent reduction in the length of time they have to wait for a decision on their claim.
Continue emphasis on **reducing avoidable remands**. Reducing the remand rate will **reduce** the **backlog** of appeals since approximately 75 percent of remanded cases eventually return to the Board, slowing the appeal process. **(FY 2009 and beyond)**	The Board's goal is to reduce the remand rate below 35 percent in FY 2009. In FY 2008 the remand rate was 36.8 percent.

OIG Challenge #2B: Quality

Long-term efforts to improve the quality—the accuracy and consistency—of claims decisions continue to present a significant challenge. Recent OIG audit findings indicate accuracy and processing delays have not improved over the past 2 years. May 2008 data shows the accuracy of rating benefit entitlement decisions dropped two percentage points during the preceding 12 months, from 89 to 87 percent. While VBA reports a 2-point improvement in accuracy of non-rating decisions over the same period, the error rates—13 percent in rating decisions—remain unacceptably high. In addition, VBA has not completed all planned actions to address the continuing variance in disability payments among the various states that is within the control of VBA to correct. These quality challenges are especially significant given the size of the benefits program, which exceeds $40 billion annually.

Data retrieval issues also impact the quality of benefits processing. VBA is in the middle of transition of Compensation and Pension benefit claims processing and payment from the legacy Benefits Delivery Network (BDN), which has captured all benefit information for over three decades, to the replacement Veterans Service Network (VETSNET) system, which resides in the corporate database. While full conversion to VETSNET is anticipated by mid-calendar year 2009, currently benefit payments are being made from both BDN and VETSNET, with the vast majority of Compensation payments being made via VETSNET. VBA is still working on transition issues of correctly reporting information that combines BDN and VETSNET information. At least for the next several years, there will be challenges with the mix of veterans in the corporate database—those paid in BDN, and those paid in VETSNET. Because the data available through the corporate database are more detailed than BDN, a one-for-one match of all data elements is not possible, and therefore in some cases, the data must be merged to provide a complete picture. VBA must continue working to accurately represent information across all data types, but until

these issues are resolved, OIG oversight of benefits processing is hampered by lack of a single comprehensive data set.

VA's Program Response to OIG Challenge #2B: Quality
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Quality of Claims Decisions and Benefits Processing	
Responsible Agency Official: Director, Compensation and Pension Service	
Completed FY 2008 Milestones	Performance Results/Impacts
Completed a **consistency review** focused on individual unemployability (IU) decisions from the Jackson, Mississippi Regional Office. Completed a **focused review** of radiation rating decisions following consolidation of radiation cases to the Jackson Regional Office. Established a **recurring special review** of cases/awards with an effective date retroactive 8 or more years or that result in a lump-sum payment of $250,000 or greater.	Identified unusual patterns of variance in decisions and allowed for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.
Increased the quality assurance rating review **sample size** for each of the 57 regional offices to 246 annually and **increased** Systematic Technical Accuracy Review (STAR) **staff capacity** through additional hiring.	Provides a 95 percent confidence level for each regional office. Allowed for improved quality assurance and better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.

GOAL: Improve Quality of Claims Decisions and Benefits Processing	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Modify the rating review sample size to include **increased sampling** for initial and reopened pension claims upon completion of Phase I of pension consolidation. **(Q1)**	Allow for improved quality assurance and better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.
Monitor and review the **quality** of rating decisions completed at a **brokered workstation** including the Resource Centers/Tiger Team. **(Q1)**	Allow for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims and incorporate routine quality oversight of brokered cases by STAR.
Complete initial **quality reviews** of Disability Evaluation System (DES) pilot cases and develop a plan for future ongoing reviews. **(Q2)**	Use the results from the pilot project to identify any unusual patterns of variance in decisions and incorporate DES case reviews into routine quality oversight by STAR.

OIG Challenge #2C: Staffing

Congress passed legislation in 2007 and 2008 to provide VBA $185 million to hire additional claims processing staff. By the beginning of 2009, VBA expects to complete a 2-year nationwide recruiting effort to hire approximately 3,100 new staff. VBA allocated about 91 percent of the new hires to the Compensation and Pension business line and has hired over 2,400 new staff through May 2008. While such an increase in staff should eventually pay dividends, VBA faces a major challenge in training, reviewing the work of employees at developmental stages, and in controlling the quality of work to improve consistency and reduce controllable variance in disability compensation monetary benefit payments. VBA also must overcome the short-term decline in productivity in claims processing that has resulted from adding this large contingent of staff. OIG plans to monitor the effect of the recruiting through its oversight work.

VA's Program Response to OIG Challenge #2C: Staffing
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Effectively Train and Integrate Newly Hired Staff	
Responsible Agency Official: Under Secretary for Benefits	
Completed FY 2008 Milestones	Performance Results/Impacts
Hired and initiated **training** for 3,456 new employees since January 2007 of which 2,980 were allocated to C&P claims processing in the field.	Improved performance in burial and dependency claims, as well as improvements in production and timeliness of rating-related claims. For example, rating productivity is up 8.7 percent from FY 2007.
Used **rehired annuitants** to assist the **Tiger Team** with processing VBA's claims from those veterans over age 70, as well as VBA's older claims.	Reduced the number of claims pending over 1 year by 33.3 percent.

GOAL: Effectively Train and Integrate Newly Hired Staff	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Maintain FY 2008 staffing levels. **(FY 2009)**	The maintenance of staffing levels will allow VBA to **solidify gains** in performance improvement both in claims inventory and claims processing timeliness.
Continue the use of **centralized training** for new employees and the **annual 80-hour training requirement** for claims processors.	Improvement in accuracy and continued **increases** in **productivity** and **timeliness**.
Finish **training** Pension Management Center employees in preparation for completion of the consolidation of survivor benefit claims processing to the PMCs. **(Q3)**	Allow regional offices to focus on processing other disability claims.

OIG CHALLENGE #3: FINANCIAL MANAGEMENT
-Strategic Overview-

Sound financial management is not only the stewardship that makes the best use of limited public resources, but also the ability to collect, analyze, and report reliable data on which resource use and allocation decisions depend. OIG oversight assists VA in providing its program managers with timely, accurate, and reliable information for sound oversight and decision-making while identifying opportunities to improve the quality, management, and efficiency of VA's financial management systems.

OIG audit work shows no significant improvements in VA's consolidated financial statements (CFS) over the past 12 months. Although the most recent audit covering 2006–2007 again provided an unqualified or "clean" opinion, the report on internal controls identified three material weaknesses of longstanding duration and one new material weakness. VA is also not in compliance with the *Federal Financial Management Improvement Act of 1996 (FFMIA)*. This report discusses the material weakness in information technology (IT) security controls in the Information Management section (OIG Challenge #5).

OIG CHALLENGE #3A: Financial Management System Functionality

The 2007 CFS audit identified a recurring material weakness in financial system management functionality. Deficiencies in VA's legacy financial systems adversely impacted the preparation of the CFS. The large number of manual adjustment entries required at year-end to prepare the financial statements showed that the legacy systems did not adequately support reliable, timely, and consistent preparation, processing, and analysis of financial information. System limitations were identified in VA's legacy payroll and property systems, which did not readily provide information to support various financial accounts. Manual adjustments to the financial statements increase the risk of processing errors and misstatements. VA's remediation program to address this material weakness is the Financial and Logistics Integrated Technology Enterprise (FLITE), which is being developed to correct financial and logistics deficiencies throughout the Department. However, FLITE is not scheduled to be fully implemented until 2014.

VA's Program Response to
OIG Challenge #3A: Financial Management System Functionality
ESTIMATED RESOLUTION TIMEFRAME: FY 2014

GOAL: Improve Financial Management System Functionality	
Responsible Agency Official: Assistant Secretary for Management	
Completed FY 2008 Milestones	**Performance Results/Impacts**
As part of the Financial Reporting Data Warehouse System (FRDWS) project, VA brought the following into production: • Data warehouse for the **Loan Guarantee Program Interface Centralized Property Tracking System** (CPTS). • Data warehouse for the **Loan Guarantee Program Interface Countrywide Home Loans** (CHL). • Data warehouse for the **Loan Guarantee Program Interface Funding Fee Payment System** (FFPS). • Data warehouse for the **VistA Account Receivable (AR) interface**. • Data warehouse for the **VistA FEE interface**.	The FRDWS and the Business Intelligence analytical tool **simplified reconciliations** of seven program interfaces with VA's core accounting system (FMS) and provided an automated process for single view of detailed data comparison with summary FMS data. This enhanced reconciliation capability helps to mitigate the Financial Management System Functionality material weakness.
As part of the FLITE project, VA did the following: • Awarded a contract to complete the **Integrated Financial Accounting System** (IFAS) financial requirements and business processes. • Released the request for proposal (RFP) for the **Strategic Asset Management** (SAM) Pilot implementation. • Released the RFP for the **FLITE Program Management Office Support** (PMOS). • Continued **change management** and **communication** activities targeted to VA stakeholders.	Completion of FLITE major milestones continued to move VA toward achieving implementation of a fully integrated, enterprise-wide financial and asset management system.
Modified Personnel and Accounting Integrated Data (PAID) to **correct programming errors** related to the Accrued Annual Leave Report.	Modifications corrected the report, which now accurately reflects annual leave hours accrued. The report is provided to the auditors and is used by VA in preparation of the consolidated financial statements.
Changed the legacy core financial system to **improve compliance** with **reporting of Taxpayer Identification Numbers** (TIN) on payments sent through the Department of the Treasury (Treasury).	Improved **accuracy** and **quality** of TIN information in payment data so that Treasury can improve identification of payments for offset.
Implemented quarterly **user access reviews**.	Enhanced **security** of system by ensuring that all users of the system and access levels have been reviewed for accuracy on a quarterly basis.

GOAL: Improve Financial Management System Functionality	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
FLITE-related work will consist of the following: • Release the draft of the **RFP for the IFAS component** of FLITE following OMB financial management line of business (FMLoB) guidance. **(Q1)** • Award the **Program Management Support Service Contract**. **(Q2)** • **Award** the **SAM Pilot** implementation **Contract**. **(Q2)** • **Initiate SAM pilot** at Milwaukee VA Medical Center to attain initial operating capability of the SAM system. **(Q2)** • **Award IFAS Implementation Contract** for Pilot Phase. **(Q4)**	The FLITE Program is continuing to address the Financial Management System Functionality material weakness by implementing an enterprise level, integrated financial and asset management system.
Begin a quarterly review of **Accrued Annual Leave Reports**. **(FY 2009 and beyond)**	Ensure accuracy of reports (including payroll adjustments) prior to request from auditors.
Begin i**ntegration** of **legacy core financial system** with the **Central Contractor Registration System**. **(Q3)**	**Vendor information** in financial system is accurate and the number of payments rejected due to inaccurate bank information is reduced.

OIG CHALLENGE #3B: Financial Management Oversight

The CFS audit also identified a material weakness in financial management oversight, which is another recurring problem in VA. Significant deficiencies in financial operations show the need for enhanced management oversight. Most of these same deficiencies have been identified in prior years, but remain uncorrected. Past approaches to correct these problems, which have included training and more management involvement, have not proven effective. Our auditors concluded that management should review the root causes and the reasons why these remedial efforts have had limited success. We found that the operational causes of the conditions included lack of resources, particularly staff with appropriate skills, and significant workload volume. The effect of recording financial data without sufficient review and monitoring by management is an increased likelihood that errors in the financial statements will occur but will not be detected.

