

Mission Statement

***“To care for him who shall have borne the battle
and for his widow and his orphan.”***

These words, spoken by Abraham Lincoln during his Second Inaugural Address, reflect the philosophy and principles that guide VA in everything we do, and are the focus of our endeavors to serve our Nation’s veterans and their families.

Vision

We will strive to meet the needs of the Nation’s veterans and their families today and tomorrow by: (1) becoming an even more veteran-focused organization, functioning as a single, comprehensive provider of seamless service to the men and women who have served our Nation; (2) cultivating a dedicated VA workforce of highly skilled employees who understand, believe in, and take pride in our vitally important mission; (3) continuously benchmarking the quality and delivery of our service with the best in business and use innovative means and high technology to deliver world-class service; and (4) fostering partnerships with veterans organizations, the Department of Defense and other federal agencies, state and local veterans organizations, and other stakeholders to leverage resources and enhance the quality of services provided to veterans.

Strategic and Enabling Goals

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.

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

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

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

Enabling Goal - Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

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Secretary's Statement



As Secretary of Veterans Affairs, I am focused on making sure America's veterans and their families receive timely, compassionate, high-quality care and benefits. The tragic events of September 11, 2001 were an important reminder of the resiliency of the

democratic ideals and institutions that make America great and why our men and women in uniform are essential to protect and preserve those ideals and institutions. Like many of you, I frequently pause to give thanks for the commitment of the men and women in active military service.

I made a commitment to the President, members of Congress, and our Nation's veterans to improve the quality and timeliness of veterans' health care and benefits. In the President's Management Agenda, President George W. Bush calls for a government that is active but limited - a government that focuses on priorities and does them well. This VA Strategic Plan addresses the President's Management Agenda and defines the key strategies the Department will implement to meet the President's goals. This Plan, and the new governance process that we have established, will serve as the cornerstones of VA's effort to strengthen our overall management, accountability, and stewardship of VA resources, and our implementation of the Government Performance and Results Act (GPRA). The Plan also communicates a top-level summary of VA's long-term direction and will be shared extensively with our partners and stakeholders. We are committed to working with them to achieve the priorities defined in this document. The Strategic Plan will also be provided to all VA managers and serves as the foundation for

accountability within the Department. I will hold my leadership team and all VA managers accountable for achieving the goals, objectives, and performance targets presented in this plan, and we will monitor progress on a monthly basis to ensure results.

VA must provide disabled veterans with timely and accurate decisions on their claims for compensation. To achieve this critical objective, we have made necessary management changes throughout the Department by reallocating resources and adjusting workload priorities. The results to date have been promising. In FY 2002, VA completed more than 796,000 ratings (versus 481,000 in FY 2001 - a 66 percent improvement). Claims processing times continue to decline. VA plans to continue to reduce the average number of days to process a rating-related claim from a high of 223 days in FY 2002, to 165 days in FY 2003, and reduce the average days pending to 105 days for FY 2004. We also plan to increase the national accuracy rate for core rating work from 80 percent in FY 2002 to 98 percent in FY 2008.

I have also initiated needed improvements in the VA health care system. To a large extent, many of our health care challenges are the results of our own success because an increasing number of veterans recognize the value and high quality of VA's health care services. Since 1995, the number of veterans enrolled in the VA health care system has grown by over 3 million. If the President's FY 2004 budget is enacted, VA will treat 4.8 million patients - 1.2 million more than 2000, the year before the President took office. However, VA can't count on increased appropriations alone in maximizing the amount of high quality medical care we provide with the resources entrusted to us. We must also do better with the resources we already have. For example, we initiated an important process, called CARES, to identify the infrastructure VA will need to provide 21st century quality health care to 21st century veterans. The CARES process will result in a

plan for using existing resources in the best way to maximize the quality and amount of care VA provides to veterans.

We also remain firmly committed to providing timely access to scheduled appointments for veterans. We have developed a number of strategies to reduce scheduled appointment times including state-of-the-art appointment scheduling systems, and modifying scheduling practices. In FY 2003, 87 percent of primary care appointments and 80 percent of specialty care appointments at VA facilities will be scheduled for enrolled patients within 30 days of the desired date.

VA stands committed to its enduring mission to respect and dignify the selfless contributions our Nation's veterans made to defend freedom and liberty. VA will continue to honor the service and sacrifices of America's deceased veterans in our 120 national cemeteries. In addition, we are committed to preserving our Nation's history, nurturing patriotism, and honoring veterans and their families by maintaining our national cemeteries as national shrines.

The framework of this plan centers on VA's four strategic goals and an enabling goal. These goals reflect the combined efforts of all organizational elements to serve our Nation's veterans and their families. Supporting each goal, VA has developed outcome-oriented objectives that include my highest priorities, and identified key strategies and processes, external factors, and performance measures and targets for FY 2008. In addition, we have chosen to include our near-term measures for FY 2004 in this plan. These measures allow VA to focus on our immediate priorities while working towards our long-term goals and objectives. VA's effectiveness will be determined by how well we meet the needs and expectations of veterans. VA's success will also be measured by how we manage resources to provide services and benefits in a way that is responsive to the American public's commitment to veterans.

VA will implement each of the goals and objectives in this Strategic Plan in a manner that reflects our commitment to world-class service. I am proud of the exceptional dedication of VA employees everywhere. I expect my fellow VA employees to embody America's commitment to those who served our Nation in uniform, to be men and women of principle, vision, and moral courage; to have the highest ethical standards; to make difficult decisions, not politically expedient ones, at the lowest possible level; to believe that compassion is not about the amount of money we spend but the results we achieve, and the lives we impact; and to understand that responsibility and accountability – qualities I believe are essential to leadership – are inextricably interwoven.

I welcome the responsibilities entrusted to me as Secretary of Veterans Affairs, and I am grateful for the opportunity to implement changes that are significantly improving VA's health care and benefits delivery to 25 million veterans and their families. Our Department's sacred mission "to care for him who shall have borne the battle, and for his widow, and his orphan," is the legacy of President Abraham Lincoln. President Bush's challenge to VA in his Management Agenda is to keep getting better at accomplishing our mission – and we will. America's veterans deserve no less.



Anthony J. Principi
Secretary of Veterans Affairs

Who We Serve

Our Continuous Focus on Our Nation's Veterans

Beginning with our Nation's struggle for freedom more than 2 centuries ago, approximately 42 million men and women have served this country during wartime periods. Based on April 2000 census data, there were about 26.5 million veterans living in the United States and the Commonwealth of Puerto Rico; over 19 million (75 percent) of these veterans served during at least one wartime period. The veteran population decreased by 432,000 in 2002. There are also approximately 45 million family members of living veterans and survivors of deceased veterans.



This large increase in the oldest segment of the veteran population has had significant ramifications on the demand for health care services, particularly in the area of long-term care.

As of September 2002, the 1.7 million women veterans constituted 6.5 percent of all veterans. The population of women veterans as a percentage of all veterans is expected to increase as the number of military service women continues to grow. The

demographic profile of the female veteran population is generally younger than that of male veterans with the median age of female veterans being 14 years younger than that of male veterans – 45 versus 59. The growing number of women in the military in recent years is reflected in period-of-service differences between male and female veterans. About 62 percent of all female veterans served during the post-Vietnam era compared to only 25 percent of male veterans. VA has seen a significant increase in the number of women veterans who receive benefits and health care services from the Department. The number of women veterans enrolled in VA's health care system grew from 226,000 in FY 2000 to 420,000 in FY 2002, an increase of 86 percent.

As of September 2002, there are approximately 8.3 million Vietnam-era veterans. Vietnam-era veterans account for the largest segment of the veteran population. There are approximately 4.8 million World War II veterans, the second largest segment of the wartime veteran population. Two other major conflicts and the Gulf War contributed to the total United States wartime veterans. There are about 3.7 million living Korean War veterans, and Gulf War Era veterans number about 3.6 million. About 6.5 million of the veteran population served only during peacetime. The veteran population by period of service is depicted in Exhibit 1.

Veterans in just three states – California, Florida, and Texas – comprised over 23 percent of the total veterans living in the United States and Puerto Rico as of September 2002. The three next largest states in terms of veteran population are New York, Pennsylvania, and Ohio. These six states account for more than 37 percent of the total veteran population. The three least populous states in terms of veteran population – Wyoming,

As of September 2002, the median age of all living veterans was 58 years. Veterans under 45 years of age constituted 21 percent of the total veteran population; veterans 45 to 64 years old, 40 percent; and veterans 65 to 84 years old, 36 percent; and veterans 85 years old and older, 3 percent. The number of veterans 85 years of age and older totaled nearly 672,000. In April 1990, there were only 164,000 veterans in this age range.

North Dakota, and Vermont – plus the District of Columbia collectively accounted for less than 1 percent of the total. Exhibit 2 shows the current estimate of veteran population by state.

VA serves a significant portion of the veteran population. Over 6.2 million enrolled participants look to VA for health care services and more than 4.6 million individuals actually received care in FY 2002. About 2.4 million veterans currently receive disability compensation or pensions from VA, and more than 2.5 million Americans, including veterans of every war and conflict – from the Revolutionary War to the War on Terrorism – are honored by burial in VA’s national cemeteries. Altogether, about one quarter of the Nation’s population – approximately 70 million people – are eligible for VA benefits and services because they are veterans, family members, or survivors of veterans. Exhibit 3 shows the number of participants VA served in FY 2002.

After the Gulf War, there has been a higher demand for veterans benefits than ever before. VA is committed to delivering high-quality,

Exhibit 3

PROGRAM		FY 2002 PARTICIPANTS*
MEDICAL CARE	UNIQUE PATIENTS	4,671,000
COMPENSATION	VETERANS	2,398,300
	SURVIVORS/CHILDREN	332,600
PENSION	VETERANS	346,600
	SURVIVORS	238,600
EDUCATION	VETERANS / SERVICEPERSONS	325,000
	RESERVISTS	86,000
	SURVIVORS / DEPENDENTS	54,000
VOCATIONAL REHABILITATION	VETERANS RECEIVING SERVICES	69,600
HOUSING	LOANS GUARANTEED	317,300
INSURANCE	VETERANS	2,099,800
	SERVICEPERSONS / RESERVISTS	2,406,500
	SPOUSES / DEPENDENTS	3,113,000
BURIAL	INTERMENTS	89,300
	GRAVES MAINTAINED	2,509,300
	HEADSTONES/MARKERS	360,300

**NUMBERS OF PARTICIPANTS ARE ROUNDED TO THE NEAREST 100.*

Exhibit 1

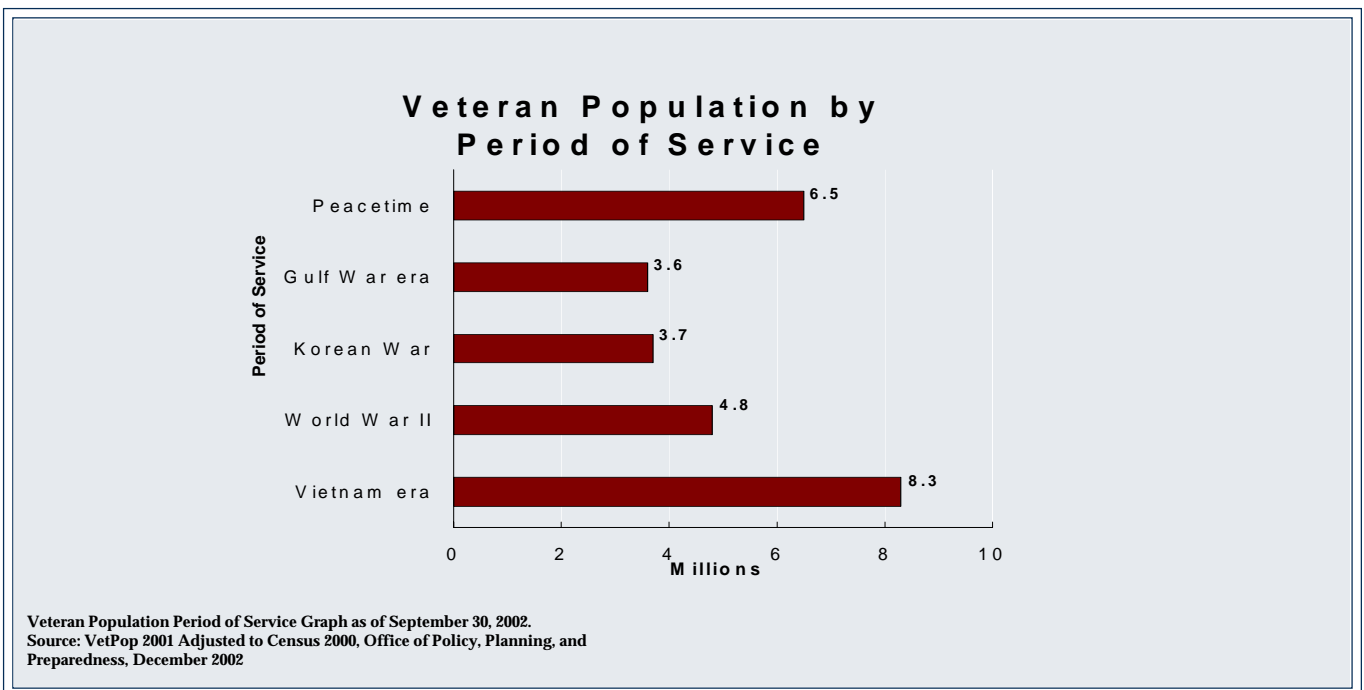
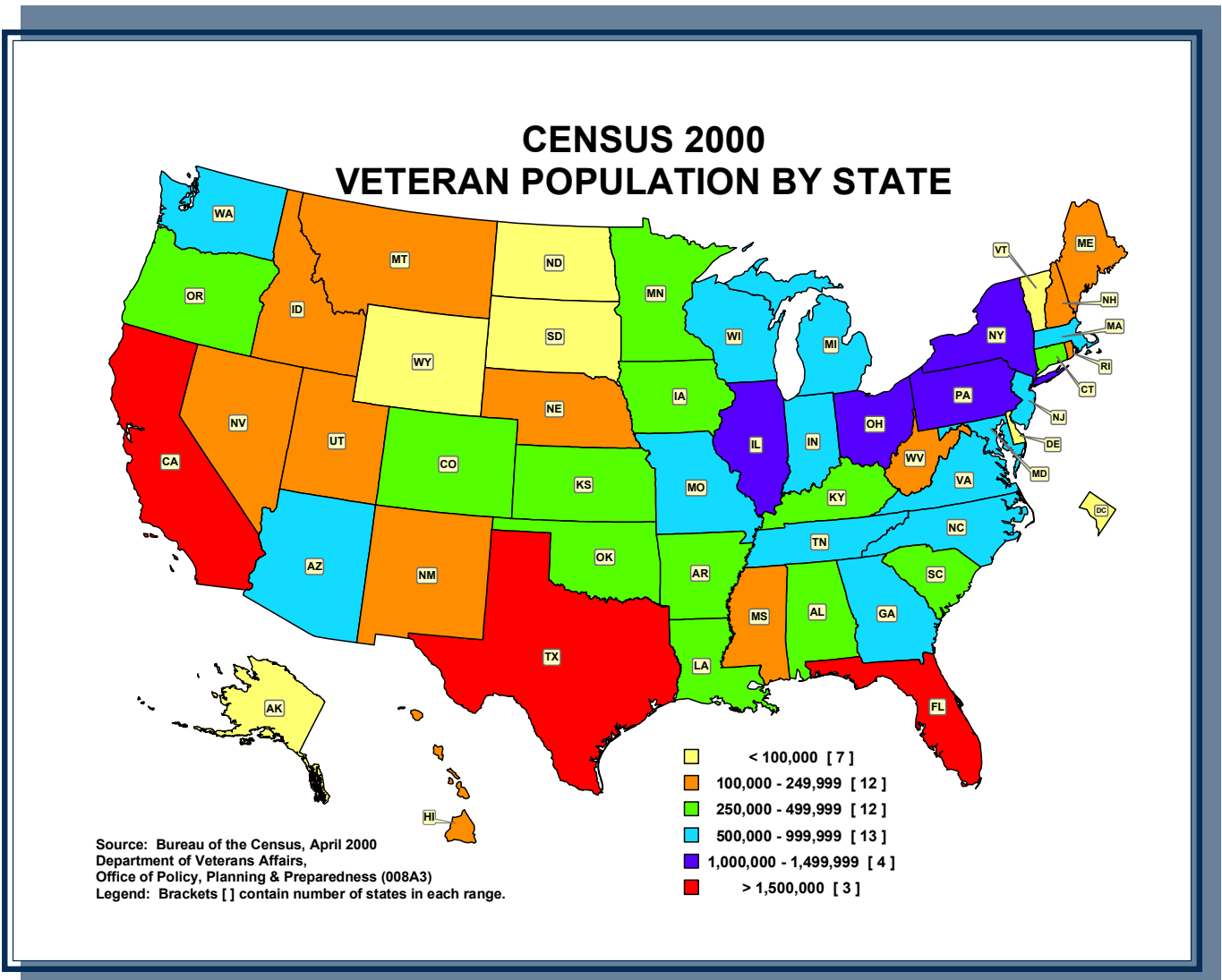


Exhibit 2



accessible health care to veterans. The Capital Asset Realignment for Enhanced Services (CARES) program is designed to assess veterans' health care needs and identify planning initiatives to meet those needs in the future. VA will continue to realign resources to serve veterans based on market demand that is significantly influenced by veteran demographics. CARES is based on continuous improvement and strategic planning in order to achieve improvements in veterans' health care and to make sure that quality and access are given the highest consideration.

The needs, preferences, and expectations of veterans directly shape both the services VA provides and form the basis for the goals, objectives, and strategies contained in this VA Strategic Plan. VA will continue to seek inputs from veterans in a wide array of forums as part of its strategic management process to ensure that we are able to meet their current and future needs.

Who We Are

VA's mission is *"To care for him who shall have borne the battle and for his widow and his orphan."*



President Lincoln's simple proclamation, as part of his Second Inaugural Address, represents not only the Nation's rich history of respect and care for those that have served in the defense of our Nation, but also the focus of the Department's activities today and its plans for serving veterans in the future.

Recognition, respect for, and compensation to those who have served in support of the national interest are principles that can be traced back to the earliest history of our Nation. In 1636, the Plymouth Colony passed a law that provided lifetime support for any soldier who returned from battle with an injury. In 1778, the first national pension law was enacted for soldiers who fought in the American Revolution. In 1862, President Lincoln signed legislation that authorized national cemeteries and, in 1930, the Veterans Administration was created. Veterans' benefits were enhanced in 1944 when the Serviceman's Readjustment Act, or "GI Bill of Rights" was signed into law. In 1989, the Veterans Administration was elevated to a cabinet level agency, to the Department of Veterans Affairs, where veterans' issues could be placed at the highest level of national government.

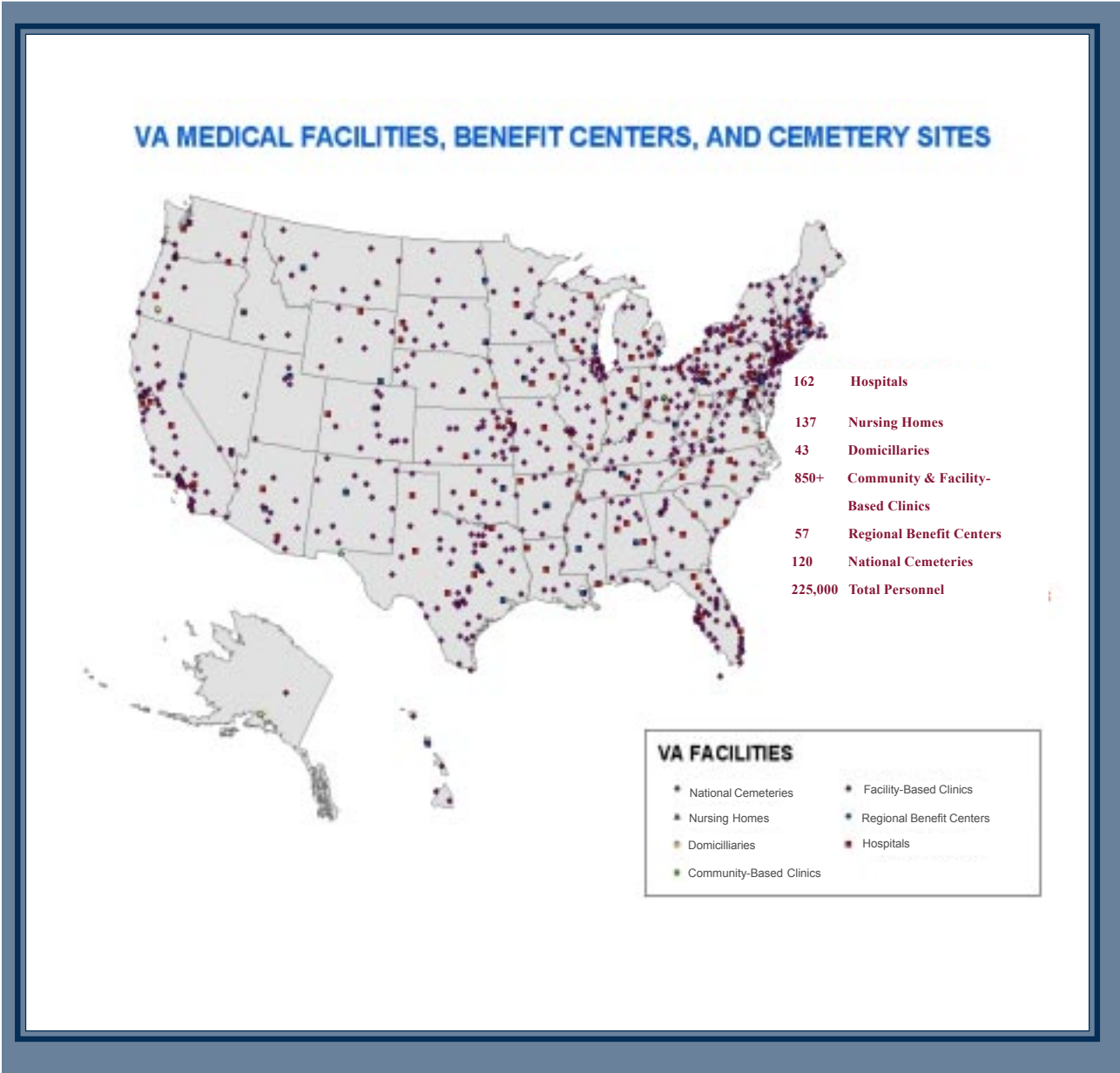
Today, the Department of Veterans Affairs carries on the Nation's strong history of support for veterans. By challenging itself to provide

world-class benefits and services to veterans in a manner that is cost-effective, VA strives to fulfill the words spoken by President Lincoln over 100 years ago. The spirit of these words is further ingrained in the Department's statutory mandate "to administer the laws providing benefits and other services to veterans and the dependents and the beneficiaries of veterans." (38 U.S.C.301(b)). This mandate sets forth VA's role as the principal advocate for veterans and charges it to ensure that veterans receive the medical care, benefits, social support, and lasting memorials they deserve in recognition of their service to this Nation. Comparative studies of veterans' benefits and services highlights the overall superiority of America's veterans' benefits and transition assistance vis-à-vis the systems of other major industrialized nations. Overall, the U.S. serves as a model for other countries based on the depth and breadth of benefits.

To fulfill its important mission, as part of the President's budget request, VA projects its total appropriations for FY 2004 to be \$62.860 billion. Of that amount, \$33.723 billion will be for benefits programs, \$28.369 billion will be spent on medical care, and \$422 million will be for burial operations and associated benefits.

VA employs more than 220,000 dedicated and professional employees. More than 200,000 employees support VA's health care system, one of the largest in the world. About 13,000 employees are involved in providing benefits to veterans and their families, and over 1,400 employees provide burial and memorial benefits for veterans and their eligible spouses and children. VA is a leader in diversity – women represent 57 percent and minority groups 36 percent of our workforce. VA is also a leader in hiring veterans, which fosters our ability to understand and meet veterans' needs.

Exhibit 4



Who We Are

The delivery of veterans services is accomplished through our 162 VA hospitals, more than 850+ community and facility-based clinics, 43 domiciliaries, 206 Vet Centers, 57 regional offices, and 120 national cemeteries and 33 other cemeterial installations.

VA actively recognizes and preserves America's past and is the caretaker of a significant number of the Nation's historic properties. These properties belong to the American people and include 75 hospital campuses that are historic districts, encompassing over 1600 designated historic buildings, and 66 VA national cemeteries, including 59 Civil War-era national cemeteries, that are listed on the National Register of Historic Places.

VA has facilities in all 50 states, the District of Columbia, and U.S. territories. Beginning with the FY 2004 budget, VA will change its budget structure to provide services and benefits through the following 9 major business lines¹:



- Medical Care
- Medical Research
- Compensation
- Pension
- Education
- Vocational Rehabilitation and Employment
- Housing
- Insurance
- Memorial and Burial Benefits



¹ Although not identified specifically as business lines, VA conducts a variety of activities and programs including medical education, readjustment counseling, emergency management and preparedness, and the delivery of specialized health care.

