

STRATEGIC GOAL 1

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

Secretary's Priorities

- **Be recognized as a leader in the provision of specialized services, particularly spinal cord injury, geriatrics, and mental health.**
- **Provide accurate decisions on compensation and pension rating-related claims within 100 days by summer of 2003.**
- **Focus vocational rehabilitation resources on veterans with serious employment handicaps and independent living services.**

To achieve this strategic goal, VA needs to maximize the ability of disabled veterans, special veteran populations (for example, veterans with spinal cord injuries, elderly veterans, or those with serious mental illness), and their dependents and survivors to become 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 disabled veterans.

Four key performance measures enable us to gauge progress in achieving this strategic goal:

- Proportion of discharges from spinal cord injury (SCI) center bed sections to non-institutional settings
- Average days to process rating-related actions on compensation and pension claims
- National accuracy rate for core rating work
- Vocational rehabilitation and employment rehabilitation rate

Secretary's Priority

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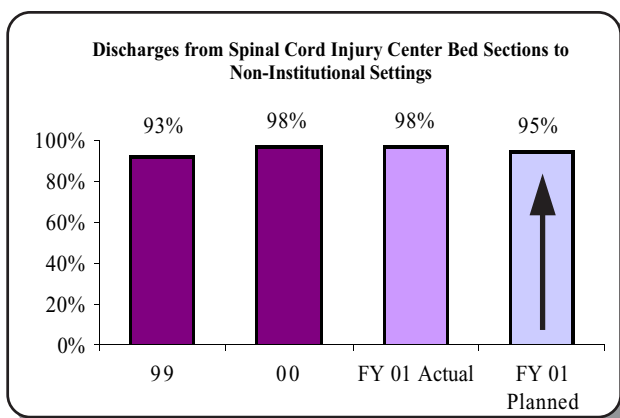
Performance Goal

- **Maintain at 95 percent the proportion of discharges from spinal cord injury (SCI) center bed sections to non-institutional settings.**

The Veterans Health Administration (VHA) remains committed to promoting the health, independence, quality and dignity of life, and productivity of individuals with spinal cord injury (SCI) and other disabling conditions.

Special attention is accorded veterans with SCI for a number of reasons, primarily because of the severity of illness and disability associated with SCI. VHA closely monitors the performance measure described below to ensure responsiveness to veterans with SCI and maximize the potential for positive outcomes of care.

We exceeded the target level by achieving a discharge rate of 98 percent in FY 2001. VHA will continue to place high priority on assisting/enabling veterans with SCI to obtain discharge to non-institutional settings.



Means and Strategies

VHA is focused on promoting the health, independence, quality of life, and productivity of individuals with SCI. We view discharge to non-institutional, community living as a positive health outcome.

VHA improved the overall care of veterans with SCI and coordination of their discharges in the following manner:

- In FY 2001, staffing at SCI Centers increased by 275 FTE from 1,368 to 1,643;
- Distributed Clinical Practice Guidelines from the Consortium for Spinal Cord Medicine to all VA SCI centers;
- Conducted annual national SCI-Primary Care team training;
- Improved the Spinal Cord Dysfunction (SCD) Registry to advance coordination of care;
- Achieved Rehabilitation Accreditation Commission (CARF) accreditation for acute Spinal Cord Injury and Disorders (SCI&D) rehabilitation programs at 19 of 20 SCI Centers;
- Continued identification and translation of best practices in SCI&D by the Quality Enhancement Research Initiative for Spinal Cord Injury (SCI QUERI);

- Expanded direct outreach to patients with SCI&D to increase the proportion of influenza and pneumococcal vaccinations;
- Distributed Veterans Health Initiative (VHI) SCI Continuing Medical Education Project information to physicians to enhance primary care knowledge of SCI&D issues;
- Improved access to care within patients' communities.