VA's Program Response to OIG Challenge #3B: Financial Management Oversight
ESTIMATED RESOLUTION TIMEFRAME: FY 2011

GOAL: Improve Financial Management Oversight
Responsible Agency Official: Assistant Secretary for Management
Veterans Benefits Administration Chief Financial Officer
Veterans Health Administration Chief Financial Officer

Completed FY 2008 Milestones	Performance Results/Impacts
Provided oversight of field compliance with financial policies and procedures during Office of Business Oversight reviews.	Identified and reported **774** instances of **non-compliance** with policies and procedures, including root causes of conditions, and issued **552 recommendations** to correct deficiencies noted. The recommendations are tracked until implemented, thus eliminating the non-compliance issues identified at the sites visited. Additionally, summary reporting is completed at the VA Central Office level to address systemic issues identified during site reviews.
Completed OMB Circular A-123, Appendix A, review of key business processes and developed **remediation processes and plans** to correct findings.	Assessed and tested key business processes of **internal controls** over financial reporting to identify internal control weaknesses. Process owners developed remediation plans to address each newly identified weakness. Remediation plans are subject to continuous monitoring and status reporting until resolution.
Completed development and testing and will commence implementation of the **Intragovernmental Reporting System (IGRS)**. This reporting system will enhance form reporting and analysis.	Improved quality of VA data reported in the Governmentwide Financial Report.

GOAL: Improve Financial Management Oversight	
Responsible Agency Official: Assistant Secretary for Management	
Veterans Benefits Administration Chief Financial Officer	
Veterans Health Administration Chief Financial Officer	
Completed FY 2008 Milestones	Performance Results/Impacts
Awarded contract to assist in the development and update of the multi-year **Financial Policy Improvement Initiative (FPII)**. Established VA's **Financial Policy Steering Committee**, chaired by VA's Deputy CFO, and comprised of the chief financial officers of VA's three Administrations and selected staff offices. Issued the associated Steering Committee Charter. Established a **Financial Policy Work Group**, with members designated by the Financial Policy Steering Committee, to conduct detailed updates and reviews of all financial policies and procedures. Issued drafts of financial policies and procedures on General Accounting for review.	**Standardization** of financial management policies and procedures will improve uniformity, consistency, and accuracy, as well as compliance with all financial management laws and regulations. **New financial policies** and procedures will be drafted where none exist or are outdated, ensuring **compliance** with Federal Accounting Standards Advisory Board (FASAB) standards, OMB circulars, and U.S. Treasury financial management guidance.
Issued request for proposal for the **Audit Readiness contract** designed to assist in eliminating financial management weaknesses and deficiencies identified during the annual audits.	The multi-year **Audit Readiness** project will provide oversight and technical advice in the implementation of remediation plans designed to correct the Department's material weaknesses.
Issued a letter to all VBA stations emphasizing the need to follow the **VBA directive on reconciliations**.	VBA improved reconciliations with a proper level of review and follow-up to clear outstanding items more timely – particularly for critical accounts.
Implemented **second-level management review** of VBA financial statements using checklists and a formal review process.	VBA improved the quality and timeliness of all financial statements and reports. The second-level management review ensures financial reports are submitted on time and has reduced the number of errors in the reports prior to being released to the Department Finance staff for their review and comments.
Disseminated a **monthly reconciliation package** to be used by VHA facilities providing a uniform tool for completion of monthly reconciliations.	The package ensures that facilities are reviewing and **reconciling** their monthly **financial reports**, as well as provides VHA's CFO with a tool to monitor compliance.
Reviewed facilities' **environmental liability estimates** for propriety and necessary corrections.	Better oversight resulted in increased compliance with the Department's policies and procedures.
Provided facilities with monthly **abnormal balance reports** to enable field correction.	This process allows for timely review of the corrective actions and performance of necessary follow-up with facilities as needed.
Reviewed medical facility monthly property, plant, and equipment **reconciliation reports**.	The monthly reviews helped ensure timely capitalization.

GOAL: Improve Financial Management Oversight	
Responsible Agency Official: Assistant Secretary for Management	
Veterans Benefits Administration Chief Financial Officer	
Veterans Health Administration Chief Financial Officer	
Completed FY 2008 Milestones	Performance Results/Impacts
VHA's CFO provided facilities with monthly reports of **federal advances** for prior fiscal years so that facilities can offset these advances to the appropriate obligations.	This process assists in **closing out aging obligations.**
Issued a **desk guide** to serve as a quick reference on matters pertaining to the management and processing of overpayments, refunds, offsets, underpayments, and associated third party payer practices and policies that impact the VHA revenue management cycle.	This desk guide improved **accuracy** and **timeliness** in collections, reconciliations, and follow-up of health care debt.
Issued several VHA **accounting policies/procedures** dealing with: reconciliation requirements, proper capitalization of work-in-process projects, removing property that no longer belongs to VA from VA's general ledger, proper accounting for environmental liabilities (this guidance includes requirements and methodologies for estimating and recording environmental liabilities) and deferred maintenance, and accurate recording of accrued service payables. Released a comprehensive 141 page **non-healthcare debt** desk guide to the VHA field offices. Held a national non-healthcare debt conference to review and discuss the contents of the desk guide and emphasize the importance of proper management of non-healthcare debt as it relates to financial requirements and operational oversight.	Dissemination of these policies has provided field staff with a better understanding of requirements and will also support a more consistent application of accounting polices/procedures across VHA.

GOAL: Improve Financial Management Oversight	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue **aggressive oversight** of field compliance with financial policies and procedures through regular recurring reviews. **(Q4)** Regular review means the same audit program is executed for the same category of review for the entire fiscal year. For example, for the eight VBA Compensation and Pension reviews completed in FY 2008, the same audit program was executed. For VBA regional offices, the review cycle is approximately once every six years. For VHA Revenue and Expense reviews, a risk assessment is completed to select stations with the highest potential for non-compliance. During FY 2007 and FY 2008, a total of 35 VHA financial reviews were completed each year.	Identifying and reporting on non-compliance with policies and procedures on a regular basis will assist field managers and VA Central Office in addressing problems.
Implement OMB Circular A-123, Appendix A review program to **assess risk and test key internal controls** over financial reporting. • Complete risk assessment and annual review plan. **(Q1)** • Complete entity-level evaluation of key controls and complete update process narratives. **(Q2)** • Complete testing of key controls over financial reporting. **(Q3)** • Complete reporting of findings to SAT and incorporate into PAR. **(Q4)** **Monitor and report** remediation plan status and independent verification. **(FY 2009)**	VA's risk-based approach to testing internal controls over financial reporting will improve VA's assessment of high and medium risk controls. Additionally, this will improve VA's capability to effectively assess these controls and develop root cause remediation plans where deficiencies are identified. Management will have improved tools and information to make resource decisions, allocating resources towards monitoring riskier activities and deficiencies. Oversight is improved by focused attention on riskier processes and continuous monitoring of remediation actions.
Complete **implementation** of an IGRS. **(Q1)**	VA will improve the quality of its data reported in the Governmentwide Financial Report, and the ability to more accurately reconcile this information.

GOAL: Improve Financial Management Oversight	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue with the multi-year **FPII**. **(FY 2009 and beyond)** **Publish financial policies and procedures** on General Accounting; Appropriations, Funds & Related Information; Assets; Financial Reporting; and Committee on Waivers & Compromises. **(Q4)** **Issue** draft **financial policies and procedures** on Miscellaneous Accounting Topics, Liabilities, Cash Management, Debt Management, and Cost Accounting. **(Q4)**	**Standardization** of financial management policies and procedures will improve uniformity, consistency, and accuracy, as well as compliance with all financial management laws and regulations. New VA financial policies and procedures will be drafted where none exist or are outdated, ensuring compliance with FASAB standards, OMB circulars, and U.S. Treasury financial management guidance.
Continue with the multi-year **Audit Readiness initiative**. **(FY 2009 and beyond)**	VA will have better technical assistance and oversight in implementing corrective action plans designed to remediate the Department's material weaknesses.
VBA will actively participate in the Department initiative to **update** VA **finance and accounting policy and procedures**. **(FY 2009)**	The update will improve overall financial operations by providing **consistent guidance** that is in compliance with financial management laws and regulations.
VHA's CFO will work with the VA Office of Finance to develop new policy for undelivered orders/accrued services payables follow-up, first party medical-care debts and non-medical care debts follow-up, and quarterly reviews of work-in-process items. Plan a national finance conference to address the operational oversight weakness areas from a tactical standpoint for the staff performing the functions, and a strategic standpoint for management overseeing the processes.	This new policy will help ensure that projects that have been completed and placed in service are removed from work-in-process and capitalized.
Will create an **engineering** and **fiscal** workgroup to address roles and responsibilities as they relate to the financial statement audit process.	The workgroup will address policies and procedures for timely capitalization. It will also address the requirements for estimating, reviewing, and recording estimates for **environmental liabilities** and deferred maintenance to ensure they are **properly documented** and supportable.
Create a **logistic** and **fiscal** workgroup to address roles and responsibilities as they relate to the financial statement audit process.	The workgroup will address procedures for ensuring that relevant documentation is properly maintained in order to provide an appropriate **audit trail** for procurement activities. The workgroup will also establish coordination of contract changes between the two offices to ensure that appropriate and timely updates are made in the financial management system.

OIG CHALLENGE #3C: Benefits Delivery Network System Records

The CFS audit identified a new material weakness involving the retention of computer-generated records kept in VBA's BDN system. Because transaction detail records are kept in BDN for only 60 to 90 days, management was unable to support certain dollar amounts recorded in the CFS. The audit also found large disparities between the amounts shown in the BDN subsidiary ledger and the Financial Management System general ledger for the compensation, pension, and education programs. The differences were attributed to BDN system limitations and the high volume of transactions processed daily. VA needs to develop and implement policies and procedures to ensure that computer generated transaction details are retained for appropriate time periods to adequately support an audit trail for the balances recorded in the CFS.

VA's Program Response to OIG Challenge #3C: Benefits Delivery Network System Records
ESTIMATED RESOLUTION TIMEFRAME: COMPLETED

The FY 2008 financial audit, performed by Deloitte and Touche, concluded that this challenge was resolved/remediated. The FY 2008 milestones shown below reflect the actions VA took to resolve this challenge.

GOAL: Retain BDN Records for Appropriate Time Periods to Adequately Support an Audit Trail For Balances Recorded in the CFS		
Responsible Agency Official: Veterans Benefits Administration Chief Financial Officer Assistant Secretary for Information and Technology		
Completed FY 2008 Milestones		Performance Results/Impacts
Validated the existence of **reconcilable** Compensation and Pension (C&P) **transaction data** in BDN. Identified nine BDN-generated files with FY 2008 C&P **transaction details** and retained the files until they could be transmitted to the **VBA data warehouse**. Built business rules that would enable the reconciliation and reports generation.		VA began the process of capturing and providing reconcilable **transaction details** to support an **audit trail** for balances recorded in the consolidated financial statements.

GOAL: Retain BDN Records for Appropriate Time Periods to Adequately Support an Audit Trail For Balances Recorded in the CFS	
Responsible Agency Official: Veterans Benefits Administration Chief Financial Officer **Assistant Secretary for Information and Technology**	
Completed FY 2008 Milestones	Performance Results/Impacts
Analyzed and determined the **capacity required** to support the Audit Trail solution in the data warehouse. **Identified** Education and VR&E BDN **data files** to support the Audit Trail solution. Developed a **two-phased project schedule**—an interim, short-term manual solution, and a long-term automated solution. Analyzed and validated **Corporate database** to validate existence of reconcilable transaction data. Delivered **monthly reconcilable detail transaction C&P data** for the months of March through September to OIG auditors.	The Audit Trail solution is being implemented in two phases. Phase I is being implemented and is scoped to meet FY 2008 audit requirements. Phase I pulls detailed transaction extracts from the BDN and the VBA Corporate Database and loads them into the VBA Data Warehouse. The transaction data are then reconciled against the General Ledger. Phase II will provide additional reporting capability for VA.
Began same process as above for **Education Chapter 30** detail data.	VA began the process of capturing reconcilable detailed Education data to support an audit trail for balances recorded in the 2009 consolidated financial statements.