Core Values

President Lincoln's words guide VA today. The men and women of VA are dedicated to fulfilling the Department's mission and vision and they commit their abilities and energy to continue the rich history of providing for those that have served America. In doing so, we will strive to uphold a set of core values that represent the basic fabric of our organizational culture. These core values are...

Commitment

- ❖ Veterans have earned our respect and commitment, and their health care, benefits, and memorial services needs drive our actions.
- ❖ We will value our commitment to veterans through all contingencies and remain fully prepared to achieve our mission.

Excellence

- ❖ We strive to exceed the service delivery expectations of veterans and their families.
- ❖ We perform at the highest level of competence with pride in our accomplishments.

People

- ❖ We are committed to a highly skilled, diverse, and compassionate workforce.
- ❖ We foster a culture of respect, equal opportunity, innovation, and accountability.

Communication

- ❖ We practice open, accurate, and timely communication with veterans, employees, and external stakeholders, and seek continuous improvement in our programs and services by carefully listening to their concerns.

Stewardship

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

Strategic Outlook

Developing a Future Perspective in the VA Strategic Plan

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

- VA's budget will be consistent with the President's Government-Wide Budget Plan, and will change, as appropriate, to align with future initiatives.
- VA will implement the President's Management Agenda as a means to improve our overall management and operational efficiency.
- VA will identify legislative proposals necessary to achieve intended program outcomes and work with the Administration and Congress to achieve their enactment.
- The terrorist threat will continue well beyond 2008, and the United States will likely be engaged in one or more regional conflicts during the period of this plan.
- The size of the veteran population will decrease from 24.4 million to 15.0 million between the years 2003 and 2030.
- Based on Department of Defense projections, the size of the military will remain relatively stable at 1.38 million and VA projects the annual number of servicemembers leaving active duty will be approximately 182,000.

Based on these planning assumptions, VA has developed this VA Strategic Plan for FY 2003 – 2008. What follows is a summary of the key strategic issues in the areas of health care, benefits and services, memorial affairs, and enabling functions.

STRATEGIC OUTLOOK FOR HEALTH CARE

VA will remain a national integrated system of health care delivery, increasingly characterized by a shift from provider and facility-centered health care to patient-centered health care that is driven by data and medical evidence. VA will retain its focus on providing services that are uniquely related to veterans' health or special needs. VA will provide comprehensive services to an expanding patient base, including a broad range of primary, secondary, and tertiary care and an unrivaled excellence in emphasis programs such as spinal cord injury and prosthetics. VA will continue to offer the full spectrum of long-term care options for both institutional and non-institutional nursing home beds as well as investing in home and community-based care, State Veterans Homes, and revitalizing the community nursing home program.

Health care delivery will become more patient-centered in the future. The future will include veterans being seen by a health care provider based on their medical need, often determined through in-home care or interactive technology instead of a pre-determined schedule. This patient-centered approach will better serve veterans and will be more cost-effective in the long term. VA's strategic direction for 2003-2008 will be driven by the following major long-term strategies:

Patient-centered integrated health care system for veterans

VA will strive to maintain a fully integrated health care system, driven by its central mission of service to veterans. Integrated information systems will allow seamless movement of patients across the system and ensure consistent execution of policy. VA's approach to health care delivery is shifting from a provider-centric system to a patient-centric system for veterans. This patient-centered approach may be characterized as follows:

- Care is based on patient needs and healing relationships;
- The patient is the source of health care control;
- Knowledge is freely shared with patients who have access to all of their health care information; and
- Care requires an increased patient role in maintaining their health status.

Leader in understanding and providing services in special emphasis areas that are uniquely related to veterans' health

VA will always maintain its leadership role in medical services for conditions uniquely related to veterans' health care in special emphasis areas, including spinal cord injury, blindness, amputation, traumatic brain injury, post-traumatic stress disorder, serious mental illness, homelessness, substance abuse, Gulf War illness, and illness related to Agent Orange. Through readjustment counseling, VA will help veterans become fully reintegrated into their communities with minimal disruption to their lives. VA conducts outreach activities and transition assistance to separating servicemembers.

VA will conduct aggressive outreach in some special emphasis areas (homeless, seriously mentally ill) and preventive intervention regarding life style changes for issues such as smoking, obesity, and chemical dependency. A key factor in these efforts will be patient education and the promotion of patients' responsibility in health maintenance and prevention.

Continuously improving cost-effective care through a dedicated, well-qualified staff

VA will maintain its leadership role in improving patient and employee safety through technological innovation, improved practices, and workforce development programs. VA will develop cost-effective alternatives to inpatient care, such as long-term care in non-institutional settings. Capital assets will be reallocated based upon veteran demographic trends to maximize efficient use. VA will maintain its focus on its core mission of delivery of health care services to veterans. Non-core patient care support services will be reviewed for competitive sourcing and outsourced if cost efficient and high quality can be maintained for such areas as food service, building and grounds maintenance, laundry, and other services.

VA will support training programs in health care professional shortage areas. VA will utilize advances in information technology training for education and employment development. VA and DoD will also continue to explore initiatives for sharing educational opportunities between the two departments for their health care providers.

Leader in the use of health information technology

Health IT leadership will include a fully developed electronic patient record deployed via a web-based patient information system. IT initiatives such as HealthVet allow veterans access to their medical records through secure on-line applications, and to input health status information, such as weight, on a daily basis to allow remote coordination and monitoring of patient status. HealthVet and other telehealth technologies will facilitate the shift to patient-centered care. VA will continue its partnership with DoD to develop an interoperable VA/DoD medical information system. In consultation with DoD and HHS, VA will also continue to investigate the development of a National Clinical Research Database.

Coordinate publicly funded health care for the benefit of veterans

VA will attempt to broaden its patient base and develop multiple alternative funding sources for veterans' health care, which will allow VA to ultimately serve more veterans. VA will work to integrate VA health care with care provided by alternate providers such as state veterans homes, and expand its long-term care capacity by increasing non-institutional long-term care. VA is also partnering with the Indian Health Service to extend VA care to Native Americans and signed an MOU with them on February 26, 2003.

VA will continue seeking to diversify its funding base. VA health care will be available to veterans over 65 through a Medicare health maintenance organization (HMO). VA will expand its ability to bill HMO and health plan enrollees who use VA medical services. VA will strive to maximize appropriate third-party revenues through improved business practices.

Leader in expanding the evidence base for health care and translating it into changes in delivery

VA will support evidence-based research in health promotion and diseases affecting veterans. For example, VA's Quality Enhancement Research Initiative (QUERI) is recognized as one element of VA's commitment to evidence-based quality improvement. As part of this initiative, collaboration on the development of clinical practice guidelines that are evidence-based, valid, reliable, cost-effective, clear, and flexible is an important aspect of this program and leads to overall improvement in outcomes important to veterans.

Major contributor to national emergency response

As the Nation's largest integrated health care provider, VA will be a major contributor of national disaster and emergency response, providing community support for regional disasters and national emergencies, and response to threats of terrorism and weapons of mass destruction. VA will be a provider of DoD non-mission critical services, and will play a key role in DoD contingency planning.

STRATEGIC OUTLOOK FOR BENEFITS AND SERVICES

VA will fulfill the essential part of its mission to provide benefits and services to veterans and their families in a responsive, timely, and compassionate manner by becoming a more veteran-centric organization. The VA Claims Processing Task Force recommended actions to improve the timeliness and quality of disability compensation and pension claims decisions. As a result, VA has decreased claims processing times (See Appendix 4). Increased productivity has been accompanied by higher quality decisions, and these trends will continue to shape service delivery in the future. VA will provide service along a continuum to ensure that benefits and services are received from the time a veteran first enters service.

The Benefits Delivery at Discharge (BDD) process is a collaborative effort with DoD. It began in 1995. The BDD program has facilitated VA's efforts to provide benefits for veterans in the most timely and accurate manner possible as they are discharged from service.

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

- Consolidation;
- Continuum of "Servicemember or Veteran" Attention/Oversight;
- Quality and Consistency;
- Partnerships; and
- Automation and Innovation.

Consolidation

VA will progressively consolidate work in locations where it can be done most efficiently. The Claims Processing Improvement (CPI) model will be used as the structural base when consolidating the compensation workload. Work will be moved to the most productive locations while there is an increase in the intake of claims at BDD sites. Efforts to consolidate the pension workload will continue. Over the last few years, VA has already consolidated Loan Guaranty activities and Education activities. In Vocational Rehabilitation and Employment, VA will work on improving access points to provide better service to veterans.

Continuum of "Servicemember or Veteran" Attention and Oversight

VA will provide service along a continuum, starting with establishing a servicemember or veteran record upon entry into service. Establishing such a record means that VA, working with DoD, will ensure that while in service, veterans have an entry physical sent to VA and when leaving service, veterans will receive a combined discharge and VA physical. VA will also properly inform veterans of benefits they may be entitled to while in service and upon discharge from service. Service along a continuum also means that VA will expand outreach efforts, particularly to veterans with disabilities through phone contact, direct mailings, and use of electronic technology.

Quality and Consistency

In order to ensure quality and consistency, VA will take a more proactive approach by moving from conducting manual reviews to using an automated tracking system. Currently, information is compiled into databases and evaluated without regard to error trends. VA will evolve to using a more sophisticated system that detects error trends as they occur and upon reaching a threshold level, provides a cue to implement countermeasures. VA will also develop information systems to identify training needs and deliver strategically focused training.

Partnerships

VA will continue to strengthen partnerships with key stakeholders, including veterans service organizations (VSOs), DoD, the Social Security Administration, Department of Labor (DOL), schools, lenders, state approving agencies, and the private sector, to improve the seamless delivery of benefits and services.

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Automation and Innovation

Veterans will be able to file their claims electronically and receive accurate and updated information on the status of their claims. Data will be imaged to become part of a data-centric system, facilitating the electronic transmission of information. Automation will also facilitate the rapid exchange of information with external stakeholders and enhance the partnerships noted above.

STRATEGIC OUTLOOK FOR MEMORIAL AFFAIRS

Demographic data of the aging veteran population project 655,000 veterans deaths will occur in 2003. The number of veterans deaths will peak in 2008 at 676,000. After 2008, the number of veterans deaths will decline slowly. In 2015, it is estimated that there will be 633,000 veterans deaths.

As veterans deaths continue to increase throughout the planning timeframe, VA projects increases in the number of annual interments from 89,329 in 2002 to 109,400 in 2008, an increase of 22 percent. With the opening of five new national cemeteries by 2008, annual interments are expected to increase at a higher rate than the number of veteran deaths. During this time, the total number of graves maintained is also expected to increase from 2.5 million in 2002 to nearly 3 million in 2008.

Meeting Current and Future Burial Needs

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 will not have reasonable access to a burial option in a national or state veterans cemetery, and 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. This report serves as a valuable tool for planning new national cemeteries.

It is also critical for VA to continue to provide service at existing national cemeteries by completing phased development projects in order to make additional gravesites or columbaria available for interments. National cemeteries expected to close due to depletion of grave space will be identified, and VA will determine the feasibility of extending the service periods of those cemeteries by the acquisition of adjacent or contiguous land or by the construction of columbaria on existing property.

As public acceptance of cremation as a burial option continues to grow and demand for this alternative increases, construction of columbaria is an option to maximize service delivery. VA will continue to develop columbaria, particularly in areas where land is scarce and the demand for cremation burials is high.

The State Cemetery Grants Program (SCGP) will continue to be a key strategy toward achieving the objective of providing a burial option for veterans and their eligible family members. Recognizing the value of this program, VA will continue to fund 100 percent of the cost associated with the construction of new state veterans cemeteries.

The amount of time it takes to mark the grave after an interment is extremely important to veterans and their family members. VA will continue to provide headstones and markers for the graves of eligible persons in national, state, other public, and private cemeteries.

National Shrine Commitment

Each national cemetery exists as a national shrine, a place of honor and memory that declares to the visitor or family member who views it that within its majestic setting each and every veteran may find a sense of serenity, historic sacrifice, and nobility of purpose. VA will continue to maintain the appearance of national cemeteries as national shrines, dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

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 2 of the study, *National Shrine Commitment*, identified the one-time repairs needed to ensure a dignified and respectful setting appropriate for each national cemetery as well as recommendations to address deferred maintenance issues or preventive steps to minimize future maintenance costs. VA will use the information to address repair and maintenance needs at its national cemeteries. Volume 3 of the study, *Cemetery Standards of Appearance*, will serve as VA's planning tool and as a reference guide in the task of reviewing and refining VA operational standards and measures.

STRATEGIC OUTLOOK FOR PEOPLE, COMMUNICATIONS, TECHNOLOGY, AND GOVERNANCE

VA will be a leader in developing innovative, flexible, and responsive business processes that enable VA to carry out its mission of delivering world-class service to veterans and their families. Workforce and succession planning strategies will enable VA to recruit, develop, and retain a diverse and high-performing workforce. Enhanced outreach and communications will ensure that veterans and their families, stakeholders, and employees are well informed about VA benefits and services as well as VA's vision, mission, goals, and objectives. VA will have a world-class information technology program that enhances health care delivery and expedites claims processing. To support our goal of being an integrated, veteran-centric organization, VA will enhance the overall governance and performance of the Department. VA will apply sound business principles; optimize resources including competitive sourcing; increase revenue and efficiency; and will expand Federal, state, local, and private partnerships.

VA's mission is "To care for him who shall have borne the battle and for his widow and his orphan."





VA Strategic and Enabling Goals

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

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

Strategies and Processes - This portion of the objective describes how the outcomes will be achieved. It identifies specific issues that must be addressed by the Department and highlights key initiatives and activities that are planned to achieve results and enhance service delivery. It also provides a summary of applicable human, capital, information, and other resources, as well as systems, processes, and technologies that are critical to achievement of intended program results.

External Factors - This portion identifies factors and issues external to VA that may be beyond the Department's control and could significantly impact VA's ability to achieve its goals and objectives.

Performance Measures and Targets - GPRAs require Departments to provide "a description of how the performance goals included in the Annual Performance Plan relate to the goals and objectives in the Strategic Plan." VA has gone well beyond this requirement by developing performance targets that identify anticipated levels of performance to be achieved by the end of FY 2004 and during the last fiscal year of this VA Strategic Plan (2008). In many instances, these performance targets represent stretch goals or "ideal state" levels of outcome and service delivery for the Department and its programs. Since these performance targets are strategic in nature, it is anticipated that they may be modified in future years based on the results of comprehensive program evaluations. In some cases, performance targets will be achieved in other years. In these cases, the specific target year is noted. In other cases, the performance target is still under development (identified by an asterisk).

Performance measures have been categorized as outcome measures and service delivery measures. Outcome measures focus on the achievement of the stated purpose and/or legislative intent of the program. They address the tangible results and value to veterans and their families from the benefits and services VA provides. Service delivery measures focus on successful implementation of strategies and processes to improve service to veterans. These measures reflect the level of accuracy, timeliness, and customer service. The achievement of specific performance targets may also reflect the results of major management improvement initiatives.

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.

Objectives:

- Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.
- Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.
- Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.
- Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

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

Objectives:

- Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits and services.
- Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.

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

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

Objectives:

- Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.
- Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity.
- Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.
- Ensure that the burial needs of veterans and eligible family members are met.
- Provide veterans and their families with timely and accurate symbolic expressions of remembrance.

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

Objectives:

- *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 support to national, state, and local emergency management and homeland security efforts.*
- *Advance VA medical research and development 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.*
- *Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.*
- *Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veteran's benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.*
- *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.*

Enabling Goal – Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objectives:

- *Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.*
- *Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.*
- *Implement a One VA information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.*
- *Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.*

Strategic Goal One

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

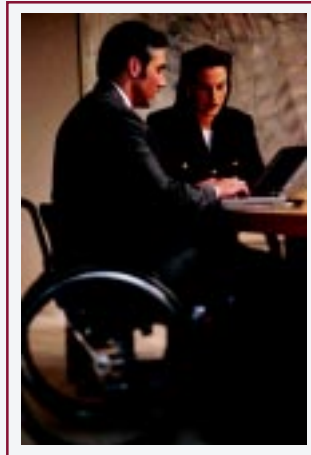
Objective 1.1 -- Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.



Objective 1.2 -- Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-connected veterans.



Objective 1.3 -- Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain employment, while providing special support to veterans with serious employment handicaps.



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



VA will restore the capability of veterans with disabilities by maximizing the ability of these veterans, including special veteran populations, and their dependents and survivors to become, to the degree possible, full and productive members of society through a system of health care, compensation, vocational rehabilitation, life insurance, dependency and indemnity compensation, and dependents and survivors education. This system of benefits and services is aimed toward the broad outcome of restoring the individual capabilities of our Nation's veterans with disabilities.

Strategic Goal One

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

Objective 1.1

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

Purpose and Outcomes:

VA is committed to maintaining its leadership role in medical services for conditions uniquely related to veterans' health. The purpose of this objective is to maximize the functional status of veterans with disabilities within the limits of each veteran's illness or injury. Providing for the specialized health needs of veterans is an integral component of VA health care. Due to the prevalence of certain chronic and disabling conditions among veterans, VA has developed strong expertise in certain specialized services that are not uniformly available in the private sector. For the purposes of this document, VA has designated the programs in the following eight areas as its special emphasis programs that focus primarily on restoration:

- Spinal Cord Injury;
- Blindness;
- Traumatic Brain Injury;
- Amputation;
- Post Traumatic Stress Disorder;
- Serious Mental Illness;
- Homelessness; and
- Substance Abuse.

VA remains firmly committed to meeting the needs of veterans who have come to rely on us for these special emphasis programs. This includes VA's coordination of health care and other benefits in a manner that enhances the likelihood of restoration of an individual veteran to wholeness. For example, a veteran suffering a



catastrophic injury or illness should expect that VA will focus on his or her immediate needs as well as on the coordination of all benefits, including research and other rehabilitation benefits that have the highest likelihood of optimizing his or her life functioning over time.

Strategies and Processes:

VA will be the leader in understanding and providing restoration services that are uniquely related to veterans' health. Although VA has undergone a significant transformation over the past 5 years, with an increased focus on providing outpatient care in ambulatory clinic settings, we remain committed to providing the best possible specialized health care services.

VA will establish and use Centers of Excellence for research and treatment of illnesses and disabilities related to special populations. For example, VA recently established two Centers of Excellence to develop new therapies for veterans with spinal cord injuries. The centers will explore the use of pharmaceuticals to treat secondary disabilities of spinal cord injury and

Objective 1.1

will study pain management, recovery of motor and sensory function, and other related issues.

VA will maximize the independent functioning of veterans in the least restrictive setting. We will improve and enhance home care services and develop an assisted living strategy. The use of care management to facilitate care in the least restrictive and most efficient setting will be promoted. For example, VA's specialized homeless treatment program will strive to restore patient function through: aggressive outreach to veterans living on the streets and in shelters; clinical assessment and referral to needed medical treatment for physical and psychiatric disorders; long-term sheltered transitional assistance, case management, and rehabilitation; employment assistance and linkage with available income supports; and supported permanent housing.

Access to Blind Rehabilitation Services is currently being evaluated. The Visual Impairment Advisory Board is addressing alternative settings for providing services, including expanding outpatient capacity through a number of programs including providing some services in the home and shifting some computer access training from an inpatient setting to an outpatient setting. These and other initiatives will significantly reduce waiting times for veterans to be admitted to one of the Blind rehabilitation programs.

VA will provide coordinated, comprehensive, and integrated care to promote health and improve patient functioning. Variability of health outcomes will be reduced by providing for a more consistent delivery of services. VA will optimize the use of telehealth care information and technology for the benefit of the veteran by accelerating the development of the Health Data Repository, HealthVet, and telehealth initiatives.

VA will continue to implement a comprehensive program of education and outreach in the area of preventive medicine. We will proactively reach out to veterans who participate in VA's

special emphasis programs to ensure that they are informed about the importance of receiving screening for illnesses such as influenza, Pneumococcal pneumonia, and various forms of cancer. We will also provide information and counseling services regarding tobacco consumption and alcohol and substance abuse. In addition, VA will ensure the consistent delivery of health care by implementing standard measures for the provision of preventive care. The prevention measure includes several indicators that allow comparison of VA and private health care outcomes. The Prevention Index II is a second-generation composite measure comprised of nine disease or health factors that measure how well VA follows nationally recognized primary prevention and early detection recommendations that determine health outcomes. The indicators within the Index include screening for influenza, Pneumococcal pneumonia, tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, prostate cancer, and cholesterol levels. This improved prevention measure includes additional diagnoses.

Crosscutting Efforts in Health Care

VA has a vast number of sharing agreements with the Department of Defense (DoD) that result in both increased access to, and quality



of, medical care for recently separated military personnel and veterans. The sharing agreements with DoD provide access to care for key subgroups of current and recently separated military patients for conditions such as spinal cord injury and acute traumatic brain injury. In addition, collaboration and sharing of information assists both agencies in providing care to other special populations such as those with Gulf War illnesses and those in need of prosthetic services. VA and DoD will identify Centers of Excellence where specialized services can be made available to eligible beneficiaries. VA will continue its partnership with HUD and community organizations to enhance home care services and develop an assisted living strategy.

External Factors:

Improvements in the overall health in special emphasis areas will be affected, in part, by constituencies who influence these programs as well as by other government agencies and private interest groups.

Performance Measures

Objective 1.1		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
<i>Spinal Cord Injury</i>	<i>Maintain the proportion of discharges from Spinal Cord Injury bed sections to non-institutional settings</i>	95%	95%
<i>Homeless Veterans</i>	<i>Increase the percent of veterans who were discharged from a Domicillary Care for Homeless Veterans Program (DCHV) or Health Care for Homeless Veterans (HCHV) community-based, or grant and per diem contract residential care program to an independent or secured institutional living arrangement.</i>	67%	75%
<i>Substance Abuse</i>	<i>Increase the percent of patients entering substance abuse treatment who maintain continous treatment involvement for at least 90 days</i>	35%	65%
<i>Special Emphasis Areas</i>	<i>Increase score on the Prevention Index II for emphasis areas</i>	74%	85%

Strategic Goal One

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

Objective 1.2

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

Purpose and Outcomes:

The Nation has a long and extensive history of providing benefits to war veterans — “caring for him who shall have borne the battle.” The compensation program provides monthly payments to veterans who have disabilities resulting from their military service. The outcomes for this program are to:

- Recognize the impact of disability on a veterans’ quality of life and support pursuit of maximum individual potential;
- Improve the security of veterans with disabilities by making payments that offset the average loss of earning capacity resulting from service-connected disability or disease;
- Ensure servicemembers and veterans understand and have easy access to all benefits for which they are eligible based on service-connected disability or disease; and
- Ensure servicemembers and veterans are confident that VA will properly compensate them for service-related disabilities.

In addition, as part of the restoration goal and to improve the quality of life for severely disabled veterans, VA provides grants through the Specially Adaptive Housing Program. Veterans may obtain and use these grants to buy, build, or modify homes specifically adapted for their use, including distinctive housing needs such as wide doorways, ramps, and other special needs. VA also provides additional benefits through the Automobile Allowance and Adaptive Equipment Programs. These programs provide assistance to certain service-connected veterans who have disabilities that warrant special assistance with their transportation needs.

Most beneficiaries are compensated for disabilities rated at 30 percent or less, but most of the actual dollar value of the benefits is paid to veterans with more severe disabilities.

The number of veterans receiving compensation is expected to increase slightly over the next 5 years. At the end of FY 2002, over 2,414,000 veterans were receiving benefits. This number is expected to increase to 2,583,000 by FY 2008. Claims processing has been affected by several factors that have increased the complexity of adjudicating claims. Factors contributing to this increase include: (1) disabilities worsen as veterans age (the average degree of disability has increased in the recent past from 32.44 percent in FY 1999 to 34.87 percent in FY 2002); (2) multi-issue claims are increasing (in FY 2002 there was an average of three issues per claim); (3) issues tend to be granted at higher levels of disability than in the past; and (4) recent legislation has increased benefits.

Strategies and Processes:

VA will demonstrate its leadership in addressing the following important issues facing the compensation program and implementing VA's strategies and processes to achieve this objective.

- During FY 2001, VA increased its veterans service representative workforce by 1,298 employees. In addition, a centralized training program was successfully implemented to train these new hires. VA now has more journey-level employees to perform claims work and improve claims processing timeliness.

- During the next 5 years, a significant portion of VA's workforce will be eligible to retire. We project that over 1,000 veterans service representatives will actually retire. These are our most experienced employees who make decisions on the most complex claims. Training replacements for these individuals takes up to 3 years. To avoid a 2-3 year skill gap that will exacerbate service delivery challenges, VA has developed a comprehensive succession planning strategy to address the loss of experienced decision-makers. Key strategies that will be implemented to achieve our intended outcomes in conjunction are as follows:

- Enhanced telephone systems and information centers are providing easier access to information and services. Veterans can use the telephone system to access general information and certain payment information 24 hours a day, 7 days a week. For more detailed information on claims, veterans need to contact the regional office during regular hours of operation. VA has also established two virtual information centers (VICs). VICs consist of groups of regional offices whose telephone systems are coordinated so that incoming calls can be routed to alternate sites during heavy call periods, resulting in faster, efficient telephone service. This coordination continues to assist VA in reducing

blocked and abandoned call rates. VA will establish a third call center in FY 2003 and the final center in FY 2006.