Crosscutting Activities

VHA works with the Paralyzed Veterans of America and other concerned veterans service organizations to continually improve VA SCI care, which is recognized as a health care leader for this Special Emphasis population. VHA will also continue to work towards complete, full CARF accreditation for all 20 SCI Centers. This credible

acknowledgement of an outside review body will help ensure consistency of approach (clinical practice) and high-quality medical care.

Data Source and Validation

The origin of data for this performance goal is from the National Patient Care Database Patient Treatment File (PTF) at discharge. "Non-institutional care setting" includes community, foster home, halfway house, boarding house, residential hotel, and home-based health care services. Non-institutional care setting does not include hospitals, nursing home care units, state homes, domiciliaries, or penal institutions.

The numerator for this goal is inpatients that were discharged from SCI-center bed sections to non-institutional settings. The denominator is patients discharged from SCI-center bed sections alive who were discharged regularly and not transferred in from institutional care.

Secretary's Priority

Provide accurate decisions on compensation and pension rating-related claims within 100 days by summer 2003.

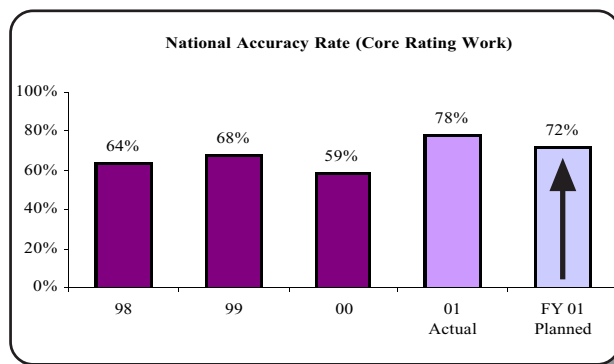
Performance Goals

- Complete rating-related actions on compensation and pension (C&P) claims in an average of 202 days.
- Attain a 72 percent national accuracy rate for core rating work.

Quality and Timeliness of Claims Processing

Although we exceeded our timeliness goal by 21 days, with an achievement level of 181 days compared with our goal of 202 days, performance worsened from the previous year's level of 173 days. This level of performance is unacceptable. On the other hand, accuracy increased significantly in FY 2001 to 78 percent from 59 percent in FY 2000. This is 6 percent better than the goal of 72 percent.

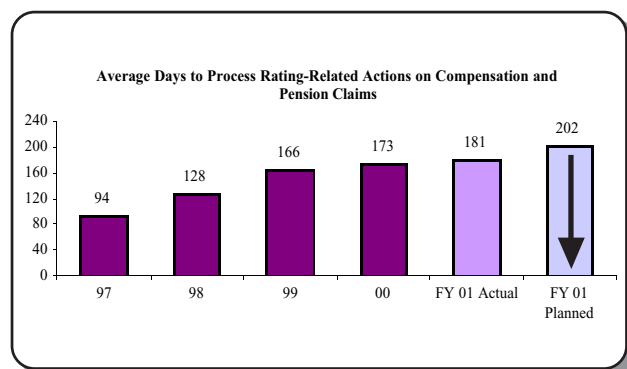
FY 2001 was a transition year for VBA. Total Pending Workload increased from 332,300 claims and appeals at the end of FY 2000 to 565,800 claims and 117,800 appeals (including all appeals, not just C&P cases) at the end of FY 2001. This increase was largely the result of regulatory and legislative changes increasing benefits to veterans and lower-than-expected productivity. However, because of increases in staffing, productivity, and streamlining activities, we are beginning to turn the problem around. The percentage of rating-related claims



completed during the first quarter of FY 2002 was 68 percent higher than during the first quarter of 2001. As we reduce the number of older claims, our timeliness will worsen, but it will allow us to achieve significant improvements by the end of FY 2002.