OIG CHALLENGE #4: PROCUREMENT PRACTICES
-Strategic Overview-

OIG continues to identify significant and persistent deficiencies in VA procurement practices. VA, one of the largest procurement and supply agencies in the Federal government, expends about $10 billion annually on supplies and services. Our audits, investigations, and reviews have identified consistent deficiencies in the planning, solicitation, award and administration of contracts, and purchasing practices. Because procurement activities are decentralized and VA does not have adequate information systems that accurately capture contracting and purchasing data, VA has little oversight of its procurement and purchasing activities. VA does not know what it buys, who it buys it from, whether the price paid was fair and reasonable, or whether contracting entities complied with procurement laws and regulations. Although VA mandated in June 2007 the use of a new electronic contract management system to track all contract actions, this system currently is unreliable and incomplete. In summary, we have seen little progress in improving procurement practices over the past 12 months.

OIG CHALLENGE #4A: Open Market Procurements and Inventory Controls

Our audit of the acquisition and management of selected surgical device implants (SDI) found that VA needs to reduce procurement costs and strengthen management controls over inventory, patient privacy, and device recalls. Costs could be reduced by as much as $21.7 million over 5 years by using national contracts and blanket purchase orders instead of open market purchases. OIG's review of procurement practices also revealed that VHA needs to improve inventory controls and strengthen patient safeguards. Facilities lacked reliable inventory controls and records, staff routinely provided manufacturers more medical and personal information than needed, and the staff needed to ensure that patients affected by SDI recalls received timely follow-up care.

VA's Program Response to OIG Challenge #4A: Open Market Procurements and Inventory Controls
ESTIMATED RESOLUTION TIMEFRAME: FY 2009 AND BEYOND

GOAL: Reduce Procurement Costs and Strengthen Management Controls	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
VA's Office of Business Oversight conducted a Veterans Integrated Service Network (VISN)-wide **contract inspection** to continue **oversight of field compliance** with Federal and VA acquisition policies and to strengthen VISN management controls over the **acquisition** function. Conducted a contract inspection and comprehensive internal control review of the acquisition function for the VA Boston HealthCare System.	The inspection identified areas of non-compliance with rules and regulations and provided local management with recommendations for **corrective actions** to improve their **acquisition** activities. Managers at both the field station and VISN level are correcting deficiencies in acquisition internal controls and will be able to prevent future recurrence of non-compliance.
Conducted **logistics business reviews** at 14 individual stations and reviewed non-expendable inventory management at 37 individual stations across 4 VISNs.	The reviews identified areas of non-compliance with rules and regulations and provided local management with recommendations for **corrective actions** to improve their **logistics** activities. Managers at both the field station and VISN level are correcting deficiencies in acquisition internal controls and will be able to prevent future recurrence of non-compliance.
Established workgroup to review and create **contract specifications** for the bare metal and drug-eluting coronary stents.	Establishment of national contracts increases **cost savings.**
Began the process of **standardizing surgical devices** such as Pacemakers, ICDs, Leads. Monitored the procurement, serial number tracking, and utilization on a quarterly basis via the National Prosthetic Patient Database (NPPD).	Standardization has increased **compliance** with documentation and tracking of serial numbers for recall purposes.

GOAL: Reduce Procurement Costs and Strengthen Management Controls	
Responsible Agency Official: Principal Deputy Under Secretary for Health	
Completed FY 2008 Milestones	Performance Results/Impacts
Developed policy for tracking of **inventory** and monitoring of **stock levels** and reminded staff of their responsibilities in relation to the surgical implant inventory.	VA has increased staff awareness of the importance of proper inventory control.
Established a task force to create a directive with standardized procedures on how inventory of implants will be accomplished.	The directive, which is in concurrence, will provide guidance to the field on the proper procedures for managing SDI in an inventory account, as well as the proper medical and personal information to be released to the vendor for ordering purposes.
Developing a database of surgical implants that will help track when a recall is issued so that correct action can be taken to recall the product.	The SDI tracking database will enable timely notification of individuals affected by recalls.
Through Project HERO, utilized competitive health care market contracts priced on a Medicare scale. Project HERO pricing is, on average, at or below Medicare rates. Project HERO pricing is also continuously monitored by the Contracting Officers.	Monitoring ensures that the pricing for services remains competitive and appropriate.

GOAL: Reduce Procurement Costs and Strengthen Management Controls	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue **aggressive oversight** of field compliance with acquisition and logistics policies and procedures as part of FY 2009 Annual Review Plan. **(Q4)**	Oversight programs in areas such as contract inspections and logistics business reviews to identify areas of non-compliance with rules and regulations provide field and Central Office managers with information to correct deficiencies in internal controls and prevent future recurrence of non-compliance.
Continue working on policy for tracking of inventory and monitoring of stock levels. **(Q2)**	VA will improve inventory management and tracking of implants for budget and recall purposes.
Begin Rewrite of VA Directive 1663, Health Care Resources Contracting - Buying. **(Q2)**	The directive will be revised to provide better direction.
Will process all selling and buying enhanced-sharing agreements through the electronic contract management system (eCMS). **(Q3)**	eCMS will significantly improve the standardization of sharing agreement contract format and will enable more accurate data record keeping.
Continue to develop contract specifications for surgical implants such as bare metal and drug-eluting coronary stents. **(Q4)**	The specifications will reduce lost savings from open market purchases.
Reengineer the Standardization Program to provide better operational efficiencies. **(Q4)**	Reengineering will increase utilization of resources and improve overall quality of the medical supply chain system.

OIG CHALLENGE #4B: Contract Modifications to Use Expired Years Funds

OIG has identified impermissible use of contract modifications to expend expired prior-year funds. A 2007 OIG audit found that improper contract modifications resulted in the unlawful use of expired prior-year funds by the VA Boston Healthcare System. The modifications valued at approximately $5.4 million were not within the scope of the original contracts, not funded in accordance with appropriations law, and not in compliance with actions outlined in the Federal Acquisition Regulation (FAR).

In 2008, we conducted a national audit to review the effectiveness of VHA controls over the use of prior-year funds for maintenance. Consistent with the findings in the VA Boston Healthcare System, we found out-of-scope modifications to contracts that resulted in the unlawful use of prior-year appropriations. Controls need strengthening to ensure that: (1) contract changes are within the scope of the original contracts, (2) facilities obtain proper approval to use prior-year funds, and (3) funding for contract changes is in accordance with appropriations law and the FAR. For example, there are no controls above the contracting officer level to review contract modifications to ensure they are within the scope of the original contract. Oversight over contracting officials' activities needs to be increased to improve the accountability of their actions.

VA's Program Response to
OIG Challenge #4B: Contract Modifications to Use Expired Years Funds
ESTIMATED RESOLUTION TIMEFRAME: FY 2009 AND BEYOND

GOAL: Strengthen Controls Over Contract Modifications	
Responsible Agency Official: Veterans Health Administration Chief Prosthetics, Procurement and Logistics Officer	
Completed FY 2008 Milestones	Performance Results/Impacts
Conducted a **review of expired fund obligations** for compliance with federal appropriations law for VISN 1, VA New England Healthcare System.	VA identified reasons for using expired funds and determined whether the increases complied with federal appropriations law. The review also determined whether contract changes were within the scope of the original contracts. The report recommended VISN management make accounting adjustments by moving obligations and expenses to the correct appropriation year. In addition, the review verified that accounting adjustments were in fact made when non-compliance with appropriations law was identified.
Conducted a VISN-wide **contract inspection** to continue **oversight of field compliance** with federal and Departmental acquisition policies and to strengthen VISN management controls over the acquisition function. In addition, conducted a contract inspection and comprehensive internal control review of the acquisition function for the VA Boston HealthCare System.	The inspection identified areas of non-compliance with rules and regulations and provided local management with recommendations for corrective actions to improve their acquisition activities. Managers at both the field station and VISN level are in a better position to correct deficiencies in acquisition internal controls and prevent future recurrence of non-compliance.

GOAL: Strengthen Controls Over Contract Modifications	
Responsible Agency Official: Veterans Health Administration Chief Prosthetics, Procurement and Logistics Officer	
Completed FY 2008 Milestones	Performance Results/Impacts
Conducted VHA **Contract Readiness Exercise** for procurements $500,000 and greater.	Areas needing training were identified.
Developed an **expired funding** reporting mechanism.	VHA identified and corrected the use of expired funding.
Implemented VA Directive 4533 on **Miscellaneous Obligation** (VA Form 1358), which prohibits using this category for obligating construction funds.	This will benefit VA by requiring supplies/services to be procured using a purchase request, which must be reviewed by contracting staff. This additional review will improve the integrity of the procurement system as purchase requests are monitored and tracked by acquisition staff, as well as reviewed by fiscal staff.
Revised and issued VHA Directive 2008-019, to provide and **clarify requirements** pertaining to use of **prior-year (PY) funds** for non-recurring maintenance (NRM) projects.	Requests for use of PY funds have increased, indicating that **facilities** have a **better understanding** of approval requirements and compliance has improved. Approved requests for use of PY funds are compared to PY increases in NRM obligations and reconciled quarterly. Reconciliation results are assessed and variances resolved.

GOAL: Strengthen Controls Over Contract Modifications	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Provide **oversight on VA's compliance** with federal appropriations law through a Department-wide review of expired fund obligations. **(Q2)**	VA will identify whether non-compliance is systemic across the Department and whether scope modifications to contracts resulted in the unlawful use of prior-year appropriations. If necessary, the review will include recommendations to improve internal controls over expired fund obligations and contract scope modifications.
Continue **aggressive oversight** of field compliance with **acquisition** policies and procedures as part of FY 2009 Annual Review Plan. **(Q4)**	Identifying and reporting on non-compliance with policies and procedures will assist field managers and VA Central Office to correct any deficiencies in internal controls and prevent future recurrence of non-compliance.
Revise the NRM Projects Handbook. **(Q1)** Continue to provide capital asset training for the Engineers and Capital Asset Managers on appropriate scope changes for NRM projects. **(FY 2009 and beyond)**	The Handbook will further clarify the scope changes, requirements, and funding processes for NRMs.

GOAL: Strengthen Controls Over Contract Modifications	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue on-going reconciliation of approved requests to use PY funds compared to obligation increases recorded in the financial system for NRM projects. **(FY 2009 and beyond)**	VA will continue to improve compliance with the use of PY funds approval requirements.
VHA's Office of Finance will consult with the Assistant Secretary for Management to develop plans to implement broader controls and requirements for use of prior-year funds for contract changes.	Compliance with 38 USC 1552.

OIG CHALLENGE #4C: Contract Award and Administration

OIG review of Federal Supply Schedule contracts that VA awarded to resellers without significant commercial sales revealed that contracting officers were not taking appropriate action to determine price reasonableness at the time of award or when allowing price increases. Contracting officers also did not identify appropriate tracking customers to ensure that the Government's prices remained fair and reasonable after award.

Our review of a contract awarded by the Office of Information and Technology to standardize VA's desktop computers showed deficiencies in the planning, award, and administration of the contract. The contract specifications were overly restrictive and, when bundled with installation services, limited competition. In addition, the price evaluation was not done properly, which resulted in the more expensive decision to lease rather than purchase the computers. Although the first order against the contract was placed in September 2007, by February 2008, the vast majority of computers had not been delivered because VA had not developed the standard image that was required to be installed by the vendor prior to delivery.