- Veterans are able to submit applications for certain benefits by using the Internet. Veterans Online Application (VONAPP) has been available to the public since August 2000 at <http://vabenefits.vba.va.gov>. There are currently three VBA forms and one VHA form available through this system. VA expects to add 10 additional VBA forms to the system in FY 2003. VA and DoD will collaborate on the development of an online benefits application process that will allow servicemembers to submit applications directly to the appropriate federal agency.
- VA implemented the Claims Processing Improvement (CPI) model in all 57 regional offices in FY 2002. This initiative called for the regional offices to reorganize their Veterans Service Centers (VSC) into teams that concentrate on specific portions of the claims process. The effect of reorganization has been and will continue to be increased productivity, quality, and timeliness of claims processing. This reorganization of the VSC will reduce cycle-times and consequently enhance service to veterans.
- Through the cooperation of regional offices and VA medical centers, and partnership with DoD, VA is conducting discharge medical exams for compensation claims. This initiative continues to improve our efforts to be more accessible to servicemembers separating from service and streamline the eligibility process for compensation, health care, and vocational rehabilitation benefits. In addition, VA will work with DoD to develop a physical examination protocol that will be considered valid and acceptable for all military service separation requirements and acceptable

for VA's disability compensation requirements.

- VA has initiated the Compensation and Pension Examination Project (CPEP) to assess and improve the quality and timeliness of Compensation and Pension (C&P) examination reports. The program was established in 2001 to develop baseline goals and expectations for examinations, develop national standards for exam report quality, and develop training systems to convey performance standards. CPEP has completed a baseline study of national C&P report quality of the 10 most frequently requested exams and is now collecting quality data for analysis. Through this program, VA expects to consistently provide complete, high-quality, responsive, and timely C&P exam reports.
- VA centralized the processing of pension maintenance work starting January 2002. Previously performed at all 57 regional offices, these functions were consolidated at three sites (Milwaukee, Philadelphia, and St. Paul). Centralized processing of the pension program allows VA to focus more regional office resources on the compensation workload. Processing of the workload in the paperless Virtual VA environment began in Philadelphia in August 2002.
- Stakeholder involvement is critical in the determination and development of outcomes for all VA benefit programs. To date, VA has developed interim outcomes for the compensation program and will finalize these program outcomes and develop performance measures and targets based on further analysis and consultations with our stakeholders.
- At this time, VA plans to use several measures to assess the outcome of the compensation program. We will measure

the percentage of veterans in receipt of compensation benefits whose total income meets that of like-circumstanced veterans (veterans who entered the military with similar socioeconomic backgrounds, but did not sustain service connected disabilities or illnesses) and the percent of veterans in receipt of compensation benefits whose total income meets that of like-circumstanced non-veterans (individual in the general public with similar socioeconomic backgrounds who have similar disabilities or illnesses). We will also assess the percentage of recipients who perceive that VA compensation redresses the effect of service-connected disabilities. Finally, recognizing the importance of our partnership with DoD, we will measure the percent of recently inducted servicemembers who report that the existence of VA's compensation program was a factor in their decision to enter the military.

External Factors:

- Workforce - Competition with the private sector in periods of low unemployment may impact VA's recruitment activities.
- Partnerships - Our ability to effectively partner with DoD and others will affect achievement of program outcomes and service delivery.

Performance Measures

Objective 1.2		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Compensation	<i>Percent of veterans in receipt of compensation whose total income exceeds that of like-circumstanced, non-disabled veterans</i>	*	50%
	<i>Percent of veterans in receipt of compensation whose total income exceeds that of like-circumstanced non-veterans</i>	*	50%
	<i>Percent of veterans in receipt of compensation who perceive that VA compensation recognizes the contribution and sacrifices made by veterans during military service</i>	50%	70%
	<i>Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life</i>	*	70%
	<i>Percent of recently-inducted servicemembers who report that the existence of the VA compensation program was a factor in helping them decide to enter military service</i>	22%	25%
	<i>Percent of compensation recipients who were kept informed of the full range of available benefits</i>	*	60%
Service Delivery Measures			
Speed	<i>Average number of days to process rating-related actions</i>	105	90
	<i>Appeals resolution time (average days / case)</i>	520	365
Accuracy	<i>National accuracy rate (core rating work)</i>	88%	98%
Customer Satisfaction	<i>Overall Satisfaction</i>	70%	90%
Decision Rate	<i>Deficiency-free decision rate for appeal claims</i>	93%	95%
C&P	<i>Percent of blocked calls</i>	3%	2%
	<i>Percent of abandoned calls</i>	3%	3%
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal One

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

Objective 1.3

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

Purpose and Outcomes:

The Vocational Rehabilitation and Employment (VR&E) program provides services and assistance necessary to enable veterans with service-connected disabilities and employment handicaps to become employable. The program also provides independent living services for severely disabled veterans who do not have employment potential. VA expects the number of program participants to remain stable during the planning period. The impact from legislation or economic shifts may affect the number of program participants. At the end of FY 2002, there were 69,600 program participants.

The purposes and outcomes of the VR&E program are to:

- Enable service-connected disabled veterans to become employable and to obtain and maintain suitable employment;
- Enable service-connected disabled veterans to achieve a level of independence in daily living; and
- Meet the rehabilitation needs of service-connected disabled veterans.

The primary source population for vocational rehabilitation is recently discharged veterans who are adjudicated to have a service-connected disability. Sustainable employment is the desired outcome of the vocational rehabilitation process. During FY 2002, over 16,408 veterans ended their participation in a rehabilitation program. Of these, 62.2 percent successfully completed the rehabilitation program (47.5 percent ended with employment and 14.7 percent ended with independent living). VA's performance target for successful rehabilitation is 70 percent by FY 2008.

Strategies and Processes:

The following is a discussion of issues facing the VR&E program and VA's strategies and processes to address these issues and achieve this objective.

Veterans' access to VR&E information and benefits is critical to the success of the program. By its very nature, the VR&E program requires a close relationship between VA personnel and veterans, almost always involving face-to-face contact. This relationship hinges on veterans having easy access to VA personnel. However, veterans sometimes must travel great distances to see their case managers.

The strategies used in this program are designed to improve access for veterans through use of technology and partnerships that result in an improved quality of life for veterans. VA will implement the following strategies to assist service-disabled veterans to become employable, achieve maximum independence in daily living, and receive world class-service delivery:

- VA will continue to provide veterans with easy access to information and the opportunity to obtain benefits and services at a convenient time and place;
- VA will maximize direct contact with veterans through the case management approach and the use of information technology and improved workforce skills. This effort will result in improved customer satisfaction, improve cycle-times for claims processing, and improved accuracy; and
- VA will build or enhance partnerships with the Department of Labor and other organizations to improve the coordination of employment services. VA will enhance outreach to veterans with disabilities through alliances with other Federal agencies.

Stakeholder involvement is critical in the determination and development of outcomes for all VA benefit programs. To date, VA has developed interim outcomes for the VR&E program and will finalize these program outcomes and develop performance measures and targets based on further analysis and consultations with our stakeholders.

External Factors:

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

Performance Measures

Objective 1.3		Performance Targets	
Outcome Measures		FY 2004	FY 2008
<i>Vocational Rehabilitation and Employment</i>	<i>Percent of veterans exiting the program who obtain and maintain suitable employment</i>	67%	70%
	<i>Percent of participants employed first quarter after program exit</i>	*	*
	<i>Percent of participants still employed three quarters after program exit</i>	*	*
	<i>Percent change in earnings from pre-application to post-program employment</i>	*	*
	<i>Average cost of placing participant in employment</i>	*	*
Service Delivery Measures			
<i>Customer Satisfaction</i>	<i>Percent of satisfaction with VA service</i>	82%	92%
<i>Speed</i>	<i>Number of days to notification of entitlement</i>	60 days	60 days
<i>Accuracy</i>	<i>Accuracy of entitlement determinations</i>	90%	96%
* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.			

Strategic Goal One

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

Objective 1.4

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

Purpose and Outcomes:

The Nation has a long and extensive history of providing benefits to families of war veterans. There are two programs that help meet Objective 1.4, Dependency and Indemnity Compensation (DIC) and Dependents Educational Assistance (DEA). The purpose of the DIC program is to provide monthly payments to veterans' survivors. This program recognizes the veterans' sacrifice made in defense of the Nation and redresses the loss the family suffered. The program outcomes for the DIC Program are to:

- Recognize and compensate the surviving spouse and dependent children of veterans whose deaths are determined to be service-connected;
- Ensure a minimum standard of living and acceptable level of income for surviving spouses and dependent children in receipt of DIC; and
- Provide parents' DIC to low-income parents of veterans whose deaths were related to military service. In doing so, these beneficiaries will receive a measure of security in their lives.



At the end of FY 2002, approximately 331,000 survivors were receiving DIC benefits. The number of survivors in receipt of DIC is expected to decline slightly as the source population (service-connected disabled veterans) ages and dies.

Strategies and Processes:

The DIC Program is a component of the VA's Compensation and Pension Program. Therefore, the same improvement strategies and processes addressed in Objective 1.2 apply to the DIC Program and will be used to ensure survivors of veterans are able to maintain a minimum standard of living.

Performance Measures

Objective 1.4		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Dependency and Indemnity Compensation (DIC)	<i>Percent of DIC recipients above the poverty level</i>	75%	100%
	<i>Percent of DIC recipients who are satisfied that the VA recognized their sacrifice</i>	50%	90%
Service Delivery Measures			
Speed	<i>Average number of days to process rating-related actions</i>	105	90
Accuracy	<i>National accuracy rate (core rating work)</i>	88%	98%
Customer Satisfaction	<i>Overall Satisfaction</i>	70%	90%
C&P	<i>Percent of blocked calls</i>	3%	2%
	<i>Percent of abandoned calls</i>	3%	3%

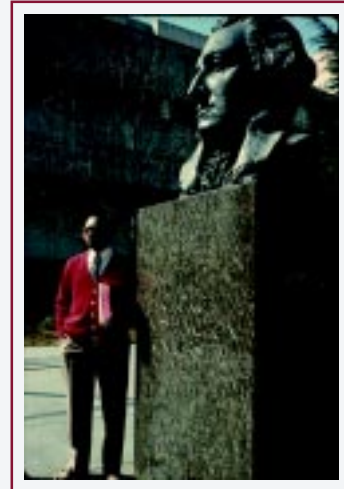
Strategic Goal Two

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

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



Objective 2.2 -- Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.



Objective 2.3 -- Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

Veterans will be fully reintegrated into their communities with minimum disruption to their lives through health care, readjustment counseling, employment services, vocational rehabilitation, education assistance, and home loan guarantees.

Strategic Goal Two

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

Objective 2.1

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

Purpose and Outcomes:

The purpose of this objective is to ensure that active duty and recently separated servicemembers are aware of and are able or inclined to access the benefits to which they are entitled as they transition to veteran status. Awareness of eligibility for VA benefits has a direct and lasting impact upon demand for VA services, and the degree to which VA can meet the needs of our Nation's veterans. Through readjustment counseling, VA will help veterans become fully reintegrated into their communities with minimal disruption to their lives. In partnership with DoD, VA conducts outreach activities and transition assistance to separating servicemembers. VA will make health care services available for veterans newly returned from a combat zone, even without a service-connected disability. This eligibility lasts for 2 years after a veteran leaves active duty, although anyone with medical problems related to military service can qualify for life-long VA health care.

In addition, our Nation's reserves are eligible for a wide variety of VA benefits. The ultimate outcome of this objective is a smooth transition from military service to civilian life for every individual being discharged from active military service.

Strategies and Processes:

VA regional offices and medical center personnel will continue to work with military personnel to expand our presence at major military separation points. VA is currently active at 128 military installations in 39 states. In addition, VA has established a presence overseas, including Germany and Korea. There are 38 out-based claims processing centers staffed by VA personnel to provide on-site disability determinations, vocational rehabilitation counseling, and assistance with all VA benefits within 30 days of military separation. At many of these locations, military physicians are providing medical examinations that meet military separation criteria as well as VA disability evaluation criteria.

To ease the reentry of new veterans into civilian life, VA will undertake the following overarching strategies:

- VA will modify its IT Enterprise Architecture to achieve a much higher level of veteran-centric service. All VA business lines will be transformed to achieve a secure veteran-centric delivery process that would enable veterans and their families to register and update information, submit claims or inquiries, and obtain status on pending items.
- VA will provide veterans with easy access to information and the opportunity to interact with VA for benefits and services, at a convenient time and place.

Objective 2.1

- VA will build or enhance partnerships with DoD, DOL, and other organizations to improve the transition to civilian life. VA will work with DoD to develop transition counseling programs for servicemembers, not only at the time of discharge, but also focused on the servicemember at the time of enlistment.
- VA will work with DoD to utilize the Defense Eligibility and Entitlement Records System (DEERS). DEERS is a computerized enrollment and eligibility database of military sponsors, families and others worldwide who are entitled under the law to TRICARE benefits. DEERS registration is required for TRICARE eligibility. VA and DoD submitted a joint IT business case to develop an integrated, shared registration and eligibility system. During FY 2004, VA will test an integration solution that creates a VA data repository with an electronic connection to DEERS.
- VA will inform servicemembers and veterans of the benefits and services to which they may be entitled. VA will enhance outreach to transitioning servicemembers through alliances with other Federal agencies and improve outreach for servicemembers with disabilities and other special groups of individuals transitioning to civilian life.

VA and DoD will enhance collaborative efforts to improve access to benefits: streamline application processes, eliminate duplicative requirements and correct other business practices that complicate the transition from active duty to veteran status. This will be accomplished through joint initiatives that: ensure wide dissemination of information on the array of benefits and services available to both VA and DoD beneficiaries; enhance educational programming on eligibility criteria and application requirements, increase sites providing Benefits Delivery at Discharge (BDD), improve the physical examination and claims

process; and develop interoperable information management systems necessary for the administration and management of beneficiary claims.

In the health care area, VA will increase provider and veterans' knowledge of the impact of military service on health. Collaboration between VA and DoD during the military discharge process will be increased to invigorate and update the Transitional Assistance Program (TAP). VA will also collaborate with DoD to develop a complete lifelong health record for veterans. VA will intensify efforts to implement the Veterans' Health Initiative (VHI), including fully incorporating each veteran's military history and potential consequences of service into the Computerized Patient Records System (CPRS). VA will provide electronic access to health care information/medical history to recently discharged veterans.

In addition, VA will provide readjustment counseling services to eligible veterans at risk for psychological trauma from active military duty in combat theaters of operation, or from military-related sexual assault. These individuals will be provided timely access to clinically effective counseling that is culturally sensitive and results in positive customer feedback. Readjustment counseling services includes professional readjustment counseling, community education, outreach to special populations, brokering of services with community agencies, and provides a key access link between the veteran and other services in VA. Pre-discharge physicals will be offered to ensure accurate information is available at the time of discharge.

External Factors:

- To ensure a smooth transition from military to civilian life requires the cooperation of external partners such as DoD and DOL.

Performance Measures

Objective 2.1		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Transition Benefits Briefing Participation	Percent of veterans separating / retiring who participate in benefits briefing prior to discharge	*	85% (2007)
	Percent of CONUS separating servicemembers who receive transitional assistance through the Benefits Delivery at Discharge (BDD) program	60%	90% (2006)
Service Delivery Measures			
Health Information	Percent of VA Medical Centers that provide electronic access to health information provided by DoD on separated servicepersons	90%	100% (2007)
Vet Centers	Percent of veterans using Vet Centers who report being satisfied with services and respond that they would recommend the Vet Center to other veterans	95%	95%
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal Two

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

Objective 2.2

Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.

Purpose and Outcomes:

The GI Bill of 1944 is one of the most significant pieces of domestic legislation in the history of the Nation. This legislation established the precedent for providing educational assistance to veterans of military service. Overall, VA administers six education and training programs for veterans, servicemembers, and reservists, in addition to the vocational rehabilitation and employment program. The Montgomery GI Bill active duty and reserves programs account for over 89 percent of the participants. A small number of veterans participate in four programs that were established between the end of the Vietnam Era GI Bill and enactment of the Montgomery GI Bill. The purposes and outcomes of the education programs are to:

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

During FY 2003 – FY 2008, VA does not anticipate a significant change in the training population.

Strategies and Processes:

The following is a discussion of issues facing the education programs and VA's strategies and processes to address these issues and achieve this objective.

The primary source population for VA's education programs is recently discharged veterans or reservists. Over the next 5 years, VA projects the number of separations from active military service to remain fairly constant at approximately 183,000 per year, but declining to about 181,000 by 2008. Nearly all eligible servicemembers participate in the Montgomery GI Bill program. Through FY 2001, nearly 58 percent have used at least a portion of their entitlement. Today's veteran is different from veteran populations under previous GI Bills. More are women and minorities. They are older at the time of separation from active duty and more are likely to be married and have dependents. This suggests that today's education and training needs are different from previous programs.

A program evaluation of VA education programs, completed in 2000, found that the current program has continued the success established by the GI Bill of Rights and, in general, meets the intent of the legislation. Compared to those who had not taken advantage of VA education programs, those who participated have lower unemployment rates, higher attainment of career and education goals, and higher earnings. However, the study also showed that the monthly benefits have not kept pace with education costs. While monthly GI Bill benefit payments to veterans and other eligible

beneficiaries were increased by 21 percent in FY 2000 and another 20 percent in FY 2002, they do not necessarily cover all of the cost of tuition, fees, subsistence, and other expenses at educational institutions. Therefore, benefits must be leveraged with other Federal, state, local, and private financial assistance. For instance, DoD supplements these benefits with additional benefits (or “kickers”) for recruits who enter certain hard-to-fill military occupations. About 16 percent of current MGIB beneficiaries receive a “kicker” in addition to the basic monthly benefit. Legislation enacted in FY 2000 permits an active duty servicemember to contribute an additional amount, up to \$600, to receive a higher basic monthly benefit. For example, an individual who contributes the maximum amount of \$600 will receive a full time rate of \$1135 monthly (effective October 1, 2003) or \$150 per month more than the basic benefit. Finally, many states offer assistance to active members of the National Guard. The challenge for VA is to identify and seek those other sources of financial aid and convey the information to our customer trainees.

Since the program evaluation was published, Congress has enacted legislation restoring some of the purchasing power eroded by education costs that have historically exceeded the annual increases in the Consumer Price Index. Public Law 107-103 mandates increases to the full-time rate under the Montgomery GI Bill, as follows:

- \$800 monthly effective January 1, 2002;
- \$900 monthly effective October 1, 2002; and
- \$985 monthly effective October 1, 2003.

In addition to the rate increases, Public Law 107-103 provided a number of benefit enhancements for VA beneficiaries. Among these enhancements are:



- Accelerated payments for high cost programs leading to employment in high-tech industries. This provision became effective for enrollments in courses or programs of education on or after October 1, 2002.
- Expansion of work-study opportunities providing additional locations and activities where a student can work and receive VA work-study benefits.
- Revised definition of educational institution allowing more entities to offer VA approved training. This provision particularly affected businesses and organizations offering courses required for licensing and certification in high-tech occupations.

The 106th Congress improved the VA education benefit program by enacting a provision allowing servicemembers to receive Montgomery GI Bill benefits for any tuition or school expenses not paid by the military service through their tuition assistance program. This same Congress passed legislation to:

Objective 2.2

- Pay benefits for some licensing and certification tests;
- Allow servicemembers to add to their Montgomery GI Bill eligibility accounts for an additional benefit when going to school; and
- Eliminate the requirement that Montgomery GI Bill eligibility be based on the initial period of active duty. This provision allows more veterans to become eligible for benefits.

The education program is focused on providing education beneficiaries with meaningful educational or training opportunities, adequate financial assistance, access to benefit information and specialists, and convenient self-service opportunities. VA will:

- Improve access and dissemination of information. While more can and will be done, veterans and reservists are currently able to access some benefit information and verify school enrollment through the Internet. Veterans, reservists, and other interested parties can also use the Internet to ask questions regarding the use of education benefits. VA has already provided students with toll-free telephone access to the Regional Processing Offices (RPO).
- Simplify the administrative rules and regulations governing the application and eligibility determination process.
- Assess the work processes, organizational structure, performance measures, and related workforce factors to improve operational effectiveness and efficiency. VA will use innovative information management and technologies, as well as partnerships with training institutions, to improve service to veterans. We are currently modifying work processes through the development of “expert”

systems referred to as TEES. The organizational structure was modified by consolidation to four RPOs.

- Build or enhance partnerships with the DoD, educational institutions, and other organizations to improve delivery of education benefits. In the near future, VA will deploy eCert, a web-based solution that provides school officials access to important benefit information about their students.
- Provide information about the Montgomery GI Bill at entry on active duty. At various periods during military service, servicemembers are provided additional information related to educational benefits.

Since on-the-job-training (OJT) and apprenticeship programs appeared to be underused, Congress, in Public Law 107-104, mandated that State approving agencies actively promote the development of programs of training on the job. The current Congress is considering legislation that addresses OJT and apprenticeship issues. They are considering an increase in benefits for individuals pursuing apprenticeship or OJT as well as incentives for early program completion and modification of benefit entitlement charges. They are also considering a provision to address the need for coordination of data among the Departments of Veterans Affairs, Defense, and Labor with respect to on the job training.

External Factors:

- Education Costs – Cost of education may continue to increase at current or higher rates.
- Statutory Changes – Benefits levels may not keep pace with education costs; thereby impacting on the program’s ability to achieve the outcome to “assist in obtaining affordable higher education.” As a result, statutory changes

- may be required to encourage greater participation by eligible veterans who are currently unable to use their benefits because of personal economic reasons.
- Technology – Emerging technologies are likely to increase the demand for education and training for veterans.
- Recruitment and Retention Variables – DoD recruitment and retention variables affect, and are affected by, VA’s education program.
- Demographics – Changing veterans characteristics and demographics suggest education and training needs are different for new veterans.

Performance Measures

Objective 2.2		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
<i>Education Program Usage Rate</i>	<i>MGIB Usage Rate</i>	60%	70%
<i>Enhancement of Education or Career Goals</i>	<i>Percent of participants who believe their educational and / or career goals have been enhanced as a result of the program</i>	*	75%
<i>Attainment of a degree or certificate by participant</i>	<i>Percent of participants that earned a diploma or certificate</i>	*	*
Service Delivery Measures			
<i>Speed</i>	<i>Number of days to process original claims</i>	27	10
	<i>Number of days to process supplemental claims</i>	12	7
<i>Accuracy</i>	<i>Payment accuracy rate</i>	97%	97%
<i>Customer Satisfaction</i>	<i>Percent of high ratings received from customers</i>	87%	95%
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal Two

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

Objective 2.3

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

Purpose and Outcomes:

The purpose of VA's Loan Guaranty Program is to help veterans and active duty personnel purchase and retain homes in recognition of their service to the Nation. The outcomes for the Loan Guaranty Program are to:

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

Home loan origination volume is expected to be stable in FY 2003 and FY 2004. VA guaranteed over 317,000 loans in FY 2002, and expects to guarantee approximately 248,000 loans in FY 2008.

Performance Measures

Objective 2.3	Outcome Measures	Performance Targets	
		FY 2004	FY 2008
Home Purchase	Percent of active duty personnel and veterans that could not have purchased substantially the same home without VA assistance	*	80%
Foreclosure Avoidance	Foreclosure avoidance through serving (FATS) ratio	45%	47%

** Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.*

Strategies and Processes:

VA will implement the following strategies to ensure that veterans receive the assistance they deserve when purchasing a home, have the opportunity to retain their homes, and receive world-class service:

- VA will provide veterans with easy access to information and the opportunity to interact with VA for benefits and services, at a convenient time and place.
- VA will build or enhance crosscutting partnerships with the private lending institutions and other organizations to improve delivery of home loan benefits.
- VA will design and implement information systems that integrate with the systems of our lender partners and other key organizations to optimize service delivery of loan guarantee benefits.

External Factors:

- Economy - A significant downturn in the economy nationwide, or in specific areas of the country, would have an adverse effect on the ability of veterans to obtain or retain their homes.

Strategic Goal Three

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

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



Objective 3.2 -- Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standards of living and sense of dignity.



Objective 3.3 -- Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.

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



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

Veterans will have dignity in their lives, especially in time of need, through the provision of health care, pension programs and life insurance and the Nation will will memorialize them in death for the sacrifices they have made for their country. VA will achieve this goal by improving the overall health and providing a continuum of health care for all enrolled veterans and eligible family members. VA will ensure that the burial needs of veterans and eligible family members are met, and provide veterans and their families with timely and accurate symbolic expressions of remembrance.

Strategic Goal Three

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

Objective 3.1

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

Purpose and Outcomes:

The purpose of this objective is to provide health care for all veterans enrolled in the VA health care system with priority access to veterans with service-connected disabilities rated 50 percent or more. VA's health care system, through the auspices of the Veterans Health Administration (VHA) and its network of 21 Veterans Integrated Service Networks (VISNs), is organized to deliver a comprehensive spectrum of health care serving the needs of America's veterans by providing a full continuum of patient-centered medical, surgical, psychological and social services. The VA health care system is designed to treat the "whole veteran." These services are provided through preventive and outpatient care, inpatient care, specialized care, and related medical and social support services. Examples of these services include programs such as primary care, the full range of acute inpatient services, long-term care, hospital-



based home care, specialized care, adult day care, and respite and hospice services.