Appeals Processing

The appeals resolution time is the average length of time it takes VA to process an appeal from the date a claimant files a Notice of Disagreement (NOD) until a case is resolved, including resolution at a regional office or final decision by the Board of Veterans' Appeals (BVA). Appeals resolution processing impacts compensation and pension claims activities. Claims going through the appeal process require additional compensation and pension staff resources. The additional resource requirements reduce the available resources to work initial claims processing. A primary remand rate reduction strategy is to improve appellate processes through information sharing between BVA and field adjudication staff using regularly scheduled



information exchange sessions conducted via interactive video-conference system. A second strategy is to develop better bases of information and to improve analysis of trends to identify remand types and reasons.

As a result of ongoing efforts, the remand rate was reduced from 36.3 percent in 1999 to 29.9 percent in 2000. However, since enactment in November 2000 of Public Law 106-475 (Veterans Claims Assistance Act of 2000), the remand rate has soared to 48.9 percent. In order to ensure claimants due process rights, many pending appeals have to be remanded for the new law to be applied by the office of original jurisdiction. Also, affected cases pending at the U.S. Court of Appeals for Veterans Claims are remanded to the Board for further remand to the appropriate regional offices. Currently, there are about 32,300 cases in remand status. The recent inception of the law prevents making an educated estimate of how much time will be required to complete the remands or how many days the field development required for an original claim will add to the overall appeals resolution time.

Some improvements in timeliness can be achieved through coordinated efforts undertaken by both BVA and VBA, such as reductions in administrative overhead and other initiatives involving internal procedural changes. Such an approach acknowledges that claims and appeals processing must be viewed as a continuum, rather than as a series of discrete activities. The Department is committed to this approach and has targeted improving appeals resolution time as one of our most important timeliness objectives. Because over 90 percent of VA appellate actions are appeals of compensation benefit decisions, the appeals resolution time measure is aligned with the VA strategic goal and objective for the compensation program.

Means and Strategies

We have implemented a variety of system changes to improve performance and address specific timeliness and accuracy-related problems. Initiatives dedicated to this effort have been both numerous and diverse, but all with one common goal – enhancement of the claims process. Key initiatives include a “tiger team,” based in Cleveland, which is fully operational. The first priority for this team is to resolve long-pending claims of veterans who are 70 years of age and older. Once this has been accomplished, the team will move to other claims pending a decision for more than a year. A Claims Processing Task Force, created by the Secretary in May 2001, proposed measures and actions to increase the efficiency and productivity of VBA operations, shrink the backlog of claims, reduce the time it takes to decide a claim, and improve the validity and acceptability of decisions. The Task Force report contains 34 recommendations comprised of 66 actionable tasks. Appropriate implementation plans with milestones have been established for each task and implementation is being tracked in VBA’s Project Management System. Seven of the 66 tasks have already been completed and another 13 are scheduled for completion within the next 6 months.

VBA has taken many additional steps to offset the impact of legislative and regulatory changes, such as the Veterans Claims Assistance Act (VCAA) of 2000, the addition of diabetes mellitus type 2 as a presumptive Agent Orange condition, and the expansion of the list of radiation-related diseases for which we currently provide presumptive service connection. We have implemented countermeasures, within available resources, to continuously improve timeliness and accuracy in rating-related claims processing to better serve veterans. In FY 2001, we successfully:

- Hired 932 veterans service representatives (VSRs) and rating VSRs.
 - Launched a centralized training initiative to train these new hires. This centralized training is now the standard for future hires.
 - Reached an agreement between VBA and the Board of Veterans' Appeals (BVA) concerning remand development. VBA will provide training to BVA on its field office procedures as well as the computer tools used by VBA to develop and control its evidence requests. During 2002, BVA will begin initiating development on cases that would otherwise be remanded back to the field offices. At this time, we estimate that the time to process appeals will be reduced by 34 days on average.
 - Established resource centers to focus on specialized claims processing.
 - Expanded the St. Louis Helpline and made it fully operational in February 2001.
 - Released personal computer generated letter (PCGL) notification letter packages in April and December 2001.
 - Developed national production standards for VBA's decision-making positions. These proposals are being further evaluated.
 - Published in the Federal Register on April 20, 2001, the amendment to 38 CFR 3.103 allowing VBA's decision-makers to gather evidence by oral communication.
 - Tested and made available to all regional offices the Compensation and Pension Records Interchange (CAPRI) application that allows VBA's decision-makers to successfully obtain medical records from the Veterans Health Administration database.
 - Signed a memorandum of understanding with VHA to establish a Joint Medical Examination Improvement Office in Nashville, Tennessee. The mission of this office is to review the C&P examination process in order to identify the tools and procedures needed to improve the quality and timeliness of C&P examinations. It is currently functioning and fully staffed with subject matter experts from both VBA and VHA.
- VBA also expects to successfully implement the following countermeasures in FY 2002– 2003:
- Provide field offices relief from doing local Statistical Technical Accuracy Reviews (STARs). The national STAR office located in Nashville, Tennessee is fully operational. Additional national reviews will be completed to account for the local reviews that were eliminated.
 - Processing of pension maintenance workload began on January 2, 2002, at three centralized sites. Initially, these sites will process eligibility verification reports. VBA expects these sites to process all pension maintenance workload by the end of FY 2003.
 - Fully test in FY 2002, virtual imaging technology at the pension maintenance centers.
 - VBA has been working closely with the Department of Defense on two major initiatives: the exchange of their records through imaging technology and the creation of a joint separation examination and disability evaluation protocol. It is expected that both of these efforts will be ready for testing by the end of FY 2003.
 - Collaborate with BVA to create a procedure that will allow board members to develop cases that would have been remanded back to the regional office. This process was begun in February 2002.

External Factors

The requirements of the Veterans Claims Assistance Act (VCAA) and diabetes regulations continue to affect efforts to reduce the timeliness of claims processing. Pending legislation on radiation exposure could further increase the total number of expected claims, thereby offsetting improvements VBA has made in timeliness.

Crosscutting Activities

In collaboration with DoD, we are working on an electronic data exchange system as well as a joint VA/DoD examination process at the time of separation from service. When implemented, both measures should facilitate timelier processing of claims by reducing the wait time required to receive necessary evidence.

Major Management Challenges

For the past quarter century, VBA has struggled with timeliness of claims processing; VBA continues to face a high workload backlog and takes an unacceptably long time to process claims.

For a more detailed discussion of this management challenge, see pages 98 – 103.

Data Source and Validation

The timeliness of claims processing is measured using data captured automatically by the Benefits Delivery Network as part of claims processing. VA has taken several steps to ensure it has accurate and reliable data in its reports. A database of all end product transactions is maintained and analyzed on a weekly basis to identify questionable actions by regional offices. The Compensation and Pension (C&P) Service reports quarterly on its findings and reviews a sampling of cases from stations with the highest rates of questionable practices.

The C&P Service determines accuracy rates by reviewing a statistically valid sample of cases. Beginning in FY 2002, C&P Service will expand its review to independently measure regional office accuracy, which will require the review of approximately 10,000 cases annually. The regional office sample size will ensure a confidence level of 95 percent with a margin of error range from +/-6 percent for best performing regional offices to +/-9 percent for regional offices with the lowest performance rates. The sample size will be increased for the six regional offices with the poorest documented performance, reducing the margin of error to +/-6 percent on the subsequent review. Program experts who are independent of field operations management conduct the reviews.

The Veterans Appeals Control and Locator System (VACOLS) is VA's appeals tracking system. It serves as the exclusive source of all data used to calculate appeals resolution time.

There are five categories of data that go into calculating the total appeals resolution time: (1) cases resolved in the field prior to receipt of a Substantive Appeal (VA Form 9), (2) cases closed for failure to respond to the Statement of the Case, (3) cases resolved in the field after receipt of a Substantive Appeal but prior to certification to BVA, (4) cases resolved through final BVA decisions, and (5) cases resolved in the field following BVA remands. Information for cases disposed of in each category is computed and totaled for each regional office, and an overall VA average is computed.

Edits have been built into the system to prevent data entry errors. There are checks and balances throughout the system to detect errors, and procedures are in place for correcting these errors.