An audit of VHA's non-competitively awarded contracts for health care services identified the need to improve contract administration and monitoring. For example, the lack of contract monitoring at VAMC Miami was a contributing factor in the VAMC paying about $2.2 million for 2007 services it did not receive. Because the contract did not provide for adjustments of payments without contract modifications, the payments are not recoverable. We also found that the database used to analyze the number of current clinical service contracts is unreliable because the VISNs have not been submitting information on all of their contracts. Therefore, VA does not know how many contracts are in place, what services are being provided, by whom, or what VA is paying for those services.

Our review of a contract awarded in 2003 for rating examinations revealed that VA had not reviewed the procedural codes submitted by the vendor to ensure that the codes were proper Medicare Current Procedural Terminology (CPT) codes as required under the contract. In addition, VA did not request or calculate the agreed upon prices for each CPT code. As a result, VA overpaid $6.2 million.

VA's Program Response to OIG Challenge #4C: Contract Award and Administration
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Contract Award and Administration Processes
Responsible Agency Official: Deputy Assistant Secretary for Acquisition and Logistics (OA&L); Assistant Secretary for Information and Technology Veterans Health Administration Chief Prosthetics, Procurement and Logistics Officer

Completed FY 2008 Milestones	Performance Results/Impacts
In response to the OIG's report on resellers, established a workgroup to develop a course of action for each recommendation. The General Services Administration may issue new policies based on the workgroup's findings.	Clearer procedures, processes, and training have been provided to contracting staff.
Implemented the following process improvements and actions: • Implemented **Contract Review Boards** (CRBs) within OA&L. Plans are in place to implement CRBs throughout VA starting in November of 2008. An **Integrated Product Team** (IPT) policy has been implemented agency-wide. • Finalized the **VA Acquisition Regulation (VAAR) rewrite**. • Supported the funding for **additional contract attorneys** to oversee field contracts.	Use of CRBs and IPTs has resulted in the successful award of major contracts.
Conducted a VISN-wide **contract inspection** to continue **oversight of field compliance** with federal and Departmental acquisition policies and to strengthen VISN management controls over the acquisition function. In addition, conducted a contract inspection and comprehensive internal control review of the acquisition function for the VA Boston HealthCare System.	The inspection identified areas of non-compliance with rules and regulations and provided local management with recommendations for corrective actions to improve their acquisition activities. Managers at both the field station and VISN level are in a better position to correct deficiencies in acquisition internal controls and prevent future recurrence of non-compliance.
Worked with Austin Information Technology Acquisition Center to develop plan that improves the quality of procurement packages.	Procurement packages submitted to VA's IT contracting office have required significantly fewer modifications, resulting in shorter turnaround times and ultimately faster award of contracts.
Trained staff using internal resources and the Defense Acquisition University to help individuals understand the latest Federal Acquisition Regulation and changes to VA Acquisition Regulation.	Staff performance has markedly improved as a result of the training and has enabled those trained to mentor others. This increased knowledge reduces acquisition timelines.

GOAL: Improve Contract Award and Administration Processes

Responsible Agency Official: Deputy Assistant Secretary for Acquisition and Logistics (OA&L);
Assistant Secretary for Information and Technology
Veterans Health Administration Chief Prosthetics, Procurement and Logistics Officer

Completed FY 2008 Milestones	Performance Results/Impacts
Developed the VHA **Contracting Officer Technical Representative (COTR) training plan** and program.	The training plan has improved contract administration and monitoring of performance, and ensured that Networks have guidelines to follow to meet the COTR certification requirements mandated by the Office of Management and Budget.
VHA developed the **Purchase Card Program Directive and Handbook**.	New policies and procedures have improved the effectiveness/efficiency of the purchase card program in VHA and improved oversight functions. Each Network has hired or is hiring a purchase card manager who is responsible for ensuring compliance with the role, responsibilities, and oversight functions identified by the VHA Directive and Handbook.
Conducted oversight of the VHA **contract readiness** Phase II of the oversight work – assessed action plans to address weaknesses identified in the review.	Oversight has improved contract administration and identified training needs. The readiness exercise allowed Networks to identify deficiencies and develop action plans to resolve them.
Published procurement and contracting **Standard Operating Procedures (SOPs)**.	SOPs have improved the award and administration process. Networks are able to use SOPs to support VA efforts to standardize contracting processes and procedures.
Developed the **Federal Procurement Data System (FPDS) Verification/Validation Process**.	The new process has improved FPDS reporting and annual certification process. Standardized certification language was developed that details what is excluded from the FPDS reporting requirement. This is a significant improvement because previously the certification did not expressly state what was excluded, which is the reason some Networks did not certify the data.
Develop a standardized process and statement of work (SOW) for **Interior Design** projects.	VA has improved the Interior Design award and administration process. Communication between the acquisition and the interior design staff has improved. Acquisition staff attended an interior design conference to discuss how acquisition regulations impact interior design procurements.
Through **Project HERO**, VA administered a well-organized and planned Request for Proposal process, including the use of an active Integrated Product Team for Project HERO contracts.	Evaluation of competitive proposals resulted in awarding contracts to the most deserving bidders. The process ensures that contractors continue to comply with contract requirements or are appropriately disciplined in instances of non-compliance.

GOAL: Improve Contract Award and Administration Processes	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Implement any GSA policy changes related to the multiple award schedules (MAS) program, particularly related to **resellers, pricing, and tracking customers**. **(Q1)**	If GSA issues no new policies as a result of VA's workgroup findings, the impacts will be minimal. Should GSA issue major policy changes as the result of the above, VA expects significant impact as more than 1,800 current contracts will require modification/ renegotiation.
Bring **contract attorneys on board** in all VISNs. **(Q1)** Put in place a new process for **disseminating acquisition policy**. **(Q1)**	With the addition of contract attorneys in all VISNs, VA will be able to **fully implement** CRBs and IPTs and be represented if there is a protest of a claim filed. VA acquisition policy will be developed and communicated to the field more efficiently and effectively.
Continue **aggressive oversight** of field compliance with **acquisition** policies and procedures as part of FY 2009 Annual Review Plan. **(Q4)**	Identifying and reporting on non-compliance with policies and procedures will assist field managers and VA Central Office to correct any deficiencies in internal controls and prevent future recurrence of non-compliance.
Continue staff training initiatives, focusing not only on mandatory certifications, but on classes that share best practices.	Better understanding of acquisition regulations should improve overall performance and success rate of meeting customer expectations in the shortest timeframe possible.
Work to obtain specific customer needs in a timelier manner, particularly identifying source and timing of funds to accomplish procurements.	Having projects in hand backed up with earmarked funds will allow procurements to start earlier, which should result in earlier completions.

GOAL: Improve Contract Award and Administration Processes	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
VA will accomplish the following: • Conduct oversight of VHA **contract readiness** Phase III. **(Q1)** • Develop **Lease Training Program. (Q1)** • Develop the **Construction Multiple Award** Task Order Contract for VHA. **(Q1)** • Develop the Construction and A&E standard operating procedures. **(Q1)** • Develop training program for non-procurement personnel. **(Q1)** • Develop **Purchase Card Training** Program. **(Q2)** • **Contracting Officer Technical Representative (COTR) training** is available online using the VA Learning Management System (LMS). COTRs are required to meet the certification requirements established by VA Information Letter, 049-08-02. Training in specific specialties is not addressed, as these courses are taken by the individual based on their specialty, for example, construction. Additionally, acquisition staff select specialty training to complete the continuing education courses. The reason that specialty "lease training" is addressed is to ensure the recent GSA lease requirement training is available.	These actions will improve contract administration and identify training needs.

OIG CHALLENGE #4D: Electronic Contract Management System

In June 2007, VA instituted the Electronic Contract Management System as VA's standard procurement system to track contracting actions. The system cost VA $18 million. An audit conducted in 2008 determined that the system is unreliable because contracting entities were not recording procurement actions and/or not recording actions accurately in the system as required by VA policy. VA procurement staff told us that they circumvented the system because it was slow and cumbersome to use. We also found that VA management was not using reports generated by the system for decision-making and/or to improve procurement processes. Although the system is a start toward compiling comprehensive information and properly controlling procurement actions at Central Office and field activities, until and unless the information entered into the system is accurate and complete, the system will be of little value to VA in managing its procurements.

VA's Program Response to OIG Challenge #4D: Electronic Contract Management System
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Reliability and Increase Utility of the Electronic Contract Management System (eCMS)

Responsible Agency Official: Deputy Assistant Secretary for Acquisition and Logistics (OA&L)
Assistant Secretary for Information and Technology
Veterans Health Administration Chief Prosthetics, Procurement and Logistics Officer

Completed FY 2008 Milestones	Performance Results/Impacts
The proposed audit report referenced in the synopsis above is pending release. Until the report is released, VA is not able to establish any corrective action plan or milestones.	Unable to address in the absence of a published report.
VA's Office of Business Oversight conducted a contract inspection and internal control review of the acquisition function for the VA Boston HealthCare System.	The review identified areas of non-compliance with rules and regulations including whether procurement actions were recorded in eCMS. The report provided local management and VISN management with recommendations for corrective actions to improve their acquisition activities including the establishment of policies and procedures for entering procurement actions in eCMS and monitoring procedures to ensure procurement documents are populated in the eCMS briefcase. This assisted managers at both the field station and VISN levels to correct deficiencies in acquisition internal controls and prevent future recurrence of non-compliance.
Conducted VHA Contract Readiness Exercise for procurements valued at $500,000 and greater.	Identified contract file weaknesses and focused training requirements.
Implemented a data warehouse report that is automatically forwarded via e-mail to the eCMS Application Coordinators on a weekly basis. **(Q4)**	Provides visibility on an ongoing basis to the data being entered by the users.

GOAL: Improve Reliability and Increase Utility of the Electronic Contract Management System

Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Establish a single point of **management responsibility** for eCMS with the Director for Acquisition Policy. **(Q4)**	Enterprise-wide responsibility for configuration control and compliance will rest with a senior manager at the Central Office level.
Hire a GS-14 **program manager** to report to Director for Acquisition Policy. **(Q4)**	The manager will provide **day-to-day responsibility** for all aspects of eCMS operations and compliance.

GOAL: Improve Reliability and Increase Utility of the Electronic Contract Management System	
Planned FY 2009 Milestones (Estimated Completion Quarter)	**Anticipated Impacts**
Purchase modules within eCMS to enhance the following two features: 1. **Reporting capability (Q4)** 2. **Decision logic** to ensure that contracting officers enter key data before moving to the next screen within the system. **(Q4)**	1. Will allow for a deeper analysis of data and the production of more informative reports. The current reporting module is rudimentary and somewhat cumbersome. Coupled with enhanced oversight at the Central Office level, better reporting capability will help to identify which offices are not complying with policy. 2. This change will force contracting officers to comply with data entry policies which, in turn, will improve the **quality** and **completeness** of contract-related information.
Establish **compliance metrics** in the **performance plans of all senior procurement managers**. **(Q4)**	This change will hold local managers **accountable** for complying with data entry policies.
Continue **aggressive oversight** of field compliance with **acquisition** policies and procedures as part of FY 2009 Annual Review Plan. **(Q4)**	Identifying and reporting on non-compliance with policies and procedures will assist field managers and VA Central Office in correcting any deficiencies in internal controls and prevent future recurrence of non-compliance.
Conduct oversight of VHA contract readiness Phase III. **(Q1)**	Improves contract administration and identifies training needs.
In coordination with the stakeholders, identify the data fields that are deemed mandatory and enforce edit checks on the values entered into those fields. **(Q1)** Pursue implementation of a Business Intelligence tool to enable in-depth reporting and analysis of the data entered into the mandatory fields. **(Q4)**	These enhancements will force user entry of the information deemed essential by the stakeholders for reporting and oversight purposes.