VA will work to guarantee that the needs of special populations of veterans are met, such as women, minority, and Gulf War veterans. VA will assess the needs of special populations of veterans and promote the use of programs and services to which they are entitled.

The quality of these services is paramount to VA. VA will continue to drive toward the highest quality health outcomes by using the best scientific evidence available in clinical practice. VA will also use a comprehensive performance management system that aligns with the Department's overall vision, mission, and strategic goals and objectives. This management system will also measure progress in meeting those quantifiable objectives. VA has set national benchmarks for the quality of preventive and therapeutic health care services that exceed U.S. Government Healthy People 2010 goals and private sector performance.

It is projected that the number of veterans desiring enrollment in the VA health care system will increase from 4.7 million veterans in FY 2000 to 8.3 million in FY 2008.

To ensure VA has the capacity to care for veterans for whom our Nation has the greatest obligation – those with military-related disabilities, lower-income veterans or those needing specialized care such as blind or spinal cord injury rehabilitation – additional enrollments for veterans with the lowest

statutory priority, Priority 8, have been suspended. This suspension is subject to annual review. Priority 8 veterans already enrolled may continue use of the VA health care system. At the same time, VA will continue to diversify its funding base. Through the VA + Choice initiative, VA health care will be made available to Medicare eligible veterans with cost reimbursement provided by the Department of Health and Human Services. As VA's more diversified funding base matures and stabilizes, VA will be able to expand capacity to best serve all veterans.

VA expects to continue to develop its national, integrated health care delivery system. The future system will provide opportunities for VA to function together and, in concert, with public and private health care facilities to meet the health care needs of the enrolled population and to minimize duplication of services. This health care system will continue to promote satisfaction, efficiency, assure high quality care, and provide optimal access for the veteran population. VA will strive to achieve a level of quality and access that sets a national standard of excellence for the health care industry.

Strategies and Processes:

VA will pursue a number of strategies to achieve this objective:

VA will continuously improve the quality and safety of health care for veterans to be the benchmark for health care outcomes. VA will lead the advancement of knowledge and the practice of quality and patient initiatives to include: (a) using preventive medicine practices and guidelines for chronic disease management; (b) increasing the use of automated systems to reduce the likelihood of errors; and (c) developing a culture of error reporting, analysis, and learning. We will identify high-quality evidence-based medical care and continue to measure clinical processes and outcomes to assure and improve the delivery of high quality care. The image of VA as our Nation's premier health care system will continue to be enhanced.



VA will improve patients' satisfaction with their VA health care by implementing "service-recovery" with standardized patient satisfaction surveys that provide real-time results and data aggregation and reporting. Information and other technologies such as telehealth used in the HealthVet initiative will be applied to streamline administrative, business, and care delivery processes to improve care provider and patient interface, minimize wait times, and reduce the incidence of errors. HealthVet allows veterans to be partners and take a more active role in their own health care. VA providers will be able to track patient-centered metrics such as blood pressure, blood glucose, weight, and pulse without having to wait and see the patient in person. This will enable providers to avert problems more quickly.

VA is working to improve access to clinic appointments and timeliness of service. We continue efforts to develop ways to reduce waiting times for appointments in primary care and key specialty clinics nationwide. Past experience in measuring access has led to the development of a number of new access measures that will provide even more detail into waiting times for both specialty clinic appointments and new enrollees.

VA will improve access, convenience, and timeliness of VA health care services. VA will provide incentives for ongoing, continuous health care system redesigns to streamline work, and to analyze, identify, and promulgate

Objective 3.1

improved health care practices. VA will work with state agencies, especially in long-term care services, to reduce the redundancies and gaps in veterans' services.

Timely, accurate, and affordable access to prescription drugs is a critical element of patient safety, well-being, and satisfaction. Access to prescription drug benefits is a rapidly growing area of demand for our enrolled veteran population. Through VA's Consolidated Mail Out Pharmacy (CMOP) program, veterans are able to conveniently refill prescriptions by mail. Availability of this benefit has helped drive veteran enrollment in the VA health care system in the last 3 years.

VA will create a health care environment characterized by patient-centered services where individual health care decisions are made on the basis of current medical knowledge, consistent with patients' informed preferences and needs. We will implement initiatives to support shared decision-making and patient empowerment. Interactive technology strategies will be implemented to provide care in the least restrictive environments to allow patients and families maximum participation in disease management and health maintenance.

A large percentage of veterans enrolled in the VA health care system have one or more chronic diseases. As a means to improve our management of chronic diseases, VA will follow nationally recognized clinical guidelines for treatment and care of patients with one or more high-volume diagnoses. This will result in improved health outcomes for veterans. To assess our progress and results associated with our treatment of patients with chronic diseases, VA will use the Clinical Practice Guidelines Index. This is a composite measure comprised of seven evidence and outcomes-based indicators for high-prevalence and high-risk diseases that have significant impact on overall health status. The indicators within the Index include ischemic heart disease, hypertension, chronic obstructive pulmonary disease, diabetes mellitus, major

depressive disorder, schizophrenia, and tobacco use cessation.

VA will continue to implement a comprehensive program of education and outreach in the area of preventative medicine. We will proactively reach out to veterans to ensure that they are informed about the importance of receiving screening for illnesses such as influenza, Pneumococcal pneumonia, and various forms of cancer. We will also provide information and counseling services regarding tobacco consumption, alcohol, and substance abuse. VA is also the leader in hepatitis C screening, testing, treatment, research, and prevention. The VA National Hepatitis C Program works to ensure that patients with or at risk for hepatitis C virus infection receive the highest quality health care services. VA will ensure the consistent delivery of health care by implementing standard measures for the provision of preventive care. The prevention measure includes several indicators that allow comparison of VA and private health care outcomes. VA will use the Prevention Index II described in objective 1.1 to assess the results of our initiatives in the area of preventive medicine under this objective for all veterans that participate in our health care system.

Over the past 5 years, there has been greater focus on VA's ability to meet the increasing need for long-term care for aging veterans. Eligibility for extended, institutional benefits is prescribed by statute and is increasingly reserved for the highest priority veterans. VA has responded to the need for long-term care through new initiatives to invest in home and community-based care, State Veterans Homes, and assisted living situations, as well as attempts to revitalize the community nursing home program. VA will increasingly emphasize rehabilitation efforts after hospitalization, where appropriate, as an alternative to institutionalization, in order to better facilitate patients returning to their community and, if possible, to their own home environment.



VA is currently enhancing the actuarial long-term care model to better capture the latest trends of utilization and reliance for the full spectrum of services to meet the long-term care needs of the aging veteran. The enhancement will reflect latest survey results, trended disability and use rates, an adjustment for marital status and an analysis of the relationship between nursing home care and home and community-based care. The work is guided by a steering committee and includes a workgroup (with representatives from the CARES Planning Office, VA Office of Actuary and long-term care experts from the field). Deliverables are in two phases, preliminary estimates in July 2003 and final estimates by March 2004.

Crosscutting Efforts in Health Care

VA will continue its partnership with DoD to develop an interoperable VA/DoD medical information system and ensure the availability of veterans' active duty health records to VA care providers. VA will continue working with DoD to implement clinical practice guidelines to assure continuity of health care and seamless transition for a patient moving from active military duty to veteran status. Collaboration will continue on the development of joint guidelines and policies for the delivery of high-quality care and

assurance of patient safety; joint training in multiple disciplines including ancillary services; and exploration of opportunities to enhance collaborative activities in Graduate Medical Education. In addition, VA and DoD will identify and foster opportunities for sharing information and resources in the areas of deployment health surveillance, assessment, follow-up care, and health risk communications.

VA is working to improve medical linkages through participation in the Joint Working Group on Telemedicine. VA collaborates with HHS to develop non-VA benchmarks for bed-days of care that are obtained from the Centers for Medicare and Medicaid Services (CMS) database. VA is able to obtain data on ambulatory procedures from the National Center for Health Statistics.

To maximize resources available for direct patient care, VA collaborates with many agencies (DoD, Department of Agriculture, GSA, Indian Health Service, National Park Service, the Merchant Marine Academy, and others) to determine its facility infrastructure and real property utilization, allocation of excess property, and acquisition of energy and utility services.

External Factors:

The strategy to ensure the consistent delivery of health care by implementing standardized health practices depends upon both electronic and external reviews of care by the External Peer Review Program (EPRP). The EPRP is a contracted, on-site review of clinical records and serves as a functional component of VA's quality management program. VA will continue to participate with DoD in the joint development and implementation of clinical practice guidelines. These guidelines must have a long-range view toward assuring continuity of care and seamless transition for a patient moving from one system to the other. Enactment of legislation authorizing VA to bill Medicare for health care provided to certain veterans is considered essential.

Performance Measures

Objective 3.1		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Clinical Practice Guidelines Index	<i>Improve Performance on Clinical Practice Guidelines Index</i>	78%	82%
Prevention Index II	<i>Increase the scores on Prevention Index II</i>	80%	85%
Quality of Health Care Service	<i>Increase the percent of inpatients and outpatients rating VA health care service as very good or excellent</i>	<i>Inpatient</i> 68%	<i>Inpatient</i> 72%
		<i>Outpatient</i> 70%	<i>Outpatient</i> 72%
	<i>Total number of diabetics who receive the HbA/c blood test in the past year of all VA diabetes patients</i>	93%	*
Service Delivery Measures			
Long-Term Care	<i>Increase non-institutional long-term care as expressed by average daily census</i>	32,694	42,600
Access and Service Delivery	<i>Percent of patients who report being seen within 20 minutes of a scheduled appointment at VA health care facilities</i>	63%	90%
	<i>Average waiting time for new patients seeking primary care clinic appointments</i>	30 days	30 days
	<i>Average waiting time for next available appointment in primary care clinics</i>	34 days	30 days
	<i>Average waiting time for next available appointment in specialty clinics</i>	30 days	30 days
	<i>Average number of appointments per year per FTE</i>	2,824	*
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal Three

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

Objective 3.2

Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standards of living and sense of dignity.

Purpose and Outcomes:

The Nation recognizes its obligation to veterans who defended the country during wartime. VA's Pension Program ensures basic dignity for needy wartime veterans. The purpose of the Pension Program is to provide monthly payments to needy wartime veterans who are permanently disabled as a result of disabilities not related to military service. The pension program also provides monthly payments, as specified by law, to needy surviving spouses and dependent children of deceased wartime veterans. The outcomes identified for the monetary payment of pension benefits are to:

- Ensure veterans and their families get the information and help they need to access, understand, and participate in the Pension Program and related health care options;
- Provide entitled wartime veterans and survivors the income they need to afford the basic necessities of life;
- Ensure pensioners and their families can rely on the financial continuity and stability of VA pension in time of need; and

- Ensure VA pensioners are accorded the dignity and respect earned through a veteran's service to our Nation during wartime.

The number of veterans and survivors in receipt of pension benefits will decline slightly from FY 2002 to FY 2008. At the end of FY 2002, there were approximately 346,000 veterans and 228,000 survivors receiving pension benefits. By the end of FY 2008, VA expects that 335,000 veterans and 184,000 survivors will be receiving pension benefits.

Strategies and Processes:

VA will implement the following strategies to ensure veterans and their survivors have a standard of living that provides for basic dignity in their lives and the delivery of world-class service to wartime veterans:

- VA will provide veterans and survivors with easy access to information and the opportunity to interact with the VA for benefits and services, at a convenient time and place.
- VA has centralized the pension claims process at three regional sites located in Milwaukee, St. Paul, and Philadelphia. By centralizing the process and using the Virtual VA system, VA is enhancing workforce skills. We expect to continue an improvement in quality and timeliness of pension claims processing, and ultimately improved veterans' satisfaction.
- Stakeholder involvement is critical in the determination and development of outcomes for all VA benefit programs. To date, VA has developed interim outcomes

Objective 3.2

for the Pension Program and will finalize these program outcomes and develop performance measures and targets through program evaluations, program reviews, and further consultations with our stakeholders.

External Factors:

- Legislation — Legislation may be required to achieve anticipated program outcomes.

Performance Measures

Objective 3.2		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Pension	<i>Percent of pension recipients who were informed of the full range of available benefits</i>	*	60%
	<i>Percent of pension recipients who rely on SSI in addition to VA pension</i>	25%	15%
	<i>Percent who said their claim determination was very or somewhat fair</i>	53%	75%
	<i>Percent of pension recipients who are satisfied that the VA recognized their service to the Nation</i>	40%	70%
Service Delivery Measures			
Speed	<i>Average number of days to process rating-related actions</i>	91	78
Accuracy	<i>National accuracy rate (core rating work)</i>	93%	98%
Customer Satisfaction	<i>Overall Satisfaction</i>	70%	90%
C&P	<i>Percent of blocked calls</i>	3%	2%
	<i>Percent of abandoned calls</i>	3%	3%
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal Three

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 policy holders and their beneficiaries to enhance the financial security for veterans' families.

Purpose and Outcomes:

Servicemembers placed in harm's way do not have the same access to life insurance benefits as those citizens who do not serve their Nation. Also, veterans with disabilities cannot obtain comparable insurance coverage as compared to healthy individuals. The purpose of VA's insurance programs is to provide those benefits that servicemembers and veterans cannot obtain. The outcome of the VA insurance programs is the additional financial security provided to active duty personnel and their families through life insurance coverage and options to veterans and servicemembers that are competitive and comparable to healthy individuals and those who do not have military service. The four insurance programs currently available are:

- Service-Disabled Veterans Insurance (S-DVI) – Providing insurance coverage and services to disabled veterans and their families;
- Servicemembers Group Life Insurance (SGLI) – Providing insurance coverage and services to active duty and reserve members of the uniformed services and their families;
- Veterans Group Life Insurance (VGLI) – Providing term insurance options to veterans transitioning from active duty; and

- Veterans Mortgage Life Insurance (VMLI) – Providing mortgage life insurance to severely disabled veterans.

VA has developed outcomes for the insurance programs, utilizing program evaluations and program reviews. The outcomes for the VA Insurance Programs are:

- S-DVI - Insurance coverage available at standard premium rates for a reasonable time period following release from service and establishment of a service-connected disability;
- SGLI – Insurance coverage and conversion privileges unaffected by military service, are available to servicemembers and are comparable to group life insurance offered by large-scale employers to their employees and their families;
- VGLI – Term insurance is available to separating servicemembers that is comparable to what a healthy individual could obtain in the commercial insurance market; and
- VMLI – Veterans with severe service-connected disabilities can purchase mortgage life insurance comparable to that offered by commercial companies to healthy individuals.

The number of veterans, servicemembers, spouses and children VA serves will decline steadily as World War II, Korean Conflict, and Vietnam Era veterans age and die. At the end of FY 2002, VA served approximately 4.5 million servicemembers and veterans and 3.1 million

Objective 3.3

spouses and children. By 2008, that number is expected to decline to approximately 3.8 million servicemembers and veterans and 3.1 million spouses and children.

Strategies and Processes:

VA will implement the following strategies to assist active duty members, reservists, and veterans to obtain life insurance coverage and benefits and receive world-class service:

- VA will provide life insurance benefits and services in an accurate, timely and courteous manner and at the lowest achievable cost;
- VA will provide veterans with easy access to information and the opportunity to interact with VA for benefits and services at a convenient time and place. Through the Internet and through enhanced telephone service, veterans and beneficiaries can access information and provide information to the VA about their insurance policies; and



- Through enhanced partnerships with DoD and other organizations, VA will inform servicemembers of insurance benefits and services as they enter duty and as they transition to civilian life, and use improved interactions through outreach to thereafter service their policies.

External Factors:

- Legislation – Continuing to keep pace with insurance coverage amounts and competitive rates will require legislation.

Performance Measures

Objective 3.3		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
S-DVI	Percent of veterans that report they are ensured that service connected disabilities will not prevent them from obtaining a reasonable amount of life insurance at standard premium rates for a reasonable time period following release from service and establishment of service-connected disability	*	100%
SGLI	Percent who report that insurance coverage and conversion privileges unaffected by military service, are available to servicemembers and are comparable to group life insurance offered by large-scale employers to their employess and their families	*	100%
VGLI	Percent who reported that term insurance is available to separating servicemembers that is comparable to what a healthy individual could obtain in the commercial insurance market	*	100%
VMLI	Percent of veterans with severe service-connected disabilities who state they can purchase mortgage life insurance comparable to that offered by commercial companies to healthy individuals	*	100%
Service Delivery Measures			
Customer Satisfaction	Percent of high veteran satisfaction ratings	95%	95%
	Percent of low veteran satisfaction ratings	2%	2%
Speed	Average number of days to process disbursements	2.7	2.7
Telephone	Blocked call rate	2%	1%
	Average hold time	20 seconds	20 seconds
<p><i>* Denotes that the baseline is currently being developed, and the FY 2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Strategic Goal Three

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.

Purpose and Outcomes:

The purpose of this program is to ensure that the burial needs of our Nation's veterans and eligible family members are met.

Annual interments in the VA national cemeteries are projected to increase from 91,000 in FY 2003 to 110,000 in FY 2008, an increase of 21 percent. VA projects a steady increase in cremation interments from 36.8 percent in September 2002 to 38 percent in 2008.

The outcomes identified to achieve this objective are to:

- Increase access by establishing additional national cemeteries in areas not served;
- Expand existing national cemeteries to continue to provide service to meet projected demand, including the development of columbaria and the acquisition of additional land; and
- Develop alternative burial options consistent with veterans' expectations.

Strategies and Processes:

VA will pursue the following strategies to achieve this objective:

- VA will be developing new national cemeteries to serve veterans in the areas of Atlanta, Georgia; Detroit, Michigan; South Florida; Pittsburgh, Pennsylvania; and Sacramento, California.
- VA will expand existing national cemeteries by completing phased development projects in order to make additional gravesites and/or columbaria available for interments.
- National cemeteries that will close due to depletion of burial space will be identified to determine the feasibility of extending the service period of a cemetery by the acquisition of adjacent or contiguous land, or by the construction of columbaria.



- State veterans cemeteries will be established or expanded to complement VA's system of national cemeteries. VA administers the State Cemetery Grants Program (SCGP) which provides grants to states for establishing, expanding, or improving state veterans cemeteries, including the acquisition of initial operating equipment.
- 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 will not have reasonable access to a burial option in a national or state veterans cemetery and the number of additional cemeteries required to meet veteran burial needs through 2020. Volume 1 of the study, *Future Burial Needs*, published in May 2002, identifies those areas having the greatest need for burial space for veterans. This report will serve as a valuable planning tool for new national cemeteries.
- VA will also continue to provide high-quality, responsive service in all contacts with veterans, their families and friends, and other visitors. These contacts include scheduling the interments, greeting the corteges and bereaved families for the committal services, and providing information about the cemetery and the location of specific graves.
- While VA does not provide military funeral honors, national cemeteries facilitate the provision of military funeral honors and provide logistical support to military funeral honors teams. VA also works closely with the different military services of DoD and veterans service organizations to provide military funeral honors at national cemeteries.
- VA will continue to elicit feedback from veterans, their families, and other customers to ascertain how they perceive the quality of service provided by the national cemeteries. Since 2001, an annual nationwide mail survey, *Survey of Satisfaction with National Cemeteries*, has been VA's primary source of customer satisfaction data regarding national cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. The information is used in the strategic planning process to develop additional strategies for improving service delivery.
- To accommodate and better serve its customers, VA has designated Jefferson Barracks National Cemetery as the primary cemetery to provide weekend scheduling of interments in national cemeteries for specific times in the ensuing week.
- To further enhance access to information and improve service to veterans and their families, VA will continue to install kiosk information centers at national and state veterans cemeteries to assist visitors in finding the exact gravesite locations of individuals buried there. To date, VA has installed 45 kiosks at national and state veterans cemeteries. In addition to providing visitors with a cemetery map for use in locating the gravesite, a kiosk information center provides general information such as the cemetery's burial schedule, cemetery history, burial eligibility, and facts about VA's National Cemetery Administration.

Objective 3.4

External Factors:

- VA has established partnerships with states to provide veterans and their eligible family members with burial options. It is difficult to project future activity for this program because requests for grants are generated from individual states. A state must enact legislation to commit funding to a project that will serve a clearly defined population and require state funds for maintenance in perpetuity.
- Veterans and their families may experience feelings of dissatisfaction when their expectations concerning the committal service (including military funeral honors) are not met. Dissatisfaction with services provided by the DoD (military funeral honors) or the funeral home can adversely affect the public's perceptions regarding the quality of VA service.

Performance Measures

Objective 3.4		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Percentage of Veterans Served	<i>Percent of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance (75 miles) of their residence</i>	81.6%	85.2%
	<i>Percent of veterans served by a burial option in a national cemetery</i>	74.1%	72.6%
	<i>Percent of veterans served only by a state veterans cemetery burial option</i>	7.5%	12.6%
Service Delivery Measures			
Quality of Service	<i>Percent of respondents who rate service provided by the national cemeteries as excellent</i>	97%	100%

Strategic Goal Three

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.

Purpose and Outcomes:

The purpose of this objective is to recognize the sacrifices of our Nation's veterans and their families by providing timely and accurate symbolic expressions of remembrance. The amount of time it takes to mark the grave after an interment is extremely important to veterans and their family members. 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. Delivery of this benefit is not dependent on interment in a national cemetery.

Strategies and Processes:

VA will continue to provide headstones and markers for the graves of eligible persons in national, state, and other public and private cemeteries. In addition, VA will continue to ensure Presidential Memorial Certificate delivery is accurate and timely. A Presidential Memorial Certificate conveys to the family of the veteran the gratitude of the Nation for the veteran's service. VA also provides American flags to drape the caskets of eligible veterans. Delivery of these benefits is not dependent on interment in a national cemetery.

VA strives to mark graves in its national cemeteries within 60 days of interment. We have also begun to develop the mechanisms necessary to measure the timeliness of providing headstones or markers for the graves of veterans who are not buried in VA national cemeteries. VA plans to assess data collection procedures to ensure that data collected to measure timeliness of delivery of headstones and markers are accurate, valid, and verifiable.

VA will improve accuracy and operational processes, reducing the number of inaccurate or damaged headstones and markers delivered to cemeteries. VA will use, to the maximum extent possible, state-of-the-art technology to automate its operational processes. Online ordering using VA's Automated Monument Application System – Redesign (AMAS-R) and electronic transmission of headstone and marker orders to contractors are improvements that will increase the efficiency of the headstone and marker ordering process.

VA's chaplain service will also be available to conduct regular memorial services for families in health care facilities and at national cemeteries.

External Factors:

Headstones and markers are supplied by outside contractors throughout the United States whose performance greatly affects the quality of service provided to veterans and their families. The timeliness of delivery of headstones and markers is dependent not only on the performance of the manufacturer, but also on the performance of the contracted shipping agent. Extremes in weather, such as periods of excessive rain or snow, or extended periods of freezing temperatures that impact ground conditions, can also cause delays in the delivery and installation of headstones and markers.

Performance Measures

Objective 3.5	Service Delivery Measure	Performance Targets	
		FY 2004	FY 2008
Headstones and Markers	<i>Percent of graves in national cemeteries marked within 60 days of interment</i>	70%	90%

Strategic Goal Four

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

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



Objective 4.2 -- Advance VA medical research and development programs that address veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the Nation's knowledge of disease and disability.



Objective 4.3 -- Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.



Objective 4.4 -- Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veteran's benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.



Objective 4.5 -- Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

VA will support the public health of the Nation as a whole through medical research, medical education and training, and serving as a resource in the event of a national emergency or natural disaster. VA will support the socioeconomic well-being of the Nation through the provision of education, vocational rehabilitation, and home loan programs. VA will also preserve the memory and sense of patriotism of the Nation by maintaining our national cemeteries as national shrines and hosting patriotic and commemorative ceremonies and events.

Strategic Goal Four

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

Objective 4.1

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

Purpose and Outcomes:

The purpose of this objective is to ensure that, in times of war or national emergency, VA continues to operate and provide services to veterans and also contributes to the national response capability. VA's efforts will be coordinated with the Department of Homeland Security, DoD, HHS, and other government agencies. The program outcome is to train VA Central Office, field-based officials, emergency planners, and key personnel on VA's Continuity of Operations plan.

Strategies and Processes:

VA will improve plans, training, and other advanced approaches to prepare for any potential contingencies. VA will develop and maintain appropriate emergency operations capability to ensure focused, coordinated emergency response and to integrate VA emergency operations with the Department of Homeland Security and other government agencies, and will ensure that information technology is available to support this effort. VA will continue to maintain readiness as required by Public Law 97-174, and implement the Memorandum of Understanding between VA and DoD which requires joint plans and procedures for using the VA medical system as the primary backup to DoD during war and other national emergencies. VA will continue to

support the VA/DoD Contingency Plan and the National Response Plan, to include the National Disaster Medical System (NDMS). This collaboration includes coordinating individual agency response plans and supporting local, state, regional, and national incident management systems. VA and DoD will also collaborate in the training and education of health care responders and identify opportunities to provide medical readiness training and platforms for first responders and military medical personnel.