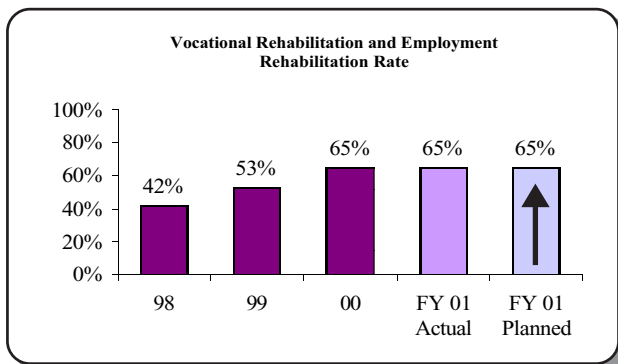
Secretary's Priority

Focus vocational rehabilitation resources on veterans with serious employment handicaps and on independent living services.

Performance Goal

- **At least 65 percent of all veteran participants who exit the vocational rehabilitation program will be rehabilitated.**

The rehabilitation rate is determined by comparing the number of veterans rehabilitated through the VA program versus the total number of veterans exiting the program. The Vocational Rehabilitation and Employment (VR&E) Program met its national goal of 65 percent for FY 2001 by continuing to place emphasis on employment. Over 10,100 service-disabled veterans were rehabilitated and returned to employment.



Means and Strategies

The following initiatives or activities contributed to the rehabilitation rate achievement in FY 2001:

- Increased the number of staff located within the community and outside the regional office to be available to serve veterans at a location convenient and easily accessible for veterans. Also, case managers were provided with equipment to access systems and data needed to provide a complete range of services to veterans at the time of counseling.

- Improved communications with veterans and stakeholders to ensure a full understanding of the program's focus on employment and the services offered.
- Continued to provide employee training in employment services by providing tools such as Transferable Work Skills Analysis, laptop computers, and the case management and information system.
- Increased working relationships with other public and private rehabilitation and employment organizations to assist veterans in achieving suitable employment more quickly and efficiently.
- Developed a matrix containing the key skills for VR&E staff and utilized this instrument to assess current skill levels and identify skills needing development.
- Deployed two major initiatives, Corporate WINRS (named for the regional offices that tested the system) and Case Management redesign, in support of the reengineering processes for the VR&E Service. Both these initiatives enabled improvement in the program's daily processing of cases and increased timeliness of services to veterans.
- Began measuring program outcomes through the Quality Assurance program to validate quality and accuracy of services provided to veterans.

- Tested the employment specialist pilot program, which proved effective in assisting veterans to achieve employment. As a result, field offices realigned their staff to include this position. Employment specialists work with veterans and the employment community to assist veterans in preparing for and obtaining employment.

Crosscutting Activities

The VR&E program, in partnership with DoD's Defense Manpower Data Center, developed a Transferable Work Skills Analysis to assist the VR&E staff in analyzing and converting military skills to civilian skills. Additionally, VA's VR&E Service and the Department of Labor's Veterans' Employment and Training Service work together to provide an annual training program for staff involved in the placement of disabled veterans in interim and permanent employment. This program will increasingly involve the Small Business Administration.

Data Source and Validation

VR&E Management Reports serve as data sources. Data are validated by the quality assurance (QA) review conducted by each station and by VR&E Service. VR&E Service implemented a QA program to review samples of cases for accuracy and to provide scoring at the regional office level. The program continually extracts data samples to evaluate validity and reliability throughout the year. Modifications such as reporting mechanisms to conduct trend analyses and multiple reviews in certain areas to improve inter-rater reliability are being incorporated to enhance the QA program. In FY 2001, the Balanced Scorecard data were reviewed monthly. VR&E provides training to clarify policies and procedures when a discrepancy is noted. Reviews are conducted on a sample of cases from the regional offices twice a year. At the end of each review, documentation of both positive and negative results is provided to each office to ensure sustained performance or demonstrate the need for countermeasures to improve performance.