OIG CHALLENGE #5: INFORMATION MANAGEMENT
-Strategic Overview-

VA has consolidated the vast majority of its IT resources under the Chief Information Officer (CIO), including a reorganization of functions from the VA Administrations to the Office of Information and Technology (OI&T). In 2007, the CIO issued policy and procedural guidance to assist VA in implementing an effective information security program. In addition, VA data centers and selected program offices have taken actions to remediate security control weaknesses reported in OIG audits. While improvements have been made in information governance, annual CFS and information security program audits continue to report IT security control deficiencies, which place sensitive information at risk of unauthorized use and disclosure. OIG reports show that additional actions need to be taken to safeguard and effectively manage VA's information resources and data. VA also needs to better plan and manage its IT capital investments. For these reasons, OIG must report that VA has made no progress toward eliminating the material weakness in IT security controls and little progress in remediating the major deficiencies in IT security. The Assistant Secretary for Information and Technology has acknowledged in recent testimony that the work is far from complete and much work remains, especially in the area of data security and privacy and infrastructure improvements.

OIG CHALLENGE #5A: IT Security Controls

For several years, OIG's CFS audits have identified IT security controls as a material weakness. Legacy IT infrastructure and longstanding control weaknesses continue to place financial information and veterans' medical and benefits information at risk of unauthorized use and disclosure. VA needs to improve the Department-wide security program, access control, segregation of duties, service continuity, and change control. We recommended that Department senior leadership take a VA-wide approach to implement information security programs in accordance with the standards established by the National Institute of Standards (NIST) and Office of Management and Budget (OMB), and take additional actions to better manage information security and implement effective controls over systems and applications.

VA's Program Response to OIG Challenge #5A: IT Security Controls
ESTIMATED RESOLUTION TIMEFRAME: FY 2013

GOAL: Improve IT Security Controls	
Responsible Agency Official: Assistant Secretary for Information and Technology	
Completed FY 2008 Milestones	Performance Results/Impacts
Established the **Data Security & Assessment & Strengthening of Controls Program** to facilitate the implementation of VA program security control program and procedures.	Facilitates the **tracking** and **resolution** of longstanding GAO and OIG deficiencies.
Conducted independent assessments of IT controls at VA facilities nationwide to facilitate centralized enforcement of IT security controls.	The assessments improved ways to monitor and enforce **compliance** with existing **laws** and **regulations** regarding IT security.

GOAL: Improve IT Security Controls	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Implement remote access two factor authentication. Two factor authentication uses two forms of authentication to validate the identity of the user. At VA, users will enter their first form of authentication, their user ID and password, and then enter a second form of authentication, usually a token or SMART card, to validate their identity. **(Q1/2013)**	This authentication will improve controls over access to VA information and systems by helping ensure that personnel who access the VA network remotely are authorized users.
Implement Enterprise Wide Configuration Management. **(Q1/2011)**	Ensure changes to VA systems are adequately controlled to prevent the unauthorized compromise of VA information and systems.

OIG CHALLENGE #5B: Information Security Program

OIG continues to identify major IT security deficiencies in the annual information security program audits. The 2007 audit found that VA has made limited progress in complying with the Federal Information Security Management Act (FISMA) and other IT requirements imposed by NIST and OMB. Although the consolidation of IT functions and activities under the CIO has addressed some security issues, VA does not fully comply with FISMA. To achieve FISMA compliance, VA needs to: (1) complete the IT reorganization by establishing clear lines of authority; (2) develop comprehensive policies and procedures for consistent implementation of information security controls; (3) closely monitor the implementation of controls; (4) address roles and responsibilities for monitoring and enforcing controls; (5) address security control weaknesses identified in prior OIG reports; and (6) implement a rigorous certification and accreditation program.

VA's Program Response to OIG Challenge #5B: Information Security Program
ESTIMATED RESOLUTION TIMEFRAME: FY 2013

GOAL: Strengthen the Information Security Program Including Compliance with FISMA
Responsible Agency Official: Assistant Secretary for Information and Technology

Completed FY 2008 Milestones	Performance Results/Impacts
Developed **security control** policies and procedures for the Department-wide information security program.	The policies and procedures improve the protection of VA IT assets by establishing and/or strengthening controls associated with access to and accountability for VA information and systems.
Certified and accredited more than 600 Department information systems.	Reduced the **risk of compromise** to VA information and systems and allowed senior officials to better understand and manage the risks associated with the operation of VA information systems.

GOAL: Strengthen the Information Security Program Including Compliance with FISMA

Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Establish a task force to enforce proper **segregation of duties** associated with access to financial information systems. **(Q1/2013)**	Will strengthen **access controls** to VA information and systems by limiting access to only authorized personnel with a valid need.
Install **Intrusion Prevention** devices. **(Q1/2009)**	The devices will strengthen access controls by **detecting** and **blocking** unauthorized attempts to access VA information and systems.

APPENDIX

The Appendix lists selected reports pertinent to the five key challenges discussed. However, the Appendix is not intended to encompass all OIG work in an area. For further information, please see the OIG home page: http://www.va.gov/oig/

HEALTH CARE DELIVERY

Audit of Alleged Manipulation of Waiting Times in Veterans Integrated Service Network 3, Report No. 07-03505-129, May 19, 2008.

Healthcare Inspection, Quality of Care Issues VA Medical Center, Marion, Illinois, Report No. 07-03386-65, January 28, 2008.

Healthcare Inspection, Additional Quality of Care Issues Marion VA Medical Center Marion, Illinois, Report No. 08-00869-102, March 26, 2008.

Healthcare Inspection, Alleged Mismanagement and Patient Care Issues Martinsburg VA Medical Center Martinsburg, West Virginia, Report No. 07-02388-68, January 31, 2008.

Healthcare Inspection, Alleged Quality of Care Issues Martinsburg VA Medical Center Martinsburg, West Virginia, Report No. 07-03087-75, February 14, 2008.

Statement of Dr. John D. Daigh Jr., M.D., Assistant Inspector General for Healthcare Inspections, Office of Inspector General, Department of Veterans Affairs, Before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, United States House of Representatives, on Quality of Care Issues at W.G. (Bill) Hefner VA Medical Center in Salisbury, North Carolina, April 19, 2007.

Healthcare Inspection, Follow-Up Evaluation of the W.G. (Bill) Hefner VA Medical Center Salisbury, North Carolina, Report No. 07-01796-181, August 2, 2007.

Audit of the Veterans Health Administration's Home Respiratory Care Program, Report No. 06-00801-30, November 28, 2007.

Healthcare Inspection, Evaluation of the Veterans Health Administration's Contract Community Nursing Home Program, Report No. 05-00266-39, December 13, 2007.

Statement of Michael Shepherd, M.D., Physician, Office of Healthcare Inspections, Office of Inspector General, Department of Veterans Affairs, Before the Committee on Veterans' Affairs, United States House of Representatives, Hearing on Stopping Suicides: Mental Health Challenges within the Department of Veterans Affairs, December 12, 2007.

Statement of Jon A. Wooditch, Deputy Inspector General, Office of Inspector General, Department of Veterans Affairs, Before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, United States House of Representatives, Hearing on the FY 2009 Budget for the Office of Inspector General, February 13, 2008.

Follow-Up Healthcare Inspection, VA's Role in Ensuring Services for Operation Enduring Freedom/Operation Iraqi Freedom Veterans after Traumatic Brain Injury Rehabilitation; Report No. 08-01023-119, May 1, 2008.

Healthcare Inspection, Implementing VHA's Mental Health Strategic Plan Initiatives for Suicide Prevention, Report No. 06-03706-126, May 10, 2007.

Healthcare Inspection, Review of the Care and Death of a Veteran Patient VA Medical Centers St. Cloud and Minneapolis, Minnesota, Report No. 07-01349-127, May 10, 2007.

Healthcare Inspection, Quality of Polytrauma Care, Environmental, and Safety Issues Minneapolis VA Medical Center Minneapolis, Minnesota, Report No. 06-03671-120, April 25, 2007.

Healthcare Inspection, Alleged Premature Discharge of a Veteran VA Pittsburgh Healthcare System Pittsburgh, Pennsylvania, Report No. 07-01622-62, January 27, 2008.

Healthcare Inspection, Patient Suicide VA Medical Center Augusta, Georgia, Report No. 07-00561-167, July 11, 2007.

Statement of the Honorable George J. Opfer, Inspector General, Office of Inspector General, Department of Veterans Affairs, Before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, United States House of Representatives, Hearing on the Oversight Efforts of the VA Office of Inspector General: Issues, Problems, and Best Practices at the Department of Veterans Affairs, February 15, 2007.

Statement of John D. Daigh, Jr., M.D., CPA, Assistant Inspector General for Healthcare Inspections, Office of Inspector General, Department of Veterans Affairs before Committee on Veterans' Affairs, United States House of Representatives Hearing on "Why does the VA continue to give suicide-inducing drug to veterans with PTSD," July 9, 2008.

Healthcare Inspection, Comparison of VA and University Affiliated IRB Compliance with VHA Handbook 1200.5, Report No. 06-00980-217, September 28, 2007.

Administrative Investigation Loss of VA Information VA Medical Center Birmingham, AL, Report No. 07-01083-157, June 29, 2007.

Healthcare Inspection, Research Practices at Carl T. Hayden VA Medical Center Phoenix, Arizona, Report No. 07-00589-118, April 20, 2007.

Healthcare Inspection, Alleged Practice of Medicine by Unlicensed Research Assistants South Texas Veterans Health Care System, San Antonio, Texas, Report No. 07-01219-194, August 29, 2007.

Healthcare Inspection, Importation of Blood Products for Research Purposes New Mexico VA Health Care System Albuquerque, New Mexico, Report No. 07-03025-32, November 30, 2007.

Healthcare Inspection, Scopes of Practice for Unlicensed Physicians Engaged in Veterans Health Administration Research, Report No. 07-01202-124, May 7, 2008.

Healthcare Inspection, Human Subjects Protection Violations at the Central Arkansas Veterans Healthcare System, Little Rock, Arkansas, Report No. 07-03042-182, August 6, 2008.

Healthcare Inspection, Human Subjects Protection in One Research Protocol, VA Medical Center, Washington, District of Columbia, Report No. 08-02346-191, August 28, 2008.

Audit of Veterans Health Administration's Oversight of Nonprofit Research and Education Corporations, Report No. 07-00564-121, May 5, 2008.

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Statement of the Honorable James B. Peake, M.D., Secretary of Veterans Affairs, Before the Senate Committee on Veterans' Affairs, February 12, 2008.

Audit of the Effectiveness of Veterans Benefits Administration Compensation Writeouts, Report No. 06-01791-45, December 19, 2007.

Audit of Veterans Benefits Administration Non-Rating Claims Processing, Report No. 06-03537-69, February 7, 2008.

Statement of Mr. Jon A. Wooditch, Deputy Inspector General, Department of Veterans Affairs before the Subcommittee on Oversight and Investigations Committee on Veterans' Affairs, United States House of Representatives Hearing on Disability Claims Ratings and Benefits Disparities within the Veterans Benefits Administration, October 16, 2007.

Audit of the Impact of the Veterans Benefits Administration's Hiring Initiative, Report No. 08-01559-193, September 5, 2008.