VA will carry out its Comprehensive Emergency Management Program (CEM) to include continuity of operations that will require: (1) annual testing, training, and exercises, (2) preparing alternate operating capability, (3) identifying designated emergency planners within VA, (4) tracking emergency pharmaceutical caches, and (5) tracking decontamination equipment and personal protective equipment.

The CEM will be designed to enable VA to respond to a wide range of potential emergencies including:

- an attack on the United States;
- natural, environmental, and technological disasters;
- civil disorders; and
- terrorism.

VA will be prepared to respond to disasters and national emergencies. VA will partner with other Federal, state, and community agencies to develop a national emergency preparedness plan that clearly articulates VA's role and capabilities to respond to emergencies. VA will conduct training and emergency preparedness drills using standardized scenarios consistent with VA's Emergency Management Program Guidebook.

External Factors:

The necessity for VA to achieve this objective was made clear with the events of September 11, 2001. External factors that will affect VA's achievement of this objective will include the level of funding and support of Congress and the development of new technology, equipment, and medical interventions.



Performance Measures

Objective 4.1	Outcome Measures	Performance Targets	
		FY 2004	FY 2008
Emergency Management	<i>VA's Readiness Operations Center (ROC) (Sites A& B) will be fully capable of 24/7 coverage and capable of fully functioning as the VA's primary ROC. Site B will be capable of taking over Site A within 6 hours</i>	90%	95%
	<i>Percent of group / emergency preparedness officials (VA Crisis Response Team (CRT) members, Advanced COOP, and COOP Planners) who receive focused training or participate in exercises relevant to VA's COOP plan</i>	95%	100%

Strategic Goal Four

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

Objective 4.2

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

Purpose and Outcomes:

The purpose of this objective is to advance medical research and development programs in ways that support veterans' needs and contribute to the Nation's medical and scientific knowledge base as a public good. VA will pursue medical research areas that most directly address the diseases and conditions that affect veterans. VA research will also serve as a public good by providing benefits to the Nation as a whole in improving medical knowledge of disease and disability.

Strategies and Processes:

VA will increase provider and veterans' knowledge of the impact of military service on health care. VA will intensify efforts to implement the Veterans' Health Initiative (VHI). Veterans' military history and potential consequences of service will be fully incorporated into the Computerized Patient Record System (CPRS). VA will develop, distribute, and promote orientation videos for incoming medical staff and other health care trainees.

VA will conduct medical research that leads to demonstrable improvements in veterans' health. Full research compliance and standardized protection of human subjects will be maintained. VA will increase the proportion of research



funding directed to projects addressing veteran-related issues, cooperative studies, and translational research. Support for "translational research" such as Quality Enhancement Research Initiative (QUERI) will be strengthened.

Crosscutting Activities

All research conducted in VA facilities is subject to the regulations of other Federal agencies as well as to VA's own regulations. VA will work closely with the National Institutes of Health (NIH) and HHS on joint studies funded by NIH. Similarly, VA will work closely with the Food and Drug Administration on human studies funded by pharmaceutical companies in support of new pharmaceutical or device applications. Sharing research and development will be aggressively supported and encouraged between VA and DoD. VA and DoD will explore military and veteran-related health research to include deployment health issues. In addition, VA and DoD will establish a forum for the sharing of best practices in health research and develop a mechanism to ensure that research outcomes are shared throughout the Departments.

External Factors:

Among the external influences that may affect the future direction of the Research and Development Program are the Congress and advisory committees. In recent years, Congress has consistently demonstrated its support for adequate VA research funding and has taken specific actions to substantially augment VA's appropriations for research. We expect Congress to maintain a high degree of interest in VA research by devoting more oversight on VA's spending of research dollars.

Performance Measures

Objective 4.2	Outcome Measures	Performance Targets	
		FY 2004	FY 2008
Research	<i>Maintain the percent of research projects devoted to Designated Research Areas</i>	99%	99%

Strategic Goal Four

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

Objective 4.3

Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.

Purpose and Outcomes:

VA will form partnerships with the Nation's academic community to provide training and education to medical residents and other health care trainees. The quality of health care provided to veterans is enhanced as a result of these partnerships. VA has affiliations with 107 medical schools and over 1,200 educational institutions. In FY 2002, clinical training at VA facilities was provided to over 81,000 residents, fellows and students including approximately 28,000 physician residents and fellows; 17,000 medical students; 16,000 nursing students; and 18,000 allied health residents and students.

Strategies and Processes:

VA will promote excellence and innovation in the education of future health care professionals. VA will work with the academic community to improve the training and awareness in military health related issues. We will provide appropriate support for training, education, and resident supervision.

External Factors:

Changes in VA's academic training programs may be affected by VA's ability to remain a desirable academic training partner. The future of medicine in VA is shaped by scientific, social, and economic trends that occur in society, often out of the control of the VA health care system.

Performance Measures

Objective 4.3	Outcome Measures	Performance Targets	
		FY 2004	FY 2008
Medical Training	<i>Increase medical residents' and other trainees' scores on a VA survey assessing the value of their clinical training experience</i>	82	85

Strategic Goal Four

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 veteran's benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.

Purpose and Outcomes:

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

The array of benefits and services provided by VA has a direct impact on the lives of veterans and beneficiaries. Each benefit program has specific outcomes used to assess program results. However, VA benefit programs also contribute to the socioeconomic well being of the Nation. For example, a disabled veteran completing the Vocational Rehabilitation and Employment Program or a veteran who uses Montgomery GI education benefits can be expected to achieve a higher lifetime income than those who do not participate in the program. Moreover, it is imperative that veterans with disabilities who can work are supported in maximizing their full employment potential. The Veterans Employment Initiative focuses on educating selecting officials on hiring flexibilities that can be used to hire veterans with disabilities. It also assists veterans, including veterans with disabilities, in using veteran preference status when applying for jobs. VA has also linked its job website to military transition centers around the country to assist veterans in obtaining employment.

The Loan Guaranty Program enables veterans to purchase housing that has a positive impact on the national economy. The delivery of health care benefits and services has a positive effect on the overall well-being of the Nation and can facilitate longer, more productive lives for veterans.

Strategies and Processes:

The strategies identified in the objectives under Strategic Goals 1 through 3 also support this objective of contributing to the socioeconomic well-being of the Nation through contributions to Gross Domestic Product, social and economic status of veterans and their families, and health care of veterans and the Nation.

VA's Office of Small and Disadvantaged Business Utilization (OSDBU) will ensure compliance with the Small Business Act, as amended, requiring each Department to establish with the Small Business Administration (SBA) annual procurement goals for prime contract and subcontract awards to small businesses, small disadvantaged businesses, small women-owned businesses, 8(a) concerns, HUBZone concerns, and especially service-disabled, veteran-owned small businesses. Goals will be established in a timely manner at a level that meets or exceeds statutory minimums.

Public Laws 105-135 and 106-50 require VA to cooperate and support SBA and Department of Labor efforts to develop programs to assist veterans, with a focus on service-disabled veterans, to establish and maintain small businesses. VA's Center for Veterans Enterprise (CVE) and OSDBU will serve as liaison with SBA and DOL to implement these laws. VA plans to develop an expanded business assistance program for veteran-owned small businesses.

Objective 4.4

VA will also continue to provide accurate and timely information to the small businesses community on how, what, when, and where VA purchases goods and services. This will be done through print and electronic formats. VA will also participate in procurement conferences and sessions to train small businesses on VA's acquisition process and systems. VA will continue to make VA personnel aware of the Department's responsibilities to support small business through VA's acquisition program.

External Factors:

VA's small business goals are affected by government-wide acquisition reform efforts and are dependent upon effective interagency communication and collaboration.

Performance Measures

Objective 4.4		Performance Targets	
		FY 2004	FY 2008
Small Business Procurement Goals	<i>Percent of procurement achieved for each small business category:</i>		
	<i>Small Business</i>	*	35%
	<i>8(a) Small Disadvantaged Business</i>	*	5%
	<i>Women-owned Business</i>	*	6%
	<i>HUBZone Concerns</i>	*	3%
	<i>Service Disabled Veterans</i>	*	3%
	<i>Veteran-Owned Small Business</i>	*	7%

**Denotes that the baseline is currently being developed, and the FY2008 performance target may be modified based on the determination of the baseline data.*

Strategic Goal Four

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.

Purpose and Outcomes:

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

National cemeteries also carry expectations of appearance that set them apart from private cemeteries. Our Nation is committed to create and maintain these sites as national shrines, transcending the provision of benefits to an individual. As national shrines, VA's cemeteries serve a purpose that continues long after burials have ceased and visits of families and loved ones have ended.

A national shrine is a place of honor and memory that declares to the visitor or family member who views it that within its majestic setting each and every veteran may find a sense of serenity, of historic sacrifice, and nobility of purpose. Each visitor should depart feeling that the grounds, the gravesites, and the environs of the national

cemetery are a beautiful and awe-inspiring tribute to those who gave much to preserve our Nation's freedom and way of life.

Strategies and Processes:

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

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA to contract for an independent study to review various issues related to the National Shrine Commitment and its focus on cemetery appearance. Volume 3 of the study, *Cemetery Standards of Appearance*, was published in March 2002. Using the recommendations in the Volume 3 report and building on previous efforts, VA has established standards and measures by which the National Cemetery Administration can determine the effectiveness and efficiency of its operations. These standards and measures identify performance expectations in key operational processes such as interments, grounds maintenance, and headstones and markers.

Volume 2, *National Shrine Commitment*, which was published in August 2002, identified the one-time repairs needed to ensure a dignified and respectful setting appropriate for each national cemetery as well as recommendations to address deferred maintenance issues or preventive steps to minimize future maintenance costs. VA will use the information

Objective 4.5

in this report for addressing repair and maintenance needs at its national cemeteries.

VA will continue its partnerships with various civic organizations that allow volunteers to participate in maintaining the appearance of national cemeteries.

Under a joint venture with VA health care facilities, national cemeteries will continue to provide therapeutic work opportunities to veterans receiving treatment in the Compensated Work Therapy/Veterans Industries (CWT/VI) program.

VA will continue to obtain feedback to ascertain how our customers and stakeholders perceive the appearance of national cemeteries. Since 2001, the annual nationwide mail survey *Survey of Satisfaction with National Cemeteries*, has been VA's primary source of customer satisfaction data regarding national cemeteries. The survey collects data annually from family members and funeral directors who have recently received services from a national cemetery. The information gathered is used in the strategic planning process to develop additional strategies for improvement. VA will continue to conduct focus groups to collect data on stakeholder expectations and their level of satisfaction with the appearance of national cemeteries.

All national cemeteries are important sites for patriotic and commemorative events. VA will continue to host ceremonies and memorial

services at national cemeteries to honor those who made the supreme sacrifice. To preserve our Nation's history, VA will continue to conduct educational tours and programs for schools and civic groups. VA will develop videos and other outreach products that will be used as educational tools at national cemeteries. These outreach products, which will be available for viewing by the general public, will provide a history of the National Cemetery Administration and of VA cemeteries from their inception during the Civil War to the present.

VA will also enhance its partnerships with various civic organizations to promote patriotism and broaden public understanding and appreciation for the contributions of veterans in our Nation's history. New opportunities will be identified to educate the general public on veterans' history and the role of national cemeteries.

Since national cemeteries were established in 1862, they have become the sites of memorials erected to recall distinctive heroics, group burials, and related commemorations. These memorials range from modest blocks of stone, sundials, and tablets affixed to boulders to more sophisticated obelisks and single soldiers on granite pedestals. In 2002, VA initiated its first comprehensive inventory of memorials located in more than 100 national cemetery properties across the country. To complete this inventory, VA is partnering with Save Outdoor Sculpture! (SOS!), a non-profit organization with more than 10 years of experience using volunteers to survey public outdoor sculpture nationwide. In addition to gathering historical information about memorials, volunteers will document materials, dimensions, appearance, evidence of damage, and setting. The inventory will help VA prioritize conservation needs as well as develop a maintenance plan for all its memorials. When the project is complete, the inventory data will reside at VA as well as being publicly accessible online through another SOS! partner, the Smithsonian American Art Museum.



External Factors:

Maintaining the grounds, graves, and grave markers of national cemeteries as national shrines is influenced by many different factors. As time goes by, cemeteries experience a variety of environmental changes that may require extensive maintenance. Extremes in weather, such as excessive groundwater, rain, or drought, can result in or exacerbate sunken graves, sunken markers, soiled markers, inferior turf cover, and weathering of columbaria.

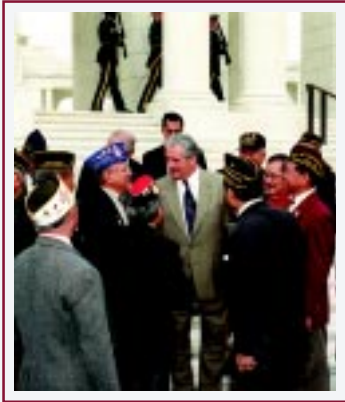
Performance Measures

Objective 4.5		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
National Shrine Commitment	<i>Percent of respondents who rate national cemetery appearance as excellent</i>	98%	100%
Service Delivery Measures			
National Shrine Commitment	<i>Percent of headstones and/or markers in national cemeteries that are the proper height and alignment</i>	*	90%
	<i>Percent of headstones, markers and niche covers that are clean and free of debris or objectionable accumulations</i>	*	90%
<p><i>* Denotes that the baseline is currently being developed, and the FY2008 performance target may be modified based on the determination of the baseline data.</i></p>			

Enabling Goal

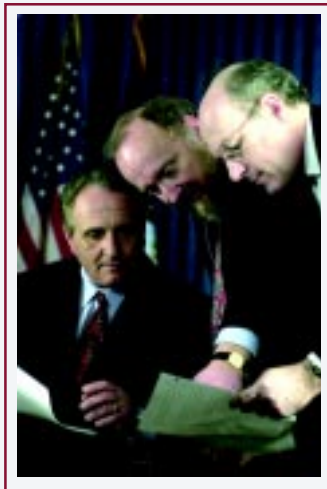
Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

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

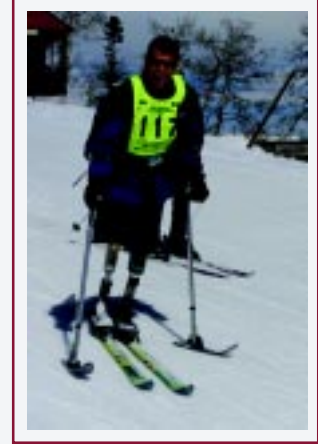


Objective E-3 -- Implement a One VA information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Objective E-2 -- Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.



Objective E-4 -- Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.



VA's enabling goal is different from the four strategic goals. The enabling goal and its corresponding objectives represent crosscutting activities that enable all organizational units of the VA to carry out the Department's mission. VA's functions and activities focus on enhancing the workforce assets and internal processes, improving communications, and furthering a crosscutting approach to providing seamless service to veterans and their families through an improved governance structure that applies sound business principles. As such, many of these functions and activities are transparent to veterans and their families. However, they are critical to our stakeholders and VA employees who implement our programs. VA will operate as an integrated veteran-centric organization. We will achieve this goal while ensuring full compliance with applicable laws, regulations, financial commitments, and sound business principles.

**** Note: Items highlighted with an asterisk (*) throughout the four objectives indicate areas that are directly related to implementing the President's Management Agenda. For more details, see Appendix 2.***

Enabling Goal

Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-1

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

Purpose and Outcomes:

Employees are the foundation of the Department of Veterans Affairs and the key to its success. The purpose of this objective is to ensure that VA has the workforce it needs to serve veterans and their families, today and in the future. The 21st Century presents VA with an unprecedented set of human capital challenges — an aging workforce, a shifting and expanding mission, a tight and competitive labor market, and the emergence of profound new technologies that present both risks and opportunities. VA's ability to capitalize on these challenges will determine the extent to which the goals and strategies laid out in this strategic plan are achieved. Each of the major themes incorporated in this plan — enhanced health care delivery, expedited claims processing, expansion of memorial and burial programs, partnerships, accountability — can come to life only through the efforts of a workforce with the capabilities, competencies, commitment, and compassion to make it happen. Investing in, cultivating, and valuing employees is one of VA's highest priorities.

Strategies and Processes:

VA will recruit, support, and retain a knowledgeable, diverse, engaged, and continuously learning workforce. We will develop a comprehensive and coherent workforce development plan that incorporates

the High Performance Development Model (HPDM), succession planning, diversity training, and Alternative Dispute Resolution (ADR) orientation.

****Human Capital Planning***

VA is institutionalizing a national workforce planning system to facilitate the strategic management of its human resources. VA's workforce planning strategies include:

- Implementation of Departmental policy prescribing objectives, roles, and the process for the development of workforce and succession plans for each VA organizational component, inclusion of diversity and leadership analyses, and alignment of the workforce planning system with other key management processes;
- Development of a Strategic VA Human Management Capital Plan;
- Implementation of measures to assess progress on program goals identified in organizational workforce plans;
- Integration of workforce planning accountability measures in performance plans of VA senior executives and managers; and
- Enhancement and/or establishment of management information systems to support the workforce planning function.

Diversity

VA will address issues of under-representation and promote efforts to ensure that its workforce reflects the diversity of the customers we serve.

Objective E.1

Diversity is essential to building a creative and innovative environment to address the needs of the veterans and their families. To foster this type of environment, VA will:

- Establish a *One VA* diversity business model based on effective workforce and succession planning, comparisons to the Relevant Civilian Labor Force (RCLF), targeted recruitment, and management tracking of progress;
- Establish a VA Diversity Advisory Council to examine and monitor VA's Employee Diversity Profile;
- Establish and communicate a diversity scorecard and competencies to VA leaders; and
- Reward VA leaders for crosscutting diversity accomplishments.

Professional Development

To foster world-class service to veterans and their families, VA must maintain a workforce with the needed capabilities, competencies, and commitment. VA has a wealth of valuable leadership and development programs, from e-learning to Senior Executive Development. To further advance learning and performance throughout the Department, VA will adopt the High Performance Development Model (HPDM) as its framework for employee development. The model guides the employee development activity by directing management practices and policies to ensure:

- Core competency development;
- Continuous learning;
- Continuous assessment;
- Coaching/mentoring;
- Linkage with performance management; and
- Performance-based hiring.

Further, VA will evaluate the relevance, impact, and capacity of leadership development

programs to ensure that they are aligned with mission requirements and establish Career Intern Programs to meet future workforce needs.

Alternative Dispute Resolution (ADR)

VA will continue to develop an effective way for measuring the success of the Alternative Dispute Resolution (ADR) Program. VA recently developed an ADR web-based tracking system to collect data that will be annually analyzed so that benchmarks can be identified and accomplishments measured.

VA will conduct ADR/Mediation Awareness Training sessions for all employees to ensure that employees are aware of the ADR and mediation tools that can be used to effectively resolve workplace conflicts and disputes. By employees being aware of and using these tools, VA anticipates that this will effectively help reduce EEO complaints activity and workplace disputes, which is costly to VA. VA also expects to derive intangible benefits such as improved morale and productivity, reduction in future disputes, repaired relationships, improved customer service, and employee trust.

Recruitment and Marketing

VA must remain competitive with the private and non-profit sectors in recruiting qualified candidates if it is to achieve our strategic goals. VA is a key employer in the Federal Government, has one of the most distinguished and unique missions, has nationwide job opportunities, can provide numerous opportunities for growth, and offers many appealing benefits and work-life programs. VA will fully capitalize on these assets to market career opportunities. Having a presence in the job market, whether or not currently hiring, is essential to cultivating and maintaining relationships that benefit VA now and in the future. VA will:

- Develop a recruitment and marketing plan that includes provisions for an assessment of current efforts throughout the Department and maximizes use of student intern and Presidential Management Intern programs;

- Enhance outreach efforts to colleges, universities, military discharge centers, and other potential recruitment sources with a strong emphasis on targeted recruitment aimed at minority populations underrepresented in the Department;
- Explore the use of automated application and staffing tools to simplify and streamline the hiring process;
- Develop an automated entrance interview for newly appointed employees to determine why they chose VA and use such information to drive VA's recruitment and marketing business decisions;
- Develop an automated and consistently used exit interview process to help identify why employees leave the Department, and use the information gathered to address and rectify retention issues;
- Support government-wide efforts to streamline and simplify the Federal hiring process; and
- Work with DoD to develop methods to facilitate recruitment, retention, and potential sharing of personnel in positions critical to the Departments' complementary missions.

Performance Culture

Employee performance is integral to VA's ability to accomplish its mission. To ensure that VA has a results-oriented and high-performing workforce, that it differentiates between high and low performance, and that individual and team performance are linked to organizational goals, VA will implement a Department-wide, multi-tiered performance appraisal system and institute a performance awards program. VA will also enhance its current Senior Executive Performance Review Board process to ensure that Executives are held accountable for achievement of strategic goals and workforce management.

External Factors:

In conjunction with the economy (job-market/competitive salary issues) and labor force growth rates, VA recognizes that funding to implement HR strategies will be the key to recruiting and retaining a highly skilled workforce.

Performance Measures

Objective E.1		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Professional Development	<i>Percent of VA organizational components that have implemented the High Performance Development Model</i>	75%	100%
Alternative Dispute Resolution (ADR)	<i>Percent of VA employees who will be trained in ADR as an option to address workplace disputes</i>	80%	100%
One VA Employee Satisfaction Survey	<i>Percent of employees who respond favorably when surveyed about their job satisfaction</i>	65%	75%
Service Delivery Measures			
Workforce Planning	<i>Percent reduction in the average time it takes to recruit and fill vacancies in mission-critical positions from the FY 2003 baseline</i>	10%	60%
	<i>Percent increase in the number of VA job announcements for which applications are accepted online</i>	38%	100%

Enabling Goal

Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-2

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

Purpose and Outcomes:

The purpose of this objective is to improve communications with veterans, stakeholders, and employees about VA programs. In particular, Objective E-2 recognizes the importance of increasing knowledge and awareness among veterans and their families about benefits and services and clearly communicating VA's vision, mission, goals, and objectives throughout the organization and among its stakeholders. This objective is also aimed at increasing the awareness and understanding of veterans, stakeholders, and the public of the results of VA programs.

Strategies and Processes:

To build public awareness and support for the Department's mission and programs, VA maintains a communications strategy to provide the framework within which VA personnel, at all levels, can effectively communicate key messages as an essential part of their mission.

Communication with Veterans

To increase awareness of benefits and services provided, VA conducts outreach and education activities for the veteran community and the general public through news releases, articles appearing in veterans service organization publications, public service announcements, and presentations to schools and community organizations.

The National Veterans Golden Age Games is multi-event competition for veterans' age 55 and older. Athletes compete against each other in several events including swimming, bicycling and bowling. The National Veterans Creative Arts Festival is the celebration and stage and art show. More than 100 veterans exhibit their artwork or perform musical, dance or drama selections in a gala variety show. All veterans invited to participate are selected winners of year-long, national fine arts talent competitions.

VA will respond to requests from local and national media, veterans and their families, and the public for information on VA benefits, services, and policy. To ensure timely response to veteran inquiries and complaints, VA will maintain an Internet access page that allows direct e-mail contact with veterans.

VA will continue to produce a variety of comprehensive, easy-to-use, informational materials regarding VA benefits, eligibility criteria and services, as well as VA activities, and disseminate them to the widest possible audiences. Such publications include benefit booklets, news releases, and speeches.

At the state level, VA facilities within specific geographic areas will provide comprehensive directories for veterans and employees that include names and telephone numbers of VA employees, community care providers, and other Federal government service providers. Many facilities also develop credit card size pocket cards that include their important local telephone numbers and/or national 800 numbers. This allows quick response to requests for information by veterans and their families. VA will continue to host local outreach events to share information with veterans on available benefits.

Objective E.2

VA will also continue to be recognized as the government leader in plain language letter writing. VA sends out approximately 30 million pieces of correspondence to veterans and their families, and VA has rewritten hundreds of form letters sent out in response to inquiries. This lends greater clarity and focus to VA's written communications.

In addition, VA will convene a National Minority Veterans Conference to identify issues facing minority and women veterans and to ensure that a comprehensive and effective process is initiated to respond to these issues and concerns for the 21st Century. The Secretary will also receive periodic counsel from the Advisory Committees on Minority and Women Veterans. VA will conduct town meetings and community-based forums to discuss VA programs and benefits for women veterans at different locations across the country and work with field personnel to ensure outreach activities are incorporated into the performance plans of Women Veteran Coordinators.

Special Events for Veterans

VA will continue to work with a number of our partners to sponsor special events for veterans, such as the National Disabled Veterans Winter Sports Clinic, The National Veterans Wheelchair Games, the National Veterans Golden Age Games and the National Veterans Creative Arts Festival. Veterans who wish to compete in any of these events athletes must be current patients in VA medical facilities. The National Disabled Veterans Winter Sports Clinic is an annual rehabilitation program that is open to all U.S. military veterans with spinal cord injury or disease, certain neurological conditions, orthopedic amputations, visual impairments or other disabilities. At the Clinic, disabled veterans learn adaptive Alpine and Nordic skiing, and are introduced to a variety of other adaptive activities and sports. Each year, more than 500 disabled veterans compete in the largest annual wheelchair sports event in the



world, the National Veterans Wheelchair Games. Wheelchair athletes compete in many Summer Olympic events including track and field, swimming and basketball and weightlifting.