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Report of the Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2007 and 2006, Report No. 07-01016-21, November 15, 2007.

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Audit of the Acquisition and Management of Selected Surgical Device Implants, Report No. 06-03677-221, September 28, 2007.

Audit of Procurements Using Prior-Year Funds to Maintain VA Healthcare Facilities, Report No. 08-00244-213, September 30, 2008.

Audit of VHA Noncompetitive Clinical Sharing Agreements, Report No. 08-00477-211, September 29, 2008.

Final Report, Special Review of Federal Supply Schedule Medical Equipment and Supply Contracts Awarded to Resellers, Report No. 05-01670-04, October 15, 2007.

Audit of QTC Medical Services, Inc.'s Settlement Offer for Overcharges under Contract V101(93)P-2009, Report No. 07-02280-104, March 27, 2008.

Audit of Electronic Contract Management System, Release anticipated in 2009.

Audit of Veterans Health Administration's Government Purchase Card Practices, Report No. 07-02796-203, September 11, 2008.

INFORMATION MANAGEMENT

Report of the Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2007 and 2006, Report No. 07-01016-21, November 15, 2007.

Fiscal Year 2007 Federal Information Security Management Act Assessment, Report No. 07-00608-162, July 9, 2008.

Audit of the Veterans Health Administration Blood Bank Modernization Project, Report No. 06-03424-70, February 8, 2008.

Statement of the Honorable Robert T. Howard, Assistant Secretary for Information and Technology, Department of Veterans Affairs, Before the House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, April 3, 2008.

High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In January 2007, GAO issued an update to its High-Risk Series (GAO-07-310). The GAO-identified High-Risk Areas (specific to VA as well as governmentwide) and other selected reports pertaining to VA are summarized below. In response to each of the High-Risk Areas, the Department has provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate the high-risk area (HRA) for the Department
- *Responsible Agency Official* for each HRA
- *Completed 2008 milestones* in response to the HRA
- *Performance results/impacts* of completed milestones
- *Planned 2009 milestones* along with *estimated completion quarter*
- *Anticipated impacts* of the planned milestones

The table below shows the strategic goal to which each high-risk area is most closely related, as well as its estimated resolution timeframe.

No.	Description	Estimated Resolution Timeframe (Fiscal Year)	Page #
**High-Risk Area**		
**Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans**
GAO 1	**Modernizing Federal Disability Programs**	**2009**	**307**
**Enabling Goal: Applying Sound Business Principles**
GAO 2	**Strategic Human Capital Management: A Governmentwide High-Risk Area**	**2014**	**311**
GAO 3	**Managing Federal Real Property: A Governmentwide High-Risk Area**	**2009**	**314**
GAO 4	**Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area**	**2011**	**317**
GAO 5	**Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area**	**Ongoing**	**319**
GAO 6	**Management of Interagency Contracting: A Governmentwide High-Risk Area**	**2009**	**320**
	Appendix		**322**

GAO High-Risk Area #1: Modernizing Federal Disability Programs
(Recommendations based on GAO-07-310, GAO-07-906R, GAO-08-75, and GAO-08-561)

Background

In January 2003, GAO designated modernizing federal disability programs as a high-risk area because of challenges that continue today. For example, despite opportunities afforded by medical and technological advances and the growing expectations that people with disabilities can and want to work, federal disability programs remain grounded in outmoded concepts that equate medical conditions with work incapacity. Moreover, just as the disability programs are positioned to grow rapidly with current demographics, the Social Security Administration (SSA) and the Department of Veterans Affairs (VA) face difficult challenges in providing timely and consistent disability decisions. Modernizing federal disability programs remains a high-risk area as solutions are likely to require fundamental changes, including regulatory and legislative action.

GAO Recommendations

While SSA and VA have taken some actions in response to prior GAO recommendations, GAO continues to believe that SSA and VA should take the following actions:

- Examine the fundamental causes of program problems.
- Seek the regulatory and legislative solutions needed to transform their programs so that they are aligned with the current state of science, medicine, technology, and labor market conditions.
- Continue to develop and implement strategies to better manage the programs' accuracy, timeliness, and consistency of decision making.
- Specific GAO recommendations are as follows:
  - Obtain complete and accurate military service records in a timely manner needed to adjudicate disability claims, particularly PTSD claims.
  - Ensure the quality of records research done on behalf of regional offices.
  - Prepare medical exam reports that include information needed to adjudicate claims of joint and spine disabilities.
  - Develop a performance measure to assess the quality of exam requests that regional offices send to medical centers.
  - Prepare an explanation of the expected impact on productivity and requested staffing levels of specific initiatives, as well as changes in incoming claims workload and claims complexity.
  - Prepare an explanation of how VA plans to improve claims processing productivity.
  - Update the *VA Schedule for Rating Disabilities*.
  - Review the claims processing field structure.
  - Develop improved operational controls and management data to enhance the overall disability reevaluation process.
  - Modify the electronic diary date system ensuring appropriate disability reevaluations are scheduled to occur.
  - Develop additional methods to ensure accuracy of completed and cancelled reevaluations.
  - Clarify guidance so that all regional offices use the same criteria for measuring timeliness of disability reevaluations.
  - Develop a plan to collect and analyze data on the results of the disability reevaluations.

- o Evaluate training provided by regional offices to improve training design and hold staff accountable for meeting training requirements.
- o Assess and, if necessary, adjust its process for placing staff in performance categories to enhance performance management for claims processors.

VA's Program Response to GAO High-Risk Area #1:
Modernizing Federal Disability Programs
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Modernize Federal Disability Programs
Responsible Agency Official: Director, Compensation and Pension Service
Chairman, Board of Veterans' Appeals (BVA)

Completed FY 2008 Milestones	Performance Results/Impacts
Began routine quarterly monitoring of compensation and pension rating decisions by diagnostic code. Expanded the Systematic Technical Accuracy Review (STAR) staff to accomplish additional reviews. Continued efforts to improve the quality and timely receipt of military service records. Completed an **inter-rater reliability study** focused on evaluation of a back condition. Began a Disability Evaluation System (DES) pilot in the national capital region in cooperation with DoD for active duty persons entering the Physical Evaluation Board process. Began processing all Benefits Delivery at Discharge cases in a **paperless environment**. Began the contracting process with MES Solutions to conduct certain disability examinations.	Allows for **better management** of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.
Completed a **consistency review** pilot project focused on individual unemployability (IU) claims decisions from a regional office identified as a statistical outlier.	Results of the pilot project were used to identify **unusual patterns** of variance in IU claims decisions and the incorporation of focused case reviews into routine quality oversight by STAR.
Improved **exam worksheets**, templates, and template-generated exam reports based on technical enhancements and field input. Conducted a **satellite training** broadcast on Improving Quality of Exam Requests.	Will improve the quality and consistency of medical exam information used in the claims process.

GOAL: Modernize Federal Disability Programs	
Responsible Agency Official: Director, Compensation and Pension Service **Chairman, Board of Veterans' Appeals (BVA)**	
Completed FY 2008 Milestones	Performance Results/Impacts
Drafted regulations to **update** the following portions of the **VA Schedule for Rating Disabilities**: • Organs of Special Sense (the eye) • Neurological Conditions and Convulsive Disorders • Mental Disorders (Traumatic Brain Injury) • Evaluation of Scars	Provides the mechanism for ensuring that disabled veterans are **properly compensated** as required by statute.
Contracted with Economic Systems, Inc., to conduct studies and provide **recommendations** regarding Long-Term Transition Payments, Quality of Life Benefit Payments, and Earnings Loss Payments in the VA **compensation structure**.	Studies will provide options for **regulatory** and **legislative solutions** needed to transform the compensation program so that it is aligned with the current state of science, medicine, technology, and labor market conditions.
Began the consolidation of customer service calls to nine **National Call Centers**. Established a **fiduciary hub pilot**, consolidating fiduciary activities to one site. Consolidated original pension and reopened pension work to the three **Pension Management Centers**. Developed a plan for the consolidation of survivor benefit claim processing to **Survivor Benefit Centers** under the Pension Management Centers. Convened a workgroup to evaluate consolidation of appeals work.	These initiatives streamlined work processes providing for increased efficiency and effectiveness of the claims process and improved service to veterans.
Proposed a regulation to implement the **Expedited Claims Adjudication** (ECA) **initiative** to streamline the claims adjudication and appeal process. Regulation would allow represented claimants to voluntarily waive certain response timelines, agree to respond quickly to VA requests for evidence, and file any desired appeals in an expedited manner.	Proposed regulation remains under development. The regulation aims to reduce Appeals Resolution Time (ART) for ECA appeals in this 2-year pilot project.
Continued to emphasize **reducing avoidable remands**.	The Board reduced the remand rate from 56.8 percent in FY 2004 to 36.8 percent in FY 2008.
Continued effective **quality review** of a random sample of appellate decisions to ensure quality.	Deficiency-free rate of 94.8 percent in FY 2008.

GOAL: Modernize Federal Disability Programs	
Planned FY 2009 Milestones (Estimated Completion Quarter)	**Anticipated Impacts**
Complete first phase of Disability Evaluation System (DES) pilot expansion beyond the national capital region. **(Q1)** MES Solutions will conduct certain disability exams under contract. **(Q1)** Complete pilots of "**paperless claims processing**" for DES claims, Original Compensation claims, Quick Start claims, and Original Pension claims. **(Q2)**	DES will allow for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.
Publish a regulation to provide **special adapted housing** benefits to burn victims. **(Q1)** Complete rulemaking to update the following portions of the VA Schedule for Rating Disabilities: • Organs of Special Sense (the eye) • Neurological Conditions and Convulsive Disorders • Mental Disorders (Traumatic Brain Injury) • Evaluation of Scars **(Q2)**	The regulation will provide the mechanism for ensuring that disabled veterans are properly compensated as required by statute.
Evaluate the results and recommendations from Economic Systems, Inc., regarding Long-Term Transition Payments, Quality of Life Benefit Payments, and Earnings Loss Payments in the VA compensation structure. **(Q1)** Complete a charter and plans for an advisory committee for the VA Schedule for Rating Disabilities. **(Q1)**	Studies will provide options for regulatory and legislative solutions to transform the compensation program so that it is aligned with the current state of science, medicine, technology, and labor market conditions.
Consolidate **survivor benefit claims** to the three Pension Management Centers. **(Q4)**	Will streamline work processes and lead to increased efficiency and effectiveness of the claims process and improved service to veterans.
Complete the annual monitoring of compensation and pension rating decisions for IU claims. **(Q4)**	Will identify and address any unusual patterns of variance in claims decisions.
Full **implementation** of ECA pilot. Final rule expected. **(Q1)**	Claimants participating in the 2-year pilot program should experience a 25 percent reduction in the length of time they have to wait for a decision on their claim.
Continue emphasis on **reducing avoidable remands**. Reducing the remand rate will **reduce** the **backlog** of appeals since approximately 75 percent of remanded cases eventually return to the Board, slowing the appeal process. **(FY 2009 and beyond)**	The Board's goal is to reduce the remand rate below 35 percent in FY 2009. In FY 2008 the remand rate was 36.8 percent.

GOAL: Modernize Federal Disability Programs	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue effective quality review of a random sample of appellate decisions to ensure quality.	The Board's goal for the deficiency-free decision rate is 92 percent in FY 2009.

GAO High-Risk Area #2: Strategic Human Capital Management
(Recommendations based on GAO-07-310)

Background

GAO first added strategic human capital management as a governmentwide high-risk area in 2001 because federal agencies lacked a strategic approach to human capital management that integrates human capital efforts with agency mission and program goals. The area remains high risk because the federal government now faces one of the most significant transformations to the civil service in half a century, as momentum grows toward making governmentwide changes to agency pay, classification, and performance management systems.