Communication with Employees

The Department developed a VA Strategic Plan for Employees as a companion document to the VA Strategic Plan. This document communicates the Department's strategic framework to all employees. It will assist VA staff at all levels to identify how its work contributes to achieving VA's overall mission and goals, thereby improving its line-of-sight connection with the strategic direction of the Department. VA will use other communication vehicles including the VAnguard magazine, Internet, and videos to communicate the VA strategic direction to employees.

The Office of Public Affairs has implemented an approved VA Communications Plan for the Department of Veterans Affairs. With a focus on strategic communications – communications that help achieve VA's strategic goals – the plan provides a coordinated approach to ensure that clear and consistent information is provided to both employees and the public on VA concerns and issues. These communications goals will then be supported throughout VA, with managers shaping their communications goals accordingly.

The Office of Public Affairs will produce a weekly internal information video, *VA News*, for broadcast over the VA digital satellite network to all VA facilities. The office will also continue to produce the quarterly *VA Report* internal information video extending its length and expanding it into a video news magazine format. All video products will be made available to VA employees and stakeholder groups via the World Wide Web through Internet streaming technology by 2004.

The Office of Public Affairs, in coordination with Employee Information Service, will produce a regular internal video production focused on developing management skills among VA leaders at all levels. The program will feature interviews of management experts, both within VA and elsewhere in the world of management and academia, and will be available by satellite broadcast and ultimately on-demand at the employee’s desktop.

Communication with Stakeholders and the Public

VA will provide timely and accurate delivery of service and information to all stakeholders including Members of Congress and their staffs regarding the results of VA programs, as well as veterans’ concerns, including constituent casework. VA will provide more frequent briefings to Members and their staff on VA benefits and services and initiate new Member orientations and casework conferences. In addition, as part of its outreach efforts with stakeholders, VA will ensure that VISN Directors will meet at least twice a year with their respective delegations to inform them of progress made in key areas, issues, and veterans concerns pending within their area of jurisdiction.

The Office of Intergovernmental Affairs will establish and maintain effective partnerships and strong lines of communications with all state and local elected and appointed public officials.

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

VA will use its strategic planning process to increase internal and external understanding of its strategic direction and priorities. Public service announcements supporting specific VA outreach priority goals (covering homeless veterans, women veterans, newly separated veterans, Gulf War veterans, and minority veterans) will also be produced for broadcast across the country to help increase public awareness of VA’s activities and their results. VA will also develop a Veterans Benefits Learning Map that will be made available to VSO facilities and state VA offices to help veterans better understand the benefits and services they are eligible to receive.

External Factors:

- Extent to which cooperative crosscutting partnerships with other Federal, state and local governments, and private organizations can be developed.
- Extent to which veterans have Internet access.

Performance Measures

Objective E-2		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Veteran Awareness	<i>Percent increase in the number of veterans who believe that they understand their VA benefits</i>	5%	10%
Employee Feedback	<i>Percent of VA employees who indicate they understand VA’s strategic goals</i>	80%	90%
Intergovernmental Awareness	<i>Percent of elected and appointed officials who are aware of programs provided by VA that may support or supplement their state and local programs</i>	40%	65%

Enabling Goal

Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-3

Implement a One VA information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Purpose and Outcomes:

To meet VA's commitments delivering the highest quality health care, timely payment of benefits, and memorialization in death, VA will have a world-class information technology program. Through business process reengineering and technology integration, VA will speed-up delivery of benefit payments, improve the quality of health care provided in our medical centers, and administer a wide variety of programs more efficiently.

Strategies and Processes:

Information Technology (IT) Strategic Plan

The IT Strategic Plan incorporates three major broad objectives under the umbrella of achieving VA's strategic vision for the future: (1) improve our mission performance; (2) tell our story to our customers, stakeholders, and partners; and (3) develop and educate the VA IT workforce to meet the IT challenges of the future. This plan is veteran-centric and supports the strategic goals of the Department. The plan is the foundation upon which IT will be applied to support the Department's business operations, the Secretary's priorities, and goals and objectives of each administration.

Enterprise Architecture

Enterprise Architecture (EA) represents the guiding principles for streamlining and modernizing VA's IT. The "enterprise" is VA and the "architecture" is the complex framework of processes, systems, and programs by which VA provides health care and benefits to veterans and their families. An essential element of the IT Strategic Plan is an EA based on the Zachman framework to define the EA. The *One VA EA* itself is continuing to evolve since VA is implementing EA as a continuous improvement process, with version 1.0 approved by the Secretary in September 2002 serving as the initial baseline. Finally, version 2.0 will continue the theme established in version 1.0 of coupling EA to key Departmental processes, namely planning and budgeting, project execution, and project management oversight.

The *One VA EA* model addresses specific objectives and timetables for implementation. It identifies several key elements of infrastructure as follows:

- Telecommunications Infrastructure (Telecommunications Modernization Project (TMP));
- Cyber Security Infrastructure (Enterprise Cyber Security Modernization Project (ECSIP) and Authentication and Authorization Infrastructure (AAI) Project); and
- Corporate and Regional Data Processing with Continuity Of Operations (COOP) (Corporate Data Center Integration (CDCI) Project).

Each of these infrastructure elements has one or more key projects associated with it to implement the corresponding element of the *One VA Enterprise Architecture*.

The *One VA EA* also identifies several key projects that support the EA's distributed applications and data environment model. These are:

- *One VA Registration and Eligibility Project*;
- *One VA Contact Management Project*;
- *VistA HealthVet Health Data Repository (HDR) Project*; and
- *Core Financial and Logistic System (CoreFLS) Project*.

Information Security

The Office of Cyber Security (OCS) will provide services to veterans that protect the confidentiality, integrity, and availability of their private information; enable the timely, uninterrupted, and trusted nature of services VA provides; and provide assurance that cost-effective cyber security controls are in place to protect automated information systems from financial fraud, waste, and abuse. Its objective is to become a model cyber security program within the Federal Government. The OCS will:

- Bring VA into compliance with the Government Information Security Reform Act of 2000, Health Insurance Portability and Accountability Act of 1996 (HIPAA), and Office of Management and Budget requirements;
- Establish a level of security for all information systems that is commensurate with the risk and magnitude of harm resulting from the loss, misuse, unauthorized access to, or modification of the information stored or flowing through these systems;
- Integrate security into the *One VA EA*;

- Establish an effective, real-time, and operational command and control process for operating the cyber security infrastructure; and
- Review, develop, and test cyber security contingency plans VA-wide.

The IT Integrated Management Process and IT Project Management Structure

Streamlining business practices and optimizing performance through the effective use of technology, the Office of IT has adopted an integrated process to manage the IT information technology portfolio. Starting with concept development and continuing through system production, deployment and total life cycle, this process will provide continuous oversight and evaluation through sound project management and disciplined milestone reviews.

A One VA Telecommunications Network

The Telecommunications Modernization Project (TMP) is intended to evolve from VA's current state of over 30 loosely federated independent networks to a single, high performance wide area data network capable of supporting enterprise wide applications and support Service Level Agreements (SLAs) for performance and reliability at every service delivery node on the network. The TMP was initiated in FY 2002 as a re-baseline of multiple pre-existing network efforts across the Department and it will:

- Optimize the core of the *One VA Wide Area Network (WAN)* to support regional service delivery to all VA facilities, and to support Service Level Agreements for every service delivery point;
- Establish a 24-hour Network Coordination Center (NCC) to continuously monitor the health of the network and resolve service delivery problems; and
- Extend service delivery from the optimized core to all VA facilities to complete the project.

Objective E.3

**E-Government*

There are now over 4,294 internal and public use forms and 9 major business lines within VA. Almost 98 percent of VA staff is assigned to provide direct services to veterans and their families in VA field operations. Veteran services are delivered at 162 VA hospitals, more than 850 community and facility-based outpatient clinics, 57 regional offices, and 120 national cemeteries.

VA expects the use of the Internet, as a primary means for conducting business with VA customers, will increase significantly, and will facilitate improved information access. A study has been initiated to find a web-enabled commercial product to support the delivery and management of on-line electronic forms via the Internet and VA's Intranet.

The strategy to implement the Government Paperwork Elimination Act (GPEA) requirements include:

- Identifying applicable business transactions;
- Analyzing internal business processes that use the information contained in these business transactions;
- Ensuring that business process enhancements that become practicable (or feasible) transactions are converted from paper to an electronic medium;
- Investigating the benefits, costs and risks associated with conducting these business processes electronically; and
- Planning and implementing changes based on the results of previous activities.

The principal GPEA implementation goal is to transform VA paper-based information collections into electronic information collections. In setting our priorities, VA's focus is on information collections that directly affect veteran care, those that have the greatest impact

on veterans (in terms of greatest service to veterans), and those information collections affecting important organizational or institutional constituencies such as VSOs and educational institutions.

Information Technology

VA will use an integrated framework to continue aligning VA's IT investments with its business lines:

- The IT Strategic Plan will be revised annually to provide the overarching strategy and priorities to guide the capital, budget, operation, and tactical planning for IT;
- The Enterprise Information Board reviews IT capital investment proposals and the IT investment portfolio package, ensuring IT investments are made from a corporate perspective.

Collaboration with DoD

VA and DoD will develop an interoperable information technology framework and architecture that will enable the efficient, effective, and secure interchange of records and information to support the delivery of benefits and services. The emphasis will be on working together to reduce redundant applications and procedures and make access to services and benefits easier and faster.

Other Strategies

In FY 2003, The Office of Information and Technology (OIT) will:

- Establish metrics to measure IT performance to ensure that IT assets and investments improve program performance and facilitate strategic goals;
- Support VA's senior leadership in performing their duties and responsibilities during normal operations and emergency situations;

- Provide command and control of VA IT assets during emergency situations to ensure continuation of mission-critical and mission-essential operations;
- Ensure that OIT can provide its mission-critical and mission-essential responsibilities during and after an emergency situation. The Corporate Data Center Integration (CDCI) Project will significantly improve recovery time from a systems outage; and
- Reduce potential loss of data for mission-critical and essential systems by providing electronic data vaulting and applications restart capability across the three locations. The current 72 hours will be shortened to 12 hours or less for mission-critical systems.

Performance Measures

Objective E.3		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Enterprise Architecture for Veteran-Centric Service	<i>Number of business lines transformed to achieve a secure veteran-centric delivery process that would enable veterans and their families to register and update information, submit claims or inquiries, and obtain status</i>	2	8
Cap the IT Budget	<i>Percent increase in the annual IT budget above the previous year's budget (except for pay raise and inflation increases)</i>	0%	0%
Modernization	<i>Percent decrease of annual IT budget spent on sustainment, shifting corresponding savings to modernization (zero sum game)</i>	5%	5%
Service Delivery Measures			
Paperwork Reduction	<i>Percent reduction per year of information collection burden hours (under the Paperwork Reduction Act)</i>	12%	12%

Enabling Goal

Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-4

Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Purpose and Outcomes:

The purpose of this objective is to enhance the overall governance and performance of VA by applying sound business principles and improving the integration of its programs and major management functions to better serve our Nation's veterans and their families.

Strategies and Processes:

VA will promote cooperation and collaboration throughout VA to provide seamless service to veterans. VA will continue expansion of the Compensation and Pension Record Interchange (CAPRI) and continue the Compensation and Pension Examination Project (CPEP) initiative. CPEP is intended to provide more seamless service between the medical exam and the actual rating that the veteran receives. Collaboration will be increased between VA and DoD during the military discharge process (to increase the quality of discharge exams so that they can be used more frequently for rating).

VA will optimize the availability and efficient use of resources and services. We will deploy an initiative to increase competitive sourcing. IT packages that support inventory, procurement, and business needs will be pursued. VA will fully implement the Procurement Reform Task Force (PRTF) recommendations.

VA will increase revenue and efficiency through private sector partnerships, technology, and improved business practices. The feasibility of Federal imaging, laboratory, and prescription centers will be assessed. We will take full advantage of research-related intellectual property opportunities.

VA will develop innovative approaches to the design and evaluation of health care delivery systems. We will reengineer health care processes to incorporate technologic advances and to address shortages of health care professionals.

****Expanding Federal, State, Local, and Private Partnerships***

VA will expand Federal, state, local, and private partnerships to foster improvements in the coordination and delivery of health care and other services. VA will develop and implement a VA + Choice plan. Sharing and collaboration with DoD, Indian Health Service, and state veterans' organizations will be expanded.

Consistent with the President's Management Agenda, VA and DoD executive leadership have been meeting for several years to improve and expand sharing. In February of 2002, the VA/DoD Joint Executive Council (JEC) was established to further enhance joint sharing and other collaborative initiatives. The JEC is co-chaired by the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness. To date the JEC has reached agreement on the following major issues:

- Establishment of a Federal Health Information Exchange, including a joint strategy for interoperable electronic records (HealthPeople);

- Establishment of a new standardized national reimbursement rate structure for VA/DoD medical sharing agreements;
- Implementation of a Consolidated Mail Order Pharmacy pilot (CMOP);
- Establishment of a joint physical examination pilot; and
- Establishment of a joint strategic planning initiative to develop a common vision and set of objectives for future sharing and collaboration.

VA and DoD will examine the coordinated use of capital assets such as coordinating services in cities where VA and DoD maintain and operate separate medical facilities. Currently, almost all VA medical facilities have at least one sharing agreement with DoD medical facilities and reserve units. VA and DoD will encourage continued development of sharing agreements that make the most efficient use of Federal resources. VA and DoD are working to increase utilization of the same pharmaceutical and medical products, resulting in increased leverage during Federal Supply Schedule or other joint contract negotiations.



In addition, a VA/DoD Benefits Executive Council (BEC), modeled after the successful Health Executive Council, was established. Chaired by the VA Under Secretary for Benefits and Assistant Secretary of Defense for Force Management, the BEC will explore opportunities to facilitate the transition of separating servicemembers from DoD beneficiary to VA beneficiary. These joint initiatives are designed to improve processes for

establishing eligibility, facilitating enrollment in the VA health care system, expediting claims for service-connected disability ratings/compensation, and enhancing the medical examination process. VA and DoD will establish a leadership framework to provide the necessary support for a successful partnership, help to institutionalize change, protect efforts from a loss of momentum, and sustain collaboration into the future.

**Strengthening Financial and Procurement Oversight and Accountability*

The Secretary recently approved a proposal to restructure the Department's finance, procurement, and asset management activities to improve accountability and consistency in performance throughout the organization. This reorganization will combine the finance, acquisition, and capital asset functions throughout VA into regional business offices with much clearer delegations of authority and accountability to the Department's Chief Financial Officer /Senior Procurement Executive (CFO/SPE). This level of oversight along with the establishment of performance metrics will help provide VA operations conformity in execution and enforce corporate discipline.

Current finance and procurement staff performing oversight functions across the Department will be consolidated into a single Office of Business Oversight. The Office of Business Oversight, reporting to the CFO/SPE, will establish clear lines of authority and establish separation of responsibility between the development of policies and procedures and the oversight of compliance with those policies and procedures.

VA Business Oversight Board

In July 2002, the Secretary established the VA Business Oversight Board. The board serves as the Department's senior management forum on business activities and is chaired by the Secretary of Veterans Affairs. Its mission is to review and oversee the performance, efficiency, and effectiveness of Departmental business processes. The business processes include, but are not limited to, procurement, collections, capital portfolio management, and business revolving funds. Activities currently being reviewed by the board include:

- ***Procurement Reform*** In June 2001, the Secretary established a Procurement Reform Task Force (PRTF) to review VA's procurement programs, address concerns about acquisition practices, and develop recommendations for improvement. The PRTF recommended over 60 specific reforms to achieve the following goals: leverage VA's purchasing power; standardize commodities within VA; obtain and improve comprehensive procurement information; improve procurement organizational effectiveness; and ensure a sufficient and talented acquisition workforce. In June 2002, the Secretary directed the implementation of the reforms recommended by the PRTF. A project tracking system has been established to monitor the status/progress of the PRTF recommendations. Each recommendation has been assigned to a lead agent who is responsible for implementing an action plan.

- ***Medical Care Collections Fund (MCCF)*** The Medical Care Collections Fund's mission is to maximize the recovery of funds due VA for the provision of health care services. The Department has collected \$3.8 billion since 1997 from first and third party payers, mostly from insurance companies, for treatment of medical problems that were not service-connected. Collections are at record levels, exceeding \$1.1 billion in FY 2002. The board will monitor performance through metrics that measure gross days revenue outstanding, days to bill, and accounts receivable greater than 90 days. In a review of MCCF accounts receivable, the board set a target for the end of the fiscal year for reducing the number of

accounts greater than 90 days old from 84 percent to 45 percent.

- ***Consolidated Mail Outpatient Pharmacy (CMOP)*** The board will monitor issues such as capacity, expansion, error rates, and patient satisfaction. It is anticipated that VA CMOPs will process over \$2 billion in prescriptions for FY 2003. The estimated growth rate for FY 2003 is 16 percent. More than 70 million prescriptions valued at \$1.8 billion were filled by CMOPs during the last fiscal year. Mail-out pharmacies saved VA more than \$70 million last year through bulk purchases and automation. The board considered how this successful program could be optimized in the future and concluded that CMOP's could benefit from a more structured business overview to help maintain high standards while capacity increases.

- ***Capital Asset Management*** Capital asset management is a business strategy that seeks to maximize the functional and financial value of capital assets through well thought-out acquisitions, allocations, operations, and dispositions. VA's capital investment process was created in June 1997 to foster a Departmental approach for the use of capital funds and to ensure all major capital investment proposals, including high-risk and/or mission-critical projects, are based upon sound economic principles and are fully linked to strategic planning, budget, and performance measures and targets. VA is the first civilian agency to develop an agency-wide capital planning process that allows for trade-offs, both among and between categories of assets, such as medical and non-medical equipment, information technology, infrastructure, and leases.

VA will continue to be a leader in the Federal capital asset arena and is working to further improve the management of its nationwide portfolio of capital assets by:

- Developing capital asset standards and/or benchmarks such as level of investment, and cost of asset ownership. Management of VA's portfolio will

include guidance on gap analysis, performance management, and asset disposal;

- Establishing an automated performance management system to oversee VA's capital asset portfolio that ties into the Department's financial system. Using a digital dashboard, VA will track and monitor key milestones such as cost, schedule, and performance of newly acquired assets; and
- Identifying opportunities to initiate enhanced-use leases. By leveraging its assets, VA is able to acquire facilities or obtain goods and services that might otherwise be unavailable or unaffordable, or conversely, convert underutilized property into an asset that generates revenue, achieves consolidation, or reduces costs.

CARES -- As a part of VA's overall capital asset management activities, we have initiated an important process called CARES. This process will identify the infrastructure VA needs to provide high-quality health care to the 21st century veterans. The CARES process provides a data-driven assessment of veterans' health care needs within each VISN, the condition of the infrastructure, and the strategic realignment of capital assets and related resources to better serve the needs of veterans. Through CARES, each VISN will base their plan for enhanced services on objective criteria and analysis, as well as cost effectiveness, and in some cases, capital asset restructuring. These plans will take into account future directions in health care delivery including changes in technology, demographic projections, physical plant capacity, community health care capacity and workforce requirements. A structured decision methodology will guide review and evaluation of VISN capital asset realignment proposals, and these will be integrated into a National CARES Plan that will provide input into the overall VA Capital Asset Management Process. All savings generated through implementation of CARES will be reinvested to meet veterans' health care needs.

****Improved Financial Performance***

VA is committed to improving its underlying financial systems, and systematically producing timely, useful, and reliable financial statements. VA will continue to strive to achieve an unqualified ("clean") opinion on our annual consolidated financial statements and Franchise Fund financial statements. Progress continues in correcting material weakness. VA has developed and implemented remediation plans to address these material weaknesses. The plans have specific tasks and dates, and are updated monthly. Although certain material weaknesses involved corrective actions that could be completed within 1 year, other material weaknesses are long-term and corrective actions are expected to take several years.

CoreFLS -- To support VA business processes, work continues on the development of the Core Financial and Logistics System (CoreFLS). By utilizing commercial off-the-shelf (COTS) software and employing best practices, VA will implement a fully integrated system to provide timely and easily accessible financial and logistics information. VA will provide better data management, automate data reconciliation, automate consolidated financial statements, and comply with the Federal Financial Management Improvement Act and other regulatory requirements. VA will establish a foundation of business processes for its Enterprise Architecture, reduce the number of stovepipe legacy systems, and align with E-government initiatives. This Department-wide enterprise solution will be used by every financial and logistics office within VA and will provide the following major functions: accounting, payments processing, receivables processing, debt management, asset management, billing, costing, financial analysis, budgeting, purchasing, contract management, and inventory management. VA will integrate financial and logistics activities, thereby reducing the number of independent, disparate systems resulting in a reduction of operating maintenance and life cycle costs. VA expects full implementation of CoreFLS to be completed by the end of FY 2006.

Objective E.4

****Budget and Performance Integration***

VA has made substantial progress in implementing performance-based management, particularly with regard to better linking of resources with results. The centerpiece of VA's budget and performance integration activities is the development of a new budget account structure. VA's FY 2004 budget uses a new account structure that focuses on nine major programs -- medical care (including education), medical research, compensation, pension, education, housing, vocational rehabilitation and employment, insurance, and burial and memorial affairs.

This new account structure is the culmination of a multi-year project. VA and OMB jointly developed and implemented the new set of budget accounts, and will continue to work closely together on a variety of related budget formulation and budget execution activities. VA officials conducted numerous briefings and meetings with appropriations and authorizing committees prior to implementing the new account structure.

****Competitive Sourcing***

VA continued to identify opportunities for competitive sourcing to provide veterans and taxpayers with the best value possible. In April 2002, OMB authorized VA to utilize its 3-tier approach to competitive sourcing with emphasis on market-based cost-benefit analysis. VA has steadily increased its contractual services over each of the past 5 years. During this period, VA has increased the amount of services contracted out to over \$2.6 billion -- an increase of over 32 percent. VA's total contract service expenditures equate to approximately 43,000 full-time equivalents (FTE). VA is currently completing a comprehensive A-76 study of the property management function for VBA. VA is tracking current competitive sourcing activities and will use this information as a management tool to continuously evaluate its performance information. Over the next 5 years, VA plans to complete competitive sourcing studies of 55,000 FTE of our commercial ancillary support functions with an anticipated savings of \$1.3 billion.

Benchmarking Best Practices, Organizational Assessment, and Improvement

VA will ensure that it uses best practices to foster high performance by individuals and teams. VA will establish communities of practice to share their best practices and determine how to expand their use throughout the Department. VA will also look at external best practices that can be imported to augment our business processes. This effort will enhance individual, team, and organizational accountability and help align training, development, and incentives with organizational goals and objectives.

VA will also promote increased understanding and use of organizational assessment tools to improve its operational performance and increase levels of customer satisfaction. VA will work throughout the Administrations and staff offices to increase the use of the entire range of organizational assessment and other tools including Baldrige assessment, the Carey Quality Award Program, benchmarking, customer and employee surveys, application of a balanced set of measures, program reviews, data assessments, and audits.

Strategic Management

VA's Strategic Plan will be fully integrated with each of VA's major process owners, including human capital planning, IT planning, legislative development, and capital asset planning as well as budget formulation, performance management, data collection and analysis, and program evaluation. The strategic direction of VA will be communicated clearly and concisely through the VA Strategic Plan, the Secretary's Annual Statement, a VA Strategic Plan for Employees, the VA Budget and Performance Plan, the VA Annual Performance and Accountability Report, and other publications and resources.

Each Administration will develop a fully-aligned strategic plan to provide a greater level of detail regarding the strategies and initiatives that the Administration will implement to support achievement of the broad goals and objectives present in the VA Strategic Plan.

VA will consult extensively with strategic partners and stakeholders to improve coordination of all VA activities. VA will meet with stakeholders, including veterans service organizations, OMB and GAO, and key congressional committees. VA will also meet with other external organizations, such as the American Medical Association, American Hospital Association, American Association of Medical Colleges, and other organizations to gain their perspective of VA's strategic direction.

Significant changes have been made in the way VA is managed. To provide a more integrated governance and decision-making process, VA established the VA Executive Board (VAEB), the Strategic Management Council (SMC), and six strategic management process groups that oversee the planning, operations, and performance of VA's major crosscutting activities. These include (1) strategic planning; (2) budget; (3) capital investment; (4) human capital planning; (5) IT planning; and (6) legislative development and planning. Each is composed of VA's senior leaders, who lead the Department in achieving its strategic goals.

Data Collection and Analysis

VA is developing a substantially enhanced veteran population model as well as actuarial models for projecting benefit costs and workload in VA programs. The enhancements to the veteran population model will enable estimates and projections of population at the national, state, and county levels and will provide data on over 20 variables or characteristics of the population. By establishing effective data exchanges with the Defense Manpower Data Center, Office of DoD Actuary, Bureau of Census, the Bureau of Labor Statistics, and Office of Personnel Management, VA will be able to draw on these relevant and reliable sources to contribute data to the veteran population model.