Moving forward, there is still a need for a governmentwide framework to advance human capital reform in order to avoid further fragmentation within the civil service, ensure management flexibility as appropriate, allow a reasonable degree of consistency, provide adequate safeguards, and maintain a level playing field among federal agencies competing for talent.

GAO Recommendations

Agencies should do the following:

- Continue to assess their workforce needs and make use of available authorities.
- Demonstrate they have developed an institutional infrastructure that can support reform. This infrastructure should include:
  - A modern, credible performance management system that provides clear linkage between institutional, unit, and individual performance-oriented outcomes.
  - Adequate safeguards to ensure the fair, effective, credible, and nondiscriminatory implementation of the system.

VA's Program Response to GAO High-Risk Area #2: Strategic Human Capital Management
ESTIMATED RESOLUTION TIMEFRAME: FY 2014

GOAL: Establish a Strategic Approach to Human Capital Management	
Responsible Agency Official: Assistant Secretary for Human Resources and Administration	
Completed FY 2008 Milestones	Performance Results/Impacts
Under the direction of the VA Chief Human Capital Officer, revised VA's Strategic Human Capital Plan to reflect current workforce challenges and opportunities.	Plan describes critical human capital challenges and proposes key initiatives designed to address these challenges including recruitment, development, and retention of VA's workforce.

GOAL: Establish a Strategic Approach to Human Capital Management
Responsible Agency Official: Assistant Secretary for Human Resources and Administration

Completed FY 2008 Milestones	Performance Results/Impacts
Began implementation of the **Excellence in Performance Management Pilot** within the framework of the current 5-level appraisal system. Specific improvements addressed in the pilot program include: • Revisions of the performance appraisal form to clearly link organizational goals and objectives to individual performance plans. • Additional levels of initial achievement and the use of a weighted scoring process to further differentiate levels of performance within the current 5-level rating program and identify and recognize top performers. • Development of job aids for employees and raters, which will nurture a culture of meaningful two-way communication about performance results.	This pilot program will assess ways in which to better link individual performance to organizational performance, goals, and objectives and create a greater results-oriented performance culture. These milestones will contribute to efforts to create a performance management system that better distinguishes levels of employee performance and identifies and rewards top performers.
Developed a second performance management video to provide training to supervisors and employees on monitoring, communicating, appraising, and rewarding performance in addition to effectively dealing with poor performance.	Improve the agency's performance management process via distribution of this comprehensive two-part training and education tool. Benefits include an enhanced understanding of effective performance management and communication of employee and supervisory roles and responsibilities.
Took steps to initiate a **limited scope pay-for-performance model** in the Veterans Health Administration for Associate/Assistant Medical Center Directors and Deputy Network Directors. • Published the initial Federal Register Notice. • Communicated with affected VA employees. • Conducted a public hearing to solicit comments from stakeholders.	Model is being used to determine effectiveness of using pay-for-performance to attract, motivate, and retain the talent necessary to achieve organizational objectives.

GOAL: Establish a Strategic Approach to Human Capital Management	
Responsible Agency Official: Assistant Secretary for Human Resources and Administration	
Completed FY 2008 Milestones	Performance Results/Impacts
In November 2007, VA created the Veterans Employment Coordination Service to attract, recruit, and hire veterans into VA, particularly severely injured veterans from Iraq and Afghanistan. • The office consists of nine Regional Veterans Employment Coordinators (VECs) located throughout the country to focus these efforts within VA and to work with veterans interested in employment at VA locations nationwide. • Regional VECs are working closely with over 160 previously-established collateral duty VECs at local Human Resources offices nationwide to identify potential employment opportunities. • The Service developed an informational video and brochures and posters highlighting the benefits of hiring veterans.	VA Human Resources specialists and hiring managers at all levels are aware of special appointing authorities for veterans. Veterans, particularly severely injured veterans from Iraq and Afghanistan, are aware of VA employment opportunities.

GOAL: Establish a Strategic Approach to Human Capital Management	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Implement a pay-for-performance model in the Veterans Health Administration for Associate/Assistant Medical Center Directors and Deputy Network Directors. Key actions for implementation include: • Publication of notice of final regulations in the Federal Register. **(Q4)** • Issuance of new VA Pay for Performance Demonstration Project Handbook. **(Q4)** • Provide extensive communication and training for covered participants, supervisors, and VHA Human Resources Specialists to facilitate a greater understanding of modifications to existing compensation regulations. **(Q4)**	Will increase VA's ability to attract top performers in critical occupations such as Associate/Assistant Medical Center Director and Deputy Network Director; will enhance retention for entry into health care executive positions within the Senior Executive Service; and provide ability to further distinguish high performers with commensurate rewards for outstanding contributions to the Department's mission.

GOAL: Establish a Strategic Approach to Human Capital Management	
Planned FY 2009 Milestones (Estimated Completion Quarter)	**Anticipated Impacts**
The Veterans Employment Coordination Service, an organization within VA dedicated to promoting the hiring of veterans, will do the following: • Contact all severely injured veterans from Iraq and Afghanistan to determine their employment goals. **(FY 2009 and beyond)** • Provide information to the different military Services and key veterans service organizations. **(Q4)**	VA will continue to be the gold standard for veteran hiring in the federal workforce.

GAO High-Risk Area #3: Managing Federal Real Property
(Recommendations based on GAO-07-310, GAO-07-349, GAO-07-895T, GAO-08-60)

Background

In January 2003, GAO designated federal real property as a high-risk area because of long-standing problems with excess and underutilized property, deteriorating facilities, unreliable real property data, and costly space challenges. Federal agencies were also facing many challenges in protecting their facilities due to the threat of terrorism. Progress has been made. Agencies have established asset management plans, standardized data reporting, and adopted performance measures. The Administration has created a Federal Real Property Council (FRPC). However, deep-rooted obstacles, including competing stakeholder interests and legal and budgetary limitations, could significantly hamper a governmentwide transformation. Agencies, including VA, report repair and maintenance backlogs for buildings and structures. There is an increased reliance on leasing. Agencies lack a standard framework for data validation.

GAO Recommendations

Agencies should do the following:

- Reduce inventories of facilities.
- Make headway in addressing the repair backlog.
- Work with the Federal Real Property Council to develop strategies to address obstacles to a successful transformation, such as competing stakeholder interests.
- Specifically, VA should do the following:
  - Obtain real-time property maintenance and repair information, including expense data, so that it can take corrective action on a timely basis to correct deficiencies.
  - When designing a new property management contract, include the authority for the agency to impose penalties for unsatisfactory performance.

VA's Program Response to GAO High-Risk Area #3: Managing Federal Real Property
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Management of Federal Real Property	
Responsible Agency Official: Deputy Director, Office of Asset Enterprise Management	
Completed FY 2008 Milestones	Performance Results/Impacts
VA successfully completed its **Federal Real Property Inventory** submission to the General Services Administration in December 2007. In FY 2007, VA reported an inventory of 5,242 buildings and 32,643 acres of land (or 546 parcels of land). In FY 2008 (as of September 9), VA reported an inventory of 5,425 buildings and 32,922 acres of land (or 537 parcels of land).	VA's annual submission of real property data into the Federal Real Property Profile promotes sharing and the efficient and economical use of real property resources across the federal government.
VA focused its efforts on further **reducing** the amount of **underutilized** and **vacant buildings** and land parcels in its real property inventory.	Through July 2008, VA disposed of **39 percent** of its FY 2008 planned underutilized space disposals. This savings can be used to enhance services to veterans.
VA completed a comprehensive **Site Review Initiative (SRI)** to decrease the amount of underutilized property and maximize its use by developing transitional housing projects for homeless veterans.	Forty-nine SRI sites have been identified for the development of transitional housing for homeless veterans through VA's enhanced-use leasing (EUL) authority.
VA's Office of Business Oversight conducted a review of the **Capital Asset Inventory** (CAI) related to the GAO finding that VA possesses unreliable real property data. During the review, 28 sites were reviewed representing 13 Veterans Integrated Service Networks (VISNs).	The review resulted in a memorandum report for each reviewed VISN. Each report included a list of unsupportable, inaccurate, or incomplete data in the CAI database. The memoranda report also included recommendations to correct noted deficiencies. The reviews resulted in an increased awareness of both the importance and the need for an accurate capital asset inventory. Moreover, the reviews resulted in increased oversight at the Capital Asset Manager level over data entries discussed in each of the reports.

GOAL: Improve Management of Federal Real Property	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
VA plans to initiate the EUL process on the 49 SRI sites. **(Q1)**	**Decrease** the amount of **underutilized real property** and maximize its value through EUL. Reinvest proceeds to enhance services to veterans. Provide safe, affordable housing for homeless veterans.

GOAL: Improve Management of Federal Real Property	
Planned FY 2009 Milestones (Estimated Completion Quarter)	**Anticipated Impacts**
VA developed plans to ensure that all new VA buildings will be constructed in a manner that meets national sustainability requirements. In accordance with the plan, VA is working toward meeting the nationally mandated existing building sustainable goals, which require that at least 15 percent of existing VA buildings meet sustainability requirements by year 2015.	By incorporating sustainable features into new VA buildings, facility **operating costs** are significantly **reduced**, freeing up resources to devote to veteran care. Surrounding communities benefit as well from the reduced environmental impacts of such facilities.
VA will apply its Sustainability Design Manual nationwide. **(Q4)**	This manual significantly impacts the way VA designs new construction and major renovations as well as its Minor Program construction projects.
In FY 2009, reduce underutilized space by 15 percent of the planned FY 2008-2012 disposals. **(Q4)**	By employing best business practices and maximizing the functional and financial value of our capital assets through well thought-out acquisitions, allocations, operations, and dispositions, VA will continue to ensure that all capital investments are based on sound business principals and – most importantly – meet our veterans' health care, benefits, and burial needs.
VA will increase its monitoring and tracking of planned disposals of underutilized and vacant space.	Improved reporting will provide increased focus and attention on reducing underutilized space.
VA plans to track and report quarterly on planned and completed disposals by modality to VA leadership. **(Q1)**	Provide VA leadership with a better understanding of the overall effect of various efforts on its underutilized and vacant property, as well as identify properties for disposal.
Identify and develop major areas of VA's **Facility Condition Assessment** (FCA) responsibility and accountability, and develop a monthly report that will track FCA progress. **(Q3)**	Improve VA **accountability**, showing both deficiencies and projects funded as a result of identified deficiencies, as well as percent of deficiencies corrected.
Complete a summary report of CAI database findings with recommendations addressed at the VA Central Office level. **(Q4)**	Reporting summary level data and providing recommendations for VA Central Office action will increase control over CAI database accuracy, resulting in more reliable real property data.

GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

(Recommendations based on GAO-07-310, GAO-07-532T, GAO-07-505, GAO 07-844, GAO-07-1264T, GAO-07-1019, and GAO-08-449T)

Background

Federal agencies and our nation's critical infrastructures—such as power distribution, water supply, telecommunications, national defense, and emergency services—rely extensively on computerized information systems and electronic data to carry out their missions. The security of these systems and data is essential to preventing disruptions in critical operations, fraud, and inappropriate disclosure of sensitive information. Protecting federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection or cyber CIP—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997. In 2003, GAO expanded this high-risk area to include cyber CIP. The continued risks to information systems include escalating and emerging threats such as phishing, spyware, and spam; the ease of obtaining and using hacking tools; the steady advance in the sophistication of attack technology; and the emergence of new and more destructive attacks. In 2002, the Federal Information Security Management Act (FISMA) was enacted. Many agencies have not complied consistently with FISMA's overall requirement to develop, document, and implement agencywide information security programs.

GAO Recommendations

Agencies should take the following actions:

- Develop and maintain current security plans.
- Create and test contingency plans.
- Evaluate and monitor the effectiveness of security controls managed by contractors.

GAO has raised significant concerns about VA's information technology (IT) security and controls over IT equipment.

IT Security: VA needs to establish a comprehensive information security program. As part of such a program, VA needs to continue to take the following actions:

- Develop and document processes to ensure the effective coordination and implementation of security policies and procedures within the Department.
- Limit, prevent, and detect electronic access to sensitive computerized information.
- Restrict physical access to computer and network equipment to authorized individuals.
- Segregate incompatible duties among separate groups or individuals.
- Ensure that changes to computer software are authorized and timely.
- Provide continuity of computerized systems and operations.
- Strengthen critical infrastructure planning.
- Improve incident management capability.
- Implement prior security recommendations made by GAO and VA's Inspector General.
- Ensure consistent use of information security performance standards for appraising senior VA executives.
- Expedite development of IT performance metrics.

IT Controls: VA needs to take the following actions:
- Improve policies and procedures with respect to controls over IT equipment, including recordkeeping requirements, physical inventories, user-level accountability, and physical security.
- Develop a standard methodology and establish criteria to ensure that examination of internal controls is consistent across VA facilities.
- Continue developing management processes that are critical to centralizing its control over the IT budget.

VA's Program Response to GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures
ESTIMATED RESOLUTION TIMEFRAME: FY 2011

GOAL: Protect the Federal Government's Information Systems and the Nation's Critical Infrastructures	
Responsible Agency Official: Assistant Secretary for Information and Technology	
Completed FY 2008 Milestones	Performance Results/Impacts
Developed the **security control policies** and procedures for the Department-wide information security program.	Ensured the protection of VA IT assets by establishing and/or strengthening controls associated with access to and accountability for VA information and systems.
Certified and accredited more than 600 Department information systems.	Reduced the **risk of compromise** to VA information and systems and allowed senior officials to better understand and manage the risks associated with the operation of VA information systems.

GOAL: Protect the Federal Government's Information Systems and the Nation's Critical Infrastructures	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Establish a task force to enforce proper segregation of duties. **(Q3)**	Will result in better and stronger **controls** on **access** to VA information and systems.
Implement **Enterprise Wide Configuration Management**. **(Q1/2011)**	Will ensure that **unauthorized changes** are not made to VA information systems, which would compromise the confidentiality, integrity, and availability of VA data.

GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security
(Recommendations based on GAO-07-310)

Background

In January 2005, GAO designated information sharing for homeland security a high-risk area because the federal government still faces formidable challenges in analyzing and disseminating key information among federal, state, local, and private partners in a timely, accurate, and useful manner. Since 9/11, multiple federal agencies have been assigned key roles for improving the sharing of information critical to homeland protection to address a major vulnerability exposed by the attacks, and this important function has received increasing attention. However, the underlying conditions that led to the designation continue and more needs to be done to address these problems and the obstacles that hinder information sharing. As a result, this area remains high risk.

GAO Recommendations

Agencies should take the following actions:

- Assess progress made on the key steps and milestones implementing the information-sharing environment and remove barriers to implementation.
- Consolidate and consistently apply restrictions on sensitive information so they do not hinder sharing.
- Define what information agencies need from the private sector for homeland security, how they will use it, and how they will protect it.
- Provide incentives and build trusted relationships to promote sharing with these critical security partners.

VA's Program Response to GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

ESTIMATED RESOLUTION TIMEFRAME: ONGOING

GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

Responsible Agency Official: Deputy Assistant Secretary for Emergency Management

Completed FY 2008 Milestones	Performance Results/Impacts
Completed construction of a **Sensitive Compartmented Information Facility** (SCIF) at VA Central Office in April 2008.	Brings the Department into compliance with National Communications System regulations. Enables the Department to conduct Top Secret level-I briefings and video-teleconferencing with other Departments/agencies at the highest levels.
Completed renovation of **VA's Continuity of Operations Plan (COOP)** space in Martinsburg, West Virginia for power, communications, and COOP support.	The facility now provides a fully **operational capability** to support VA's alternate site for an 80-person COOP team.
Approved design and construction schedule for a new building at the Primary alternate facility (Capitol Region Readiness Center).	Improves COOP site operations.

GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security	
Responsible Agency Official: Deputy Assistant Secretary for Emergency Management	
Completed FY 2008 Milestones	Performance Results/Impacts
Purchased 8 additional **Very Small Aperture Terminals (VSATs).**	Improves communication capabilities.
Installed a Joint Warfare Information Communication System.	Enables Top Secret level computer communications with other Departments/Agencies.

GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Purchase additional VSATs for deployment at each VA Medical Center. **(All quarters)**	Will improve communications capabilities during emergencies.
Complete construction for command and control trailer at reconstitution site. **(Q1)**	Will enhance Department's communications capabilities at reconstitution site.
Complete design for permanent reconstitution site operations center. **(Q3)**	Will provide the Department a formal reconstitution site, enabling the day-to-day operations of the Department to get back to normal more quickly.
Renovate/relocate Primary VA Operations Center. **(Q4)**	Will improve 24/7 operations and coordination with other Departments/Agencies in emergencies.
Develop construction milestones for Capitol Region Readiness Center. **(FY 2010)**	Will enable us to monitor the progress of the project. This facility will be a huge improvement to current COOP site operations upon its completion.

GAO High-Risk Area #6: Management of Interagency Contracting
(Recommendations based on GAO-07-310)

Background

Federal agencies have increasingly turned to interagency contracting—a process by which one agency uses other agencies' contracts and contracting services—as a way to streamline the procurement process. This contracting method can offer benefits of improved efficiency and convenience, but it needs to be effectively managed. Due to continued growth in the use of these contracts, the limited expertise of some customers and service providers in using these contracts, and unclear lines of responsibility, GAO designated interagency contracting as a high-risk area in 2005. Proper use of this contracting method requires strong internal controls, clear definition of roles and responsibilities, and training for both customers and servicing agencies.

GAO's work and that of agency inspectors general have continued to find cases in which agencies have not adequately met these challenges. While agencies have taken some actions in response to GAO recommendations, specific and targeted approaches are still needed to address interagency contracting management risks.

GAO Recommendations

Agencies should take the following actions:

- Clearly define roles and responsibilities of both customers and servicing agencies.
- Continue to adopt and implement policies and processes that ensure that customer service demands do not override sound contracting practices.
- Track the use of this contracting method to assess whether it provides good outcomes.

VA's Program Response to GAO High-Risk Area #6: Management of Interagency Contracting
ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Management of Interagency Contracting	
Responsible Agency Official: Deputy Assistant Secretary for Acquisition and Logistics	
Completed FY 2008 Milestones	Performance Results/Impacts
The Center for Acquisition Innovation developed a VA-wide Information Letter (IL) that prescribes uniform policies for Interagency Agreements (IAAs), including formats, approval levels, and signatory authorities. The IL incorporates the guidance provided by the Office of Federal Procurement Policy on June 6, 2008 and addresses the IAA issues identified by GAO in their May 2008 Report to Congress, "Interagency Contracting--Need for Improved Information and Policy Implementation at the Department of State."	Given the continued growth in the use of Interagency contracts and the limited expertise of some customers and service providers, having a formal IL that provides a standard format and process to be used for IAAs will make it easier for VA to make use of these agreements.

GOAL: Improve Management of Interagency Contracting	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
The proposed IL is in the formal concurrence process and is expected to be published at the beginning of FY 2009. **(Q1)**	The IL will provide a standard format and process to be used in employing IAAs VA-wide.

APPENDIX

The Appendix lists selected reports pertinent to the high-risk areas discussed. However, the Appendix is not intended to encompass all GAO work in an area.

Modernizing Federal Disability Programs

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

GAO Findings and Recommendations Regarding DOD and VA Disability Systems, GAO-07-906R, May 25, 2007.

Veterans' Benefits: Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process, GAO-08-75, December 6, 2007.

Veterans' Benefits: Increased Focus on Evaluation and Accountability Would Enhance Training and Performance Management for Claims Processors, GAO-08-561, May 27, 2008.

Strategic Human Capital Management

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Managing Federal Real Property

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform, GAO-07-349, April 13, 2007.

Federal Real Property: An Update on High-Risk Issues, GAO-07-895T, May 24, 2007.

Department of Veterans Affairs: Actions Needed to Strengthen VA's Foreclosed Property Management Contractor Oversight, GAO-08-60, November 15, 2007.

Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Information Security: Veterans Affairs Needs to Address Long-Standing Weaknesses, GAO-07-532T, February 28, 2007.

Veterans Affairs: Inadequate Controls over IT Equipment at Selected VA Locations Pose Continuing Risk of Theft, Loss, and Misappropriation, GAO-07-505, July 16, 2007.

Veterans Affairs: Continued Focus on Critical Success Factors Is Essential to Achieving Information Technology Realignment, GAO-07-844, June 15, 2007.

Veterans Affairs: Sustained Management Commitment and Oversight Are Essential to Completing Information Technology Realignment and Strengthening Information Security, GAO-07-1264T, September 26, 2007.

Information Security: Sustained Management Commitment and Oversight Are Vital to Resolving Long-standing Weaknesses at the Department of Veterans Affairs, GAO-07-1019, September 7, 2007.

Information Technology: VA Has Taken Important Steps to Centralize Control of Its Resources, but Effectiveness Depends on Additional Planned Actions, GAO-08-449T, February 13, 2008.

Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Management of Interagency Contracting

High-Risk Series: An Update, GAO-07-310, January 31, 2007

Snapshot
Waco Regional Office Reaches out to Native American Veterans

After attending an American Indian conference in Albuquerque, New Mexico, Carl Lowe, Waco, Texas, VA Regional Office (VARO) Director, asked "what could VA do" to reach American Indian veterans. VA staff developed a plan to approach a local Native American tribe to determine the best way to gain access to Native American veterans on their reservations. After meeting with leaders of the Ysleta del Sur Pueblo (Tigua) Tribe, approval was obtained to conduct outreach on the Tigua Reservation near El Paso, Texas. The VARO staff discovered that there were 91 veterans who were members of the Tigua Tribe and only two were receiving VA benefits at that time. Today, more than 60 Tigua veterans receive VA benefits. In recognition of the initiative, the National Congress of American Indians (NCAI) presented the Waco VARO with a Native American Warrior Certificate of Recognition, citing employees of the Waco VARO for working together with the Tigua Tribe to form one of the most effective American Indian outreach relationships in the Nation.

Snapshot
Dr. Paula Schnurr Wins the "Health Breakthrough Award"

Dr. Paula Schnurr, deputy executive director for VA's National Center for Post Traumatic Stress Disorder (PTSD), received the 3rd annual Ladies Home Journal "Health Breakthrough Award" for her work with PTSD and women veterans.

"Dr. Schnurr's contribution to veterans is an exceptional example of the Department's commitment to healing those who have borne the battle," said Secretary of Veterans Affairs Dr. James B. Peake. "Her research was recognized for finding the best therapy among current treatment approaches for PTSD in women."

The study led by Schnurr for the Department of Veterans Affairs (VA) was the largest clinical trial of individual psychotherapy for PTSD ever conducted. The findings led to VA supporting a national training program in "prolonged-exposure therapy," which had not previously been widely used. VA is a world leader in the research, diagnosis, and treatment of PTSD, providing specialized PTSD programs at its medical centers and clinics. More about the National Center for PTSD can be found at **Web** www.ncptsd.va.gov