Survey research, data collection, and analyses provide information utilized for planning purposes and to keep track of the characteristics of the veterans' population. This information is particularly useful because it not only provides information on veterans using VA services, but

also provides insight on veterans not utilizing veteran benefits and reasons why they do not. Data collection for the fifth in a series of National Surveys of Veterans has been completed. Preliminary discussions are also underway to choose a subgroup of the veteran population as the focus of a new survey. Input will be sought from various stakeholders before a final decision is reached.

Inspector General Oversight

VA's Office of the Inspector General (OIG) will continue to focus its efforts in the areas that affect service delivery to veterans and protect scarce VA resources. As its mission statement says: "The OIG is dedicated to helping VA and Congress ensure that veterans and their families receive the care, support, and recognition they have earned through service to their country, and to do so in an environment that is efficient, effective, and free from criminal activity."

Major issues defined by the OIG in its strategic plan include access to high quality and safe health care; timeliness and accuracy of benefits claims processing; reliability of financial management systems; efficient and economical procurement practices; and effective and secure information technology. In addition, nationwide audits, health care inspections, and proactive criminal investigations will be used to address systemic concerns. The OIG continues to perform mandated work, including CFO financial statement audits and objective verification and validation of data used to support key performance measures. The OIG has completed performance audits on six key measures to date, and plans to conduct audits on other key measures during the next 5 years.

External Factors:

External factors that will affect this objective include the pace of IT and access to it throughout society, the development of E-government initiatives, and other future congressional directives. Success in achieving this objective is dependent upon third party payment of billings and continued interest by DoD to enter into sharing agreements.

Performance Measures

Objective E.4		Performance Targets	
		FY 2004	FY 2008
Outcome Measures			
Collections	<i>Percent of collections to billings</i>	40%	40% *
DoD Sharing	<i>Achieve increased dollar value, usage and /or cost savings through expansion of joint contracting - Pharmaceuticals (Shared Cost Savings)</i>	\$561 Million	\$650 Million
Competitive Sourcing	<i>Percent of competitive sourcing studies completed (for total of 55,000 commercial FTE)</i>	53%	100%
Clean Financial Audit	<i>Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements</i>	0	0
<p><i>* Denotes pending development of Medicare Remittance Advice and internal process improvements.</i></p>			

Appendices

<i>Appendix 1 - Supporting Analysis</i>	<i>1-2</i>
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Appendix 1

Supporting Analysis

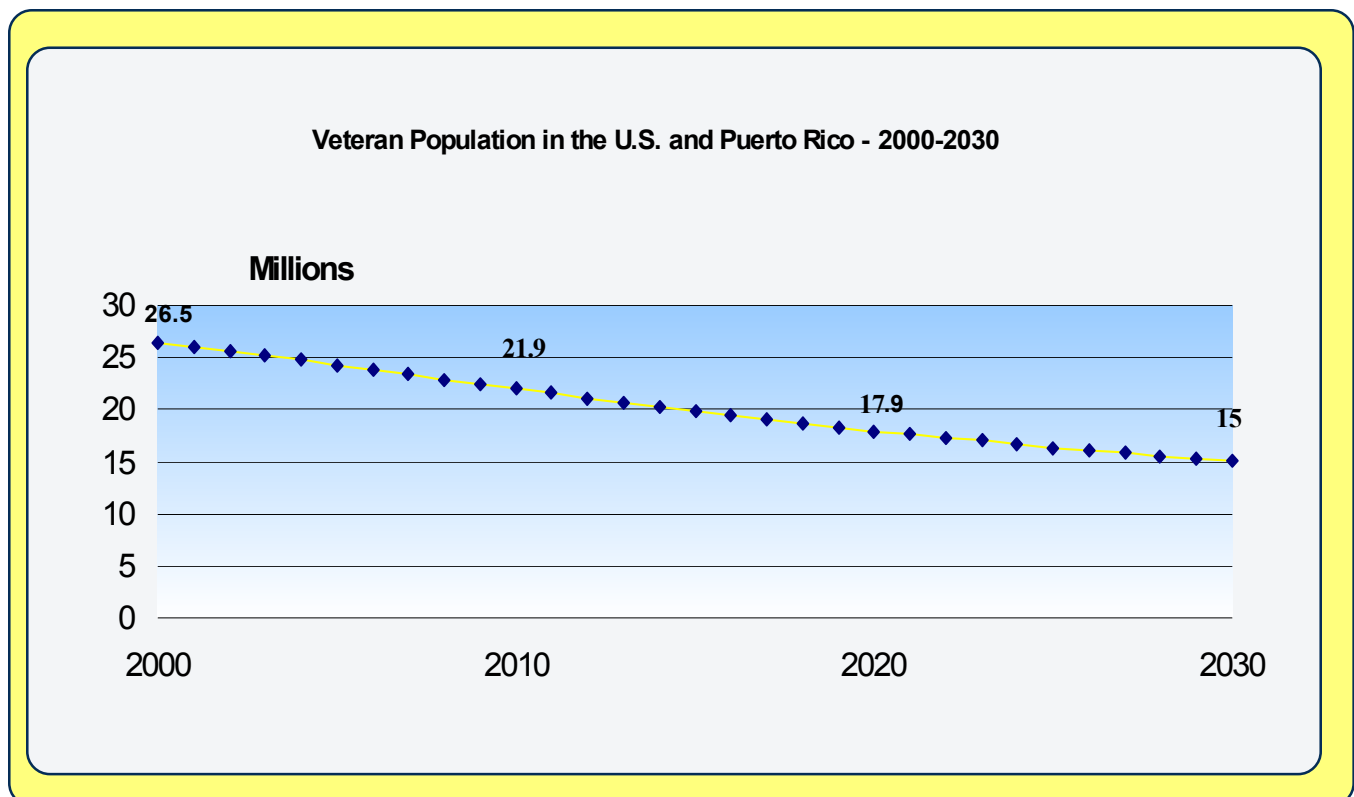
Demographic Trends

Estimating and projecting the veteran population by its demographic characteristics are important for VA's strategic management. The following information comes from Census 2000 and Vet Pop 2001 adjusted to Census 2000, published by the Office of Policy, Planning, and Preparedness. The veteran population is declining significantly - from 26.5 million in 2000, to approximately 17.9 million in 2020, and to 15 million in 2030. The increasingly older veteran population will result in increased demand for long-term care, to include nursing homes and community health care programs and services. Annual veterans deaths are increasing and are expected to peak in 2008, creating greater demand for burial benefits including interment in national cemeteries.

The following charts and graphs are examples of the types of population data and program trends that VA uses in its strategic planning process.

Veteran Population in the U.S. and Puerto Rico - Changes Over Time

According to decennial census data, the total veteran population in the U.S. and Puerto Rico declined 4 percent, from 27.6 million in 1990 to 26.5 million in 2000. By 2010, the total veteran population in the U.S. and Puerto Rico is projected to decline to 21.9 million. By 2030, it is projected to decline to 15 million.



Appendix 2

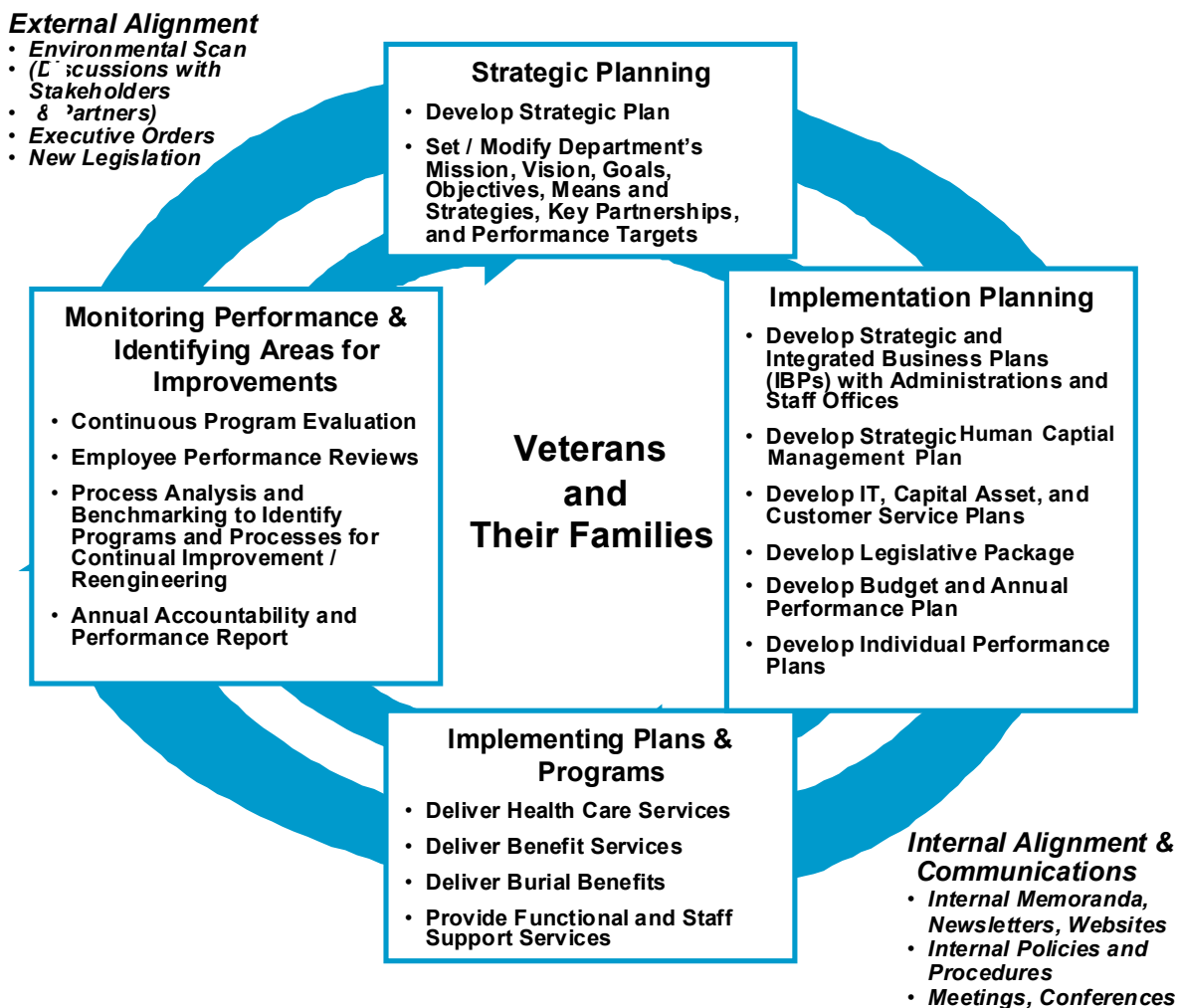
Integrated Plans, Programs, and Budgets

VA's Strategic Management Framework

VA is implementing an integrated strategic management framework. With veterans and their families as the primary focus, the diagram below provides a brief description of the key elements of our overall process to achieve integrated plans, programs, and budgets. These elements include:

- (1) strategic planning;
- (2) implementation planning;
- (3) carrying out plans and programs; and
- (4) monitoring performance and identifying areas for improvements.

VA's Strategic Management Framework



Appendix 2

Integrated Plans, Programs, and Budgets

Strategic Management Schedule

ID		FY 2003												FY 2004												FY 2005											
		O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
1	ENVIRONMENTAL SCAN	[Red bar]																																			
11	Conduct Secondary Research	[Black bar]																																			
12	Focus Groups / Stakeholder & Vets Interviews	[Black bar]																																			
13	Brief SMC	[Black bar]																																			
14	One VA Employee Survey	[Black bar]																																			
2	STRATEGIC PLAN	[Red bar]																																			
2.1	Strategic Planning Working Group refines goals & objectives, initial submissions are compiled **	[Black bar]																																			
2.2	Senior Leadership Strategic Planning Meeting	[Black bar]																																			
2.3	SMC Approval and consultation with Stakeholders	[Black bar]																																			
2.4	VAEB Approval and Submission to OMB	[Black bar]																																			
3	LEGISLATIVE PROPOSAL	[Red bar]																																			
3.1	Legislative call for proposals	[Black bar]																																			
3.2	Legislative review Panel meets with Administrations	[Black bar]																																			
3.3	Recommendations presented to SMC & VAEB	[Black bar]																																			
4	CAPITAL ASSET, IT, & HR PLANS	[Red bar]																																			
4.1	Issue Capital and Information Technology Call	[Black bar]																																			
4.2	Capital Investment Panel reviews IT Proposals	[Black bar]																																			
4.3	Capital Invest Board Reviews All Proposals	[Black bar]																																			
4.4	SMC Approves Capital Invest Formulation Proposals	[Black bar]																																			
4.5	Secretary Approves Capital Investment Execution	[Black bar]																																			
4.6	Develop Human Resource/succession plan	[Black bar]																																			
5	BUDGET	[Red bar]																																			
5.1	FY+ 4 Budget / Performance Plan Call	[Black bar]																																			
5.2	Offices Submit Budget / Performance Data	[Black bar]																																			
5.3	Internal VA Budget Briefings	[Black bar]																																			
5.4	Resource Board Briefings	[Black bar]																																			
5.5	Budget / Performance Plan / Capital Plan Approved by Secretary and Submitted to OMB	[Black bar]																																			
5.6	OMB Budget Hearing	[Black bar]																																			
5.7	OMB Budget Passback	[Black bar]																																			
5.8	Appeal to OMB / White House	[Black bar]																																			
5.9	Congressional Budget Hearings	[Black bar]																																			
6	ADMINISTRATIONS & STAFF OFFICES COMPLETE BUSINESS PLANS	[Red bar]																																			
7	MONTHLY PERFORMANCE REVIEW MEETING	[Red bar]																																			
8	ANNUAL PERFORMANCE & ACCOUNTABILITY REPORT	[Red bar]																																			
	** this process was begun in FY 2002																																				
















Appendix 2

Integrated Plans, Programs, and Budgets




President's Management Agenda

As part of its strategic management framework, VA has also incorporated the President's Management Agenda (PMA). The PMA was announced in October 2001. The PMA is the Administration's strategy that focuses on improving the management and performance of the federal government. The PMA contains five government-wide and two VA-specific initiatives to improve federal management and deliver results using a balanced scorecard approach. OMB uses the scorecard to track how well the Department is executing these initiatives. The chart below illustrates VA's progress toward full implementation of the PMA.

President's Management Agenda Progress Evaluation Office of Management and Budget

	FY 2002	As of March 31, 2003	Progress in Implementing
	Status	Status	
Human Capital			
Competitive Sourcing			
Financial Performance			
E-Government			
Budget and Performance Integration			

OMB definitions of Progress Evaluation:

-  Implementation is proceeding according to plans agreed upon with OMB and VA
-  Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustments by VA in order to achieve initiative on a timely basis
-  Initiative in serious jeopardy. Unlikely to realize objectives without significant management intervention

Appendix 2

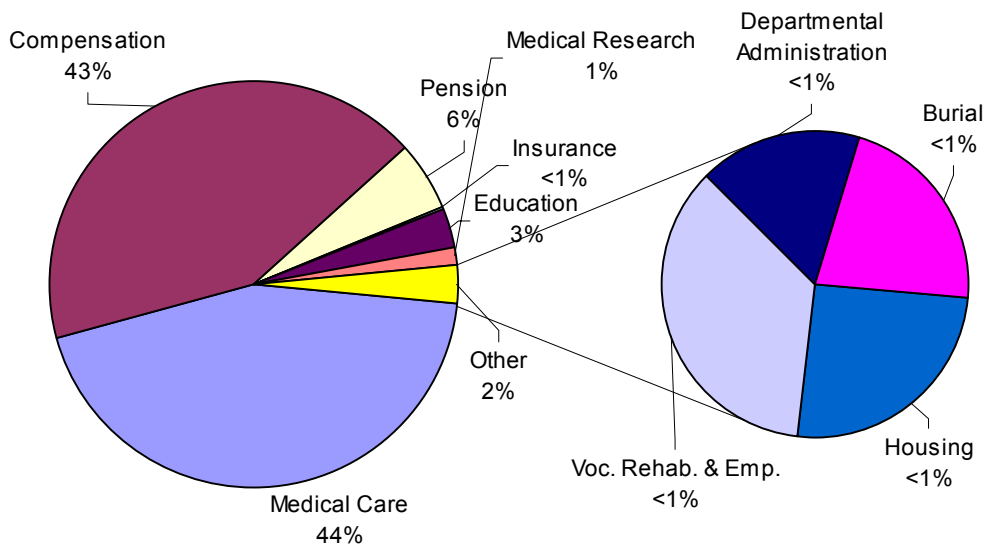
Integrated Plans, Programs, and Budgets

Budget and Performance Integration

During 2002, VA made progress in implementing performance-based management, particularly with regard to linking resources with results. The centerpiece of our budget and performance integration activities is our development of a newly restructured account framework. This structure focuses on the following nine major business lines: medical care, medical research, compensation, pension, education, housing, vocational rehabilitation and employment, insurance, and memorial and burial benefits.

Table A

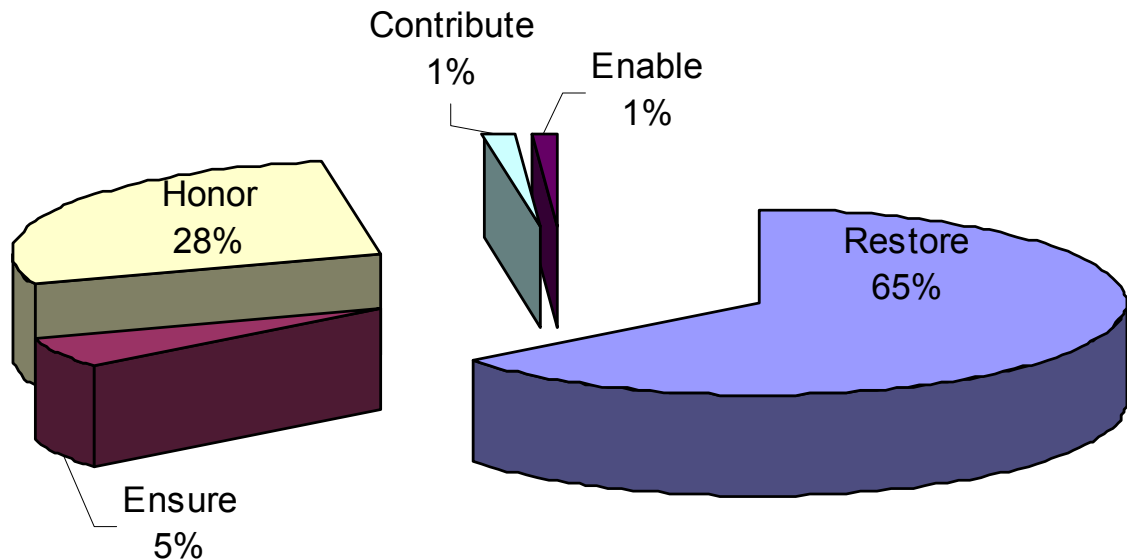
President's FY 2004 Budget Request by Business Line



(\$ are rounded in millions)
 Medical Care \$27,547
 Compensation \$26,957
 Pension \$3,543
 Education \$2,003
 Medical Research \$822
 Voc. Rehab. and Employment \$697
 Housing \$490
 Memorial and Burial \$422
 Departmental Administration \$346
 Insurance \$33
Total Appropriations \$62,860

Source: President's 2004 Budget Request,
 Office of the Assistant Secretary for Management

Table B **FY 2004 President's Budget Request
by Strategic Goal**



Source: Departmental Performance Performance Plan FY 2004,
Office of Management, March 2003

Appendix 3

Program Evaluation

Title, Section 38,527, and 38 CFR, Section 1.15 require VA to evaluate its programs to ensure that they are effective and efficient and are meeting the needs of veterans and their families. The Office of Policy, Planning, and Preparedness, a staff office not responsible for program administration, is assigned the responsibility for organizing and implementing the Department's program evaluation efforts in concert with its responsibilities to implement key elements of GPRA. The results of program evaluations have been used to support the update of several objections of this plan. Subsequent evaluations will be used to review and, as appropriate, modify program outcomes, performance measures, and performance targets.

Evaluations assess:

- The extent to which program outcome goals are met and the extent to which performance affects outcomes;
- The interrelationships between VA programs and other Federal programs to determine how well these programs complement one another;
- The needs and requirements of veterans and their dependents to ensure that the nature and scope of future benefits and services are aligned with their changing needs and expectations; and

- The adequacy of outcome measures in determining the extent to which the programs are achieving intended purposes and outcomes.

Evaluations have been completed on the following areas:

- VA Education Programs for active duty personnel and veterans, selected reserves, and survivors and dependents of service personnel who die on active duty or of veterans who die of service-connected disabilities;
- Dependency Indemnity Compensation for survivors and dependents of service personnel who die on active duty or of veterans who die of service-connected disabilities;
- Life insurance for servicemembers, veterans, and service-disabled veterans and mortgage life insurance;
- Cardiac Health Care; and
- Prosthetics and Sensory Aids.

Program Evaluation Schedule Estimated Start Dates FY 2003 – 2008

2003	2004	2005	2006	2007	2008
Oncology	Diabetes	Extended Care Blind Rehabilitation	Readjustment Counseling	Environmental Medicine	Spinal Cord Injury
Seriously Mentally Ill	Disability Compensation	Vocational Rehabilitation	Homeless Veterans Programs	Burial Programs	Substance Abuse
	Medical Research	Medical Education			

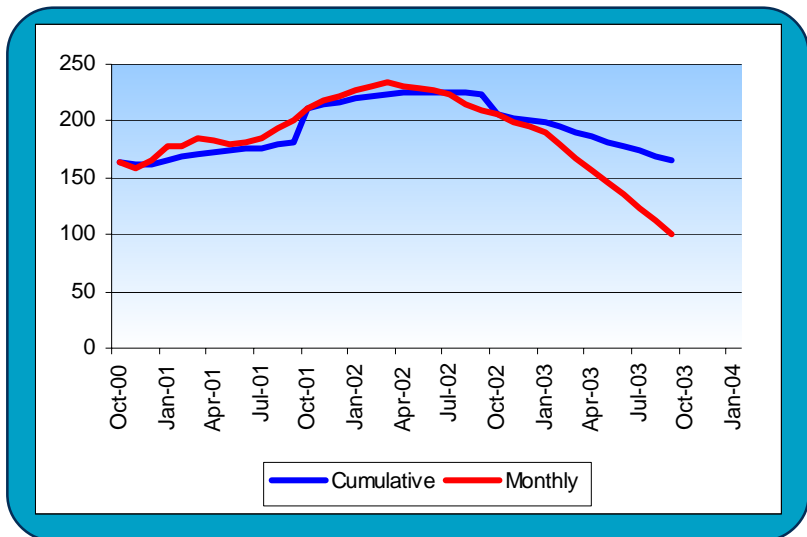
Appendix 4

VA Claims Processing

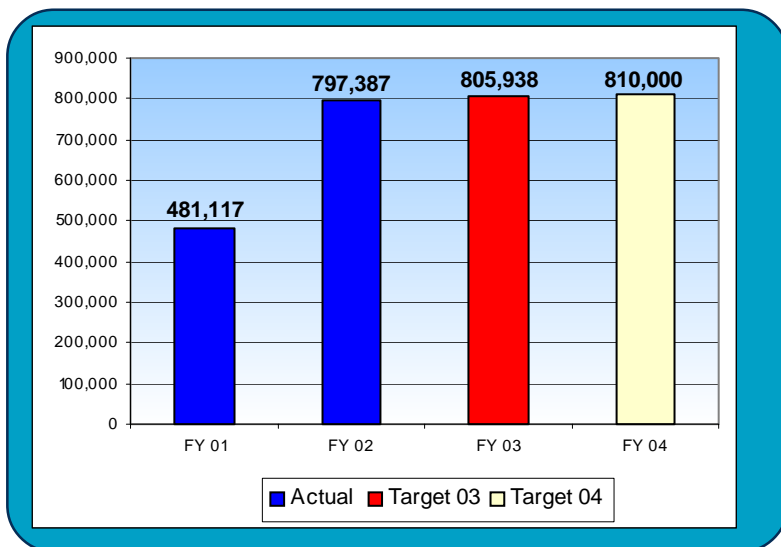
In FY 2002, VA completed more than 797,000 ratings (versus 481,000 in FY 2001 - a 66 percent improvement). During the year, the total number of pending ratings peaked at 430,000. However, by September 30, 2002, VA had reduced that number to 346,000. VA achieved this success even though it received an average of 60,000 new claims every month. Increased productivity has been accompanied by higher quality. Rating quality increased from 72 percent in the first quarter of FY 2002 to 80 percent by the second quarter of FY 2002 (in the month of July). Further, quality of ratings is now evaluated at the regional office level as well as nationwide. It is estimated that the total future liability of benefit payments will be over \$2.6 trillion.

Claims processing times are declining. From March to September 2002, VA reduced average processing time - measured from the day a claim is received to the day a decision is made - from a peak of 234 days to 209 days.

VA RATING AVERAGE DAYS TO COMPLETE CLAIMS



Source: VBA Presentation at January 2003
VA Senior Leadership Retreat



VA RATING PRODUCTION FOR CLAIMS

Source: VBA Presentation at January 2003
VA Senior Leadership Retreat

Appendix 5

New Priorities Table

PRIORITY GROUP		DEFINITIONS
*ENROLLEES	*PATIENTS	
1		<ul style="list-style-type: none"> Veterans with service-connected disabilities rated 50% or more disabling
666,757	538,244	
2		<ul style="list-style-type: none"> Veterans with service-connected disabilities rated 30% or 40% more disabling
447,063	266,349	
3		<ul style="list-style-type: none"> Veterans who are former POW's Veterans awarded the Purple Heart Veterans whose discharge was for a disability that was incurred or aggravated in the line of duty Veterans with service-connected disabilities rated 10% or 20% disabling Veterans awarded special eligibility classification under Title 38, U.S.C., Section 1151, "benefits for individuals disabled by treatment or vocational rehabilitation"
884,139	448,071	
4		<ul style="list-style-type: none"> Veterans who are receiving aid and attendance or housebound benefits Veterans who have been determined by VA to be catastrophically disabled
206,902	146,672	
5		<ul style="list-style-type: none"> Nonservice-connected veterans and non-compensable service-connected veterans rated 0% disabled whose annual income and net worth are below the established VA Means Test thresholds Veterans receiving VA pension benefits Veterans eligible for Medicaid benefits
2,350,164	1,386,662	
6		<ul style="list-style-type: none"> Compensable 0% service-connected veterans World War I veterans Mexican Border War veterans Veterans solely seeking care for disorders associated with exposure to herbicides while serving in Vietnam, exposure to ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki, for disorders associated with service in the Gulf War, or for any illness associated with service in combat in a war after the Gulf War or during a period of hostility after November 11, 1998.
129,710	38,759	
7		<ul style="list-style-type: none"> Veterans who agree to pay specified copayments with income and/or net worth above the VA Means Test threshold and income below the HUD geographic index Subpriority a: Noncompensable 0% service-connected veterans who were enrolled in the VA Health Care System on a specified date and who have remained enrolled since that date Subpriority e: Noncompensable 0% service-connected veterans not included in Subpriority-a above Subpriority g: Nonservice-connected veterans not included in Subpriority-c above
159,437	85,762	
8		<ul style="list-style-type: none"> Veterans who agree to pay specified copayments with income and/or net worth above the VA Means Test threshold and the HUD geographic index Subpriority a: Noncompensable 0% service-connected veterans enrolled as of January 16, 2003 and who have remained enrolled since that date Subpriority c: Nonservice-connected veterans enrolled as of January 16, 2003 and who remained enrolled since that date Subpriority e: Noncompensable 0% service-connected veterans applying for enrollment after January 16, 2003 Subpriority g: Nonservice-connected veterans applying for enrollment after January 16, 2003
2,081,618	963,434	

Appendix 6

Management Challenges

Health Care Quality Management and Patient Safety

One of VA's challenges is the need to maintain a highly effective health care quality management program. VA is vigorously addressing the patient safety procedures and quality management in an effort to strengthen patient confidence. Recommended action items have not been consistently implemented system-wide leaving unsafe or improper conditions that may pose risks to patients. Concerns of lower quality of care and patient safety exist for patients in the Contract Nursing Home Care program. Security and inventory controls in VA facilities and disaster planning require updating. Recommended systems to flag violent and potentially violent patients have not been implemented.

Resource Allocation

VA developed the Veterans' Equitable Resource Allocation (VERA) system to address the inequitable distribution of funding for medical care. The system is a capitation-based allocation methodology that distributes funds based on patient workload. In November 2002, the Secretary announced changes to the VERA methodology that will increase funding for those veterans with more complexity of care needs, the most severely ill patients, eliminate the need for funding supplements, and contain and manage workload growth. In order to provide the necessary resources to the service-connected, low-income, and those needing specialized services, category 7 and 8 veterans were not included in the model.

Compensation and Pension (C&P) Timeliness and Quality

Timeliness and quality of compensation and pension claims has been a significant problem for VA. In October 2001, the Claims Processing Task Force reported to the Secretary on its 34 recommendations to speed the timeliness and accuracy of claims processing. Since the report was released, VA has made significant progress in reducing the backlog of claims. New claims processing models are being created and new examiners are being hired and trained. VA believes that these efforts will significantly improve claims processing.

Erroneous and Improper Payments

The risk of erroneous and improper payments throughout VA is high because of the volume and amount of payments. These payments can be attributed to lack of oversight, monitoring, and inadequate controls. VA is focusing its efforts on leveraging audits and investigations to reduce erroneous and improper payments. Systemic improvements and procedural reforms will limit future opportunities for fraud and other abuses.

Government Performance and Results Act (GPRA) - Data Validity

Successful implementation of GPRA requires accurate reporting of performance measurement. VA audits have shown significant problems with its data reliability. The administrations are implementing the recommendations from OIG and are making progress in ensuring data accuracy. Initiatives and strategies addressing data quality, training and education, personnel, policy guidance, and data systems are being implemented. Current audits of three of the Department's key measures will show whether progress is being made.

Security of Systems and Data

Information security is critical to ensuring the confidentiality, integrity, and availability, of VA data to the administrations and staff offices. Recent OIG audit reports have found that weaknesses still exist in

Appendix 6

Management Challenges

information security systems and controls. VA is making progress towards correcting these weaknesses. Historically, VA's diverse and inconsistent IT management, as well as resistance to headquarters-level programmatic direction have led to the current security problems. In the past year, the Secretary has consolidated all IT functions under the Department's CIO and approved the VA Enterprise Architecture that will guide the future of information technology in VA. The Enterprise Cyber Security Infrastructure Project now has overall responsibility for information security and is implementing plans to address the material weaknesses throughout VA.

Federal Financial Management Improvement Act (FFMIA) and VA's Consolidated Financial Statements (CFS)

VA has achieved unqualified consolidated financial statement audit opinions since FY 1999. The Department still has significant weaknesses in its financial systems that will take several years to complete. VA is in the process of replacing its financial systems with an integrated core financial management system (CoreFLS). Implementation of the Enterprise Cyber Security Infrastructure Project will strategically provide increased security protections for VA's information systems. Other material control weaknesses throughout the Department have been identified and corrective action is being implemented.

Debt Management

As of June 2002, debt owed to VA is over \$3.3 billion. This debt is from home loan guaranties; direct home loans; life insurance loans; medical care cost fund receivables; and compensation, pension, and educational benefits overpayments. The Department is making progress in addressing the OIG recommendations to be more aggressive in collecting debts; improve debt avoidance practices; streamline and enhance credit management and debt establishment procedures; and improve the quality and uniformity of debt waiver decisions. VA has made substantial progress in addressing its debt management activities. VA is following recommendations on the Medical Care Collections Fund to improve billing, collection, and follow-up on accounts receivable.

Procurement Practices

VA spends about \$6 billion annually for pharmaceuticals, medical and surgical supplies, prosthetic devices, information technology, construction, and services. In FY 2001, the Secretary established the Procurement Reform Task Force. The task force made 60 specific recommendations to achieve goals of: leveraging the Department's purchasing power by requiring VA facilities to purchase under nationally negotiated contracts; expanding purchases with DoD; increasing standardization of commonly used commodities; improving the usefulness of procurement systems and data; increasing top management oversight of procurement activities; improving Government purchase card controls; and improving acquisition workforce training, recruitment, and retention.

Strategic Human Capital Management

VA is committed to recruiting, developing, and retaining a competent, committed, and diverse workforce, that provides high-quality service to veterans and their families. Skilled nursing and claims examiners are two major areas that face potential shortages that could affect patient care and claims processing. VA is implementing plans and strategies to hire and train qualified people to avoid the potential negative impact in these major areas. Additionally, VA is developing workforce succession plans and strategies to replace retiring employees throughout VA.

Appendix 6

Management Challenges

Ensure Timely and Equitable Access to Quality VA Health Care

In the past, VA has not been able to ensure that veterans will receive timely care at VA medical facilities. Nor could VA in the past, ensure that it had maintained the capacity to provide veterans who have spinal cord injuries, serious mental health illnesses, or other special needs the care that they require, as mandated by the Congress. VA must also assess its capacity to provide long-term care for its aging veteran population and respond to emerging health care needs, such as treating veterans for Hepatitis C.

In FY 2002, VA exceeded two of the three timeliness key performance measures. VA has also met or exceeded the goals for the other performance measures related to spinal cord injuries, serious mental health illnesses, and Hepatitis C. Additionally, the Secretary has stated that more resources will be applied to veterans with combat related and serious injuries.

Develop Sound Agency-Wide Management Strategies to Build a High-Performing Organization

VA must revise its budgetary structure -- to link funding to performance goals, rather than program operations and develop long-term, agency-wide strategies for ensuring an appropriate IT infrastructure and sound financial management. VA has implemented an IT Enterprise Architecture that will integrate all of VA's business lines. VA is also one of the first to integrate performance and budgeting in the FY 2004 budget. VA has also restructured IT budget accounts to integrate budgeting and performance.

Appendix 7

Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their life and that of their families.		
Objective 1.1: Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.	Develop and implement clinical practice guidelines with a long-range view toward assuring continuity of health care and seamless transition from active military service to veteran status.	Defense
	Develop the framework for the Government Computerized Patient Record common clinical architecture to systematize data collection and improve ability to deliver services.	Defense, Health and Human Services
	Share prosthetic services and spinal cord injury knowledge and care strategies to improve quality of care to active duty personnel.	Defense
	Improve services to patients with addictive disorders through partnership with the Office of National Drug Control Policy.	White House
	Improve patient treatment through participation in the American Hospital Association's National Conference for Consumer Health Care Advocacy.	American Hospital Association
	Address medical issues relating to Gulf War illness.	Defense
	Enhance services to homeless veterans by distributing excess property, and providing grants to state and local agencies as well as non-governmental organizations (NGOs), and partnering with community-based religious groups.	Defense, States, NGOs, Community Organizations
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.	Support claims development and the physical exam process prior to separation so that a disability decision can be made soon after separation from active duty. (Also related to Objective 2.1)	Defense
Objective 1.3: Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.	Enhance employment assistance skill level through cross-agency training and education. (Also related to Objective 2.1 and Objective 2.2)	Labor
Goal 2: Ensure a smooth transition for veterans from active military duty 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.	Improve access to benefits and services by performing outreach activities, especially in remote locations.	Defense
	Improve knowledge of, and access to, benefits by strengthening partnerships with agencies participating in the Transition Assistance Program.	Defense, Labor
	Collaborate to ensure a complete VA health care record; for example, HealthVet is available	Defense

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Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
Objective 2.2: Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.	Improve access to benefits and services by establishing effective education outreach. (Also related to Objective 2.1)	Defense
Objective 2.3: Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.	Improve the housing program by developing business relationships with private sector organizations.	Private Sector
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 maximized the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.	Implement clinical practice guidelines to assure continuity of health care and seamless transition for a patient moving from active military duty to veteran status.	Defense, Agriculture, Commerce, Federal Communications Commission, Health and Human Services, NASA, OMB, Appalachian Regional Commission
	Improve medical linkages through participation in the Joint Working Group on Telemedicine.	National Academies - Institute of Medicine Health and Human Services, Defense
	Improve services to Vietnam veterans with health problems by consulting with outside partners on improving the agency's strategic direction regarding their treatment.	American Medical Association, American Hospital Association, American Association of Medical Colleges
	Strengthen quality of services by determining an appropriate benchmark for bed days of care.	
	Strengthen cost accounting by collaborating on the Parametric Cost Accounting System (PACES).	
Improve health services by consulting with professional associations.	Social Security Administration	
Objective 3.2: Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standards of living and sense of dignity.	Explore the possibility of direct access to electronic databases to give VA the potential to rate pension cases using Social Security Administration disability codes.	Treasury, Social Security Administration
Objective 3.3: Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.	Improve ability to locate and track insurance program participants through verification of Social Security numbers. (Also related to Objective 3.2)	

Appendix 7

Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
Objective 3.4: Ensure that the burial needs of veterans and eligible family members are met.	Increase access to burial services by administering the State Cemetery Grants Program, which provides grants to states of up to 100% of the cost of establishing, expanding, or improving state veteran cemeteries.	States
	Work with components of DoD and VSOs to provide military funeral honors at national cemeteries.	Defense, VSOs
	Increase awareness of VA burial benefits and services by continuing to work with funeral homes and VSOs.	Funeral Homes, VSOs
Objective 3.5: Provide veterans and their families with timely and accurate symbolic expressions of remembrance.	Convey the Nation's gratitude for the service of veterans by providing Presidential Memorial Certificates to families of deceased veterans.	White House
	Convey the Nation's gratitude for the service of veterans by providing headstones and markers to veterans buried in cemeteries managed by other Federal agencies, states, and the private sector.	Army, Interior, States, Private Sector
	Increase online ordering of headstones and markers from state veteran cemeteries through VA's AMAS-R monument ordering system.	States
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 support to national, state, and local emergency management and homeland security efforts.	VA participation in the National Disaster Medical System. VA participation in national response exercise such as TopOff 2.	FEMA, Defense, Public Health Service, Homeland Security
Objective 4.2: Advance VA medical research and development 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.	Collaborate on studies involving Gulf War Syndrome and Vietnam War issues.	Defense, Nuclear Regulatory Commission
	Collaborate on a number of research studies on disabilities and illnesses related to military service.	Defense, HHS, NIH, National Academies, Private Sector
Objective 4.3: Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.	Contribute to the development of current medical standards by participating on the President's National Advisory Bioethics Committee.	White House, Defense, Energy, NIH
	Improve the Nation's medical services by partnering to train National Guard and reserve medical units	Defense

Appendix 7

Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
<p>Objective 4.4 Enhance the socioeconomic well being of veterans, and thereby the Nation and local communities, through veteran's benefits; assistance programs for small, disadvantaged and veteran-owned businesses; and other community initiatives.</p>	<p>Increase homeownership by participating in the Partners for Homeownership initiative. (Also related to Objective 2.3)</p>	<p>Housing and Urban Development</p>
	<p>Improve economic prospects for veterans by improving resources available to develop and maintain small businesses. (Also related to Objective 2.2)</p>	<p>Small Business Admin., Labor</p>
<p>Objective 4.5: Ensure that national cemeteries are shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.</p>	<p>Enhance maintenance operations at national cemeteries through partnerships with governmental and non-governmental organizations as well as volunteers.</p>	<p>Justice, VSOs, Volunteers</p>
<p>Enabling Goal : Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.</p>		
<p>Objective E-1: Recruit, develop, and retain a competent, committed and diverse workforce that provides high quality service to veterans and their families.</p>	<p>Enhance workforce-planning initiative by collaborating with agencies to develop accurate models.</p>	<p>Federal Agencies</p>
<p>Objective E-2: Improve communications with veterans, employees and stakeholders to share the Department's mission, goals, and current performance and of the benefits and services VA provides.</p>	<p>Improve awareness of the agency by clearly communicating VA's goals and services.</p>	<p>VSOs, Community Groups, Schools, Congress</p>
<p>Objective E-3: Implement a One VA information technology framework that supports the integration of information across business lines and that provide a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.</p>	<p>Improve technological capacity by working with other agencies to ensure the most effective and efficient combination of information technologies is used.</p>	<p>Federal Agencies</p>
	<p>Improve services to veterans through development of the One VA Smart Card.</p>	<p>Defense</p>
<p>Objective E-4: Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.</p>	<p>Strengthen strategic direction of the agency by soliciting extensive stakeholder feedback.</p>	<p>VSOs, OMB, GAO, Defense</p>

Appendix 8

Data Capacity

VA is committed to ensuring that those who use VA's reported performance information to make decisions can do so with the confidence that our data are reliable and valid. Developing policy to ensure data quality, establishing oversight authority, using the expertise of the Office of the Actuary, and using performance audits to objectively assess the reliability, validity, and integrity of the data will provide senior managers with needed assurances about the quality of VA's data.

VA is developing a sound policy for data quality at the Department level that would include, among other things, standardization of data definitions; use of internal controls; data sources; data reliability; validity; and integrity checks. Upon establishment of the Department's first key performance measures in 1998, it was critical to senior managers that the quality of data reported be objectively verified for accuracy. The Office of Inspector General (OIG) conducted performance audits, most of which were completed in 2001. These audits provide an important and objective assurance of data quality.

In order to ensure a greater understanding among VA staff and managers, OIG auditors provided the following definitions:

- Validity — Does data represent what it is intended to?
- Reliability — Is the data consistent and can it be replicated?
- Integrity — Can the data be gamed or manipulated?

Since the OIG findings were originally published, VBA, VHA, and NCA have taken action to correct the deficiencies identified in the audits and implemented all recommendations made by the OIG. For example, to improve the data used to measure claims processing, VBA clarified and revised its policies and added a data integrity segment to the training package for veterans service officers and began to collect transaction data in order to identify questionable transactions.

Veterans Health Administration

VHA has implemented all of the OIG recommendations identified regarding over reporting of unique patients by six percent and is awaiting the release of the OIG audit of the Chronic Disease Care and Prevention Index.

Data reliability, accuracy, and consistency have been a targeted focus of the Veterans Health Administration (VHA) for several years. The principles of data quality are integral to VHA's efforts to provide excellence in health care. VHA has established a Data Quality Council to lead data quality improvement efforts. The Council's focus has been centered on: creating standard processes that support on-going maintenance of data quality; defining and implementing local accountability for data quality; establishing a data quality education, training and communication structure; and, focusing efforts on data that supports patient access processes.

The VHA Data Consortium addresses organizational issues and basic data quality assumptions. The Data Consortium works collaboratively to improve information reliability and customer access for the purposes of quality measurement, planning, policy analyses, and financial management. The ongoing

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Data Capacity

initiatives and strategies address data quality infrastructure, training and education, personnel, policy guidance, and data systems.

The Meta Data Repository (MDR) is in development with data from 49 VHA databases. This registry contains definitions, business rules, names of database stewards, and descriptive information about the data elements contained in VistA databases. The MDR provides a single source of data element description to users and technical staff. The use of the MDR will also help eliminate data redundancies and improve standardization.

VHA completed the implementation of a national Master Patient Index (MPI) in FY 2001. The MPI provides the ability to view clinical data from various VA medical facilities via the remote data view functionality within the Computerized Patient Record System (CPRS). The MPI provides the access point mechanism for linking patients' information from multiple clinical, administrative, and financial records across VHA health care facilities to enable an enterprise-wide view of individual and aggregate patient information.

The ideal health system must promote the sharing of information any time, any place, by any authorized provider, and in real-time, while ensuring that stringent privacy and security regimes are maintained. It must maximize the best use of available technology to allow users to effectively manage across programs, time, distance, and within budget constraints, while balancing the resource needs of health and information. The ideal health and information system must provide a high performance platform that maximizes patient health.

VHA is moving toward an ideal health and information system. In the near-term, VHA is enhancing the current VistA platform by completing the Decision Support System and implementing VistA Imaging. Mid/long-term efforts will include: the development of a health database accessible across all areas of care, times, locations, and providers; the enhancement of eligibility/enrollment processing to meet One VA goals; the reengineering of the VistA Scheduling package; and enhancement or replacement of the billing and fee basis systems.

Veterans Benefits Administration

In response to the OIG's inability to verify the accuracy of the Foreclosure Avoidance Through Servicing Ratio (FATS Ratio), VBA has improved its records management and currently maintains all data needed for the OIG to verify the accuracy of the current FATS Ratios. Since August of 1999, the Loan Servicing and Claims System maintains an electronic copy of all service notes and cases indefinitely. Prior to August of 1999, servicing notes and case records were discarded after 60 days and no electronic records were kept.

National Cemetery Administration

NCA workload data are collected monthly through field station input to the Management and Decision Support System (MADSS), the Burial Operations Support System (BOSS), and the Automated Monument Application System - Redesign (AMAS - R). After reviewing the data for general conformance with

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previous reporting periods, headquarters staff validates the data and resolves any irregularities through contact with the reporting station.

NCA determines the percent of veterans served by existing national and state veterans cemeteries within a reasonable distance of their residence by analyzing census data on the veteran population. Effective in FY 2000, actual performance, and the target levels are linked to the Veterans Population Projection Model. VetPop2001 is adjusted for Census 2000 and is the authoritative VA estimate and projection of the number and characteristics of veterans.

Veterans Actuarial Model (VAM) 2002

In December 2002, VA's Office of the Actuary (OACT) refined The Veteran Population Projection Model 2001 by adjusting it to take into account data from Census 2000. Next year OACT's Veteran Population Projection Model will be enhanced with the capability to provide estimates and projections of critical elements for seven VA business lines: Compensation, Pension, Medical, VRE, Loan Guaranty, Education, and Burial. Those elements are: number eligible, number of users, benefit costs, and workload. In its standard projections, the model will be updated each year based on current data, and existing law, but will have the flexibility to vary assumptions and simulate proposed changes in laws and regulations. The foundations of the model are VA surveys and administrative data from VHA, VBA, and NCA; data from other government agencies, such as DOD's Defense Manpower Data Center, the Bureau of the Census, and the DOD Office of the Actuary; basic research; and sophisticated computer programs.

In addition to the development of VAM, OACT provides consultation and actuarial support to all VA entities; makes sure that needed research is carried out; and identifies, collects, and analyzes data about veterans from within, as well as, outside VA. The goal of OACT is to make the best data about veterans and their benefits available to VA management and the community at large.

Appendix 9

Key Performance Measures

The VA Strategic Plan identifies some of the performance measures VA will use to gauge progress toward achievement of our strategic goals and objectives. This is not an exhaustive list of the Department's measures. Instead, they are representative and leading examples of the ways in which we will monitor our progress.

VA leaders have identified a subset of the Department's performance measures as "key measures." These are the indicators we consider critical to success and will measure progress on our most significant performance measures and targets. Not only are these measures and target included in the Strategic Plan, but they are also highlighted in VA's Annual Performance and Accountability Report.

VA's key performance measures are:

- National accuracy rate (core rating work) compensation
- Compensation rating-related actions - Average days to process
- Compensation rating-related actions - Average days to pending
- Pension rating-related actions - Average days to process
- Non-rating actions - average days to process (pension)
- Non-rating actions - average days pending (pension)
- National accuracy rate - authorization work (pension)
- Vocational Rehabilitation and Employment Rehabilitation rate
- Montgomery GI Bill usage rate
- Average days to complete original education claims
- Average days to complete supplemental education claims
- Foreclosure Avoidance Through Servicing (FATS) ratio
- Percent of patients rating VA health care service as very good or excellent (Inpatient and Outpatient)
- Average waiting time for new patients seeking primary care clinic appointments (in days)
- Average waiting time for next available appointment in specialty clinic (in days)
- Clinical Practice Guidelines Index
- Prevention Index II
- Increase non-institutional long-term care as expressed by average daily census
- Ratio of collections to billings
- Dollar value of sharing agreements with DoD
- Average days to process insurance disbursements
- Percent of veterans served by a burial options within a reasonable distance (75 miles) of their residence
- Percent of graves in national cemeteries marked within 60 days of interment
- Percent of respondents who rate the quality of service provided by the national cemeteries as excellent
- Percent of research projects devoted to the Designated Research Areas
- Percent of respondents who rate national cemetery appearance as excellent

Appendix 10

Glossary of Frequently Used VA Strategic Planning Terms

External Factors: Situations beyond agency control such as changes in economic, social, environmental, governmental, technological or other conditions that may impact achievement of strategic goals and objectives.

Mission: A clear, concise statement that defines what the agency does and presents the main purpose for its major functions and operations.

Objective: An objective(s) is paired with a goal(s) and is used to help assess whether a goal was or is being achieved. An objective describes a more specific level of achievement than a goal. It is measurable, succinctly stated, and outcome-oriented.

Outcome: A description of the intended result, effect, or consequence that will occur from carrying out a program or activity.

Performance Measure: A method used to assess performance. It may include outputs, indicators, intermediate outcomes, or outcomes.

Performance Target: A level of performance intended to be achieved within a specified timeframe. Targets are created as part of the planning process to set distinct goals and to act as a catalyst for agency improvement.

Program Evaluation: An assessment, through objective measurement and systematic analysis, of the manner and extent to which programs are achieving intended outcomes.

Scenario-Based Planning: A tool used to broaden the strategic outlook of an agency by challenging its staff and stakeholders to identify important societal movements or trends, anticipate their implications for organizational performance, and envision (through scenarios) potential organizational change. The process is not intended to predict the future, but to sketch out a range of possible futures and consider how they might effect the fulfillment of the agency mission.

Service Delivery Measure: A description of the level of activity, effort, or work that will be produced or provided over a period, by a specified time. This measure is associated with the delivery of a particular service or outcome.

Stakeholder: Any person, group, or organization that can place a claim on, or influence, the organization's resources or outputs, is affected by those outputs, or has an increased interest in or expectation of the organization.

Strategic Goal: Defines how an agency will carry out its mission over a period of time. The goal is expressed in a manner that allows a future assessment to be made of whether the goal was or is being achieved. The goal may be of a programmatic, policy, or management nature. Goals should be outcome-oriented.

Strategies and Processes: Describes how the strategic goals and objectives will be achieved, e.g., human, capital, information or other resources, and the operational processes, skills, or technology that will be used.

Values: A statement of agency principles.

Vision: A statement of a desired state-of-being of the organization at a specific timeframe in the future, looking back toward the present.

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