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# Appendix 1

## Supporting Analysis

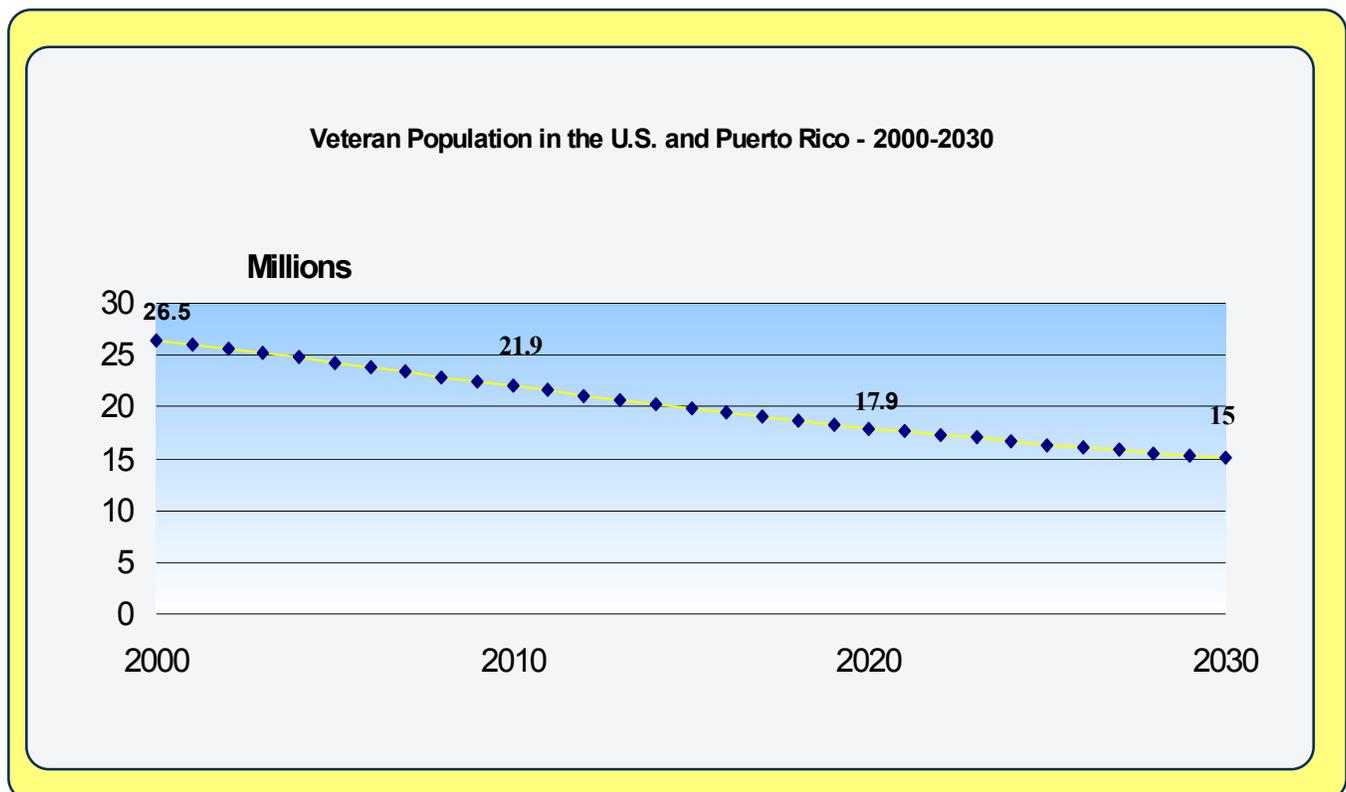
### Demographic Trends

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.



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## Appendix 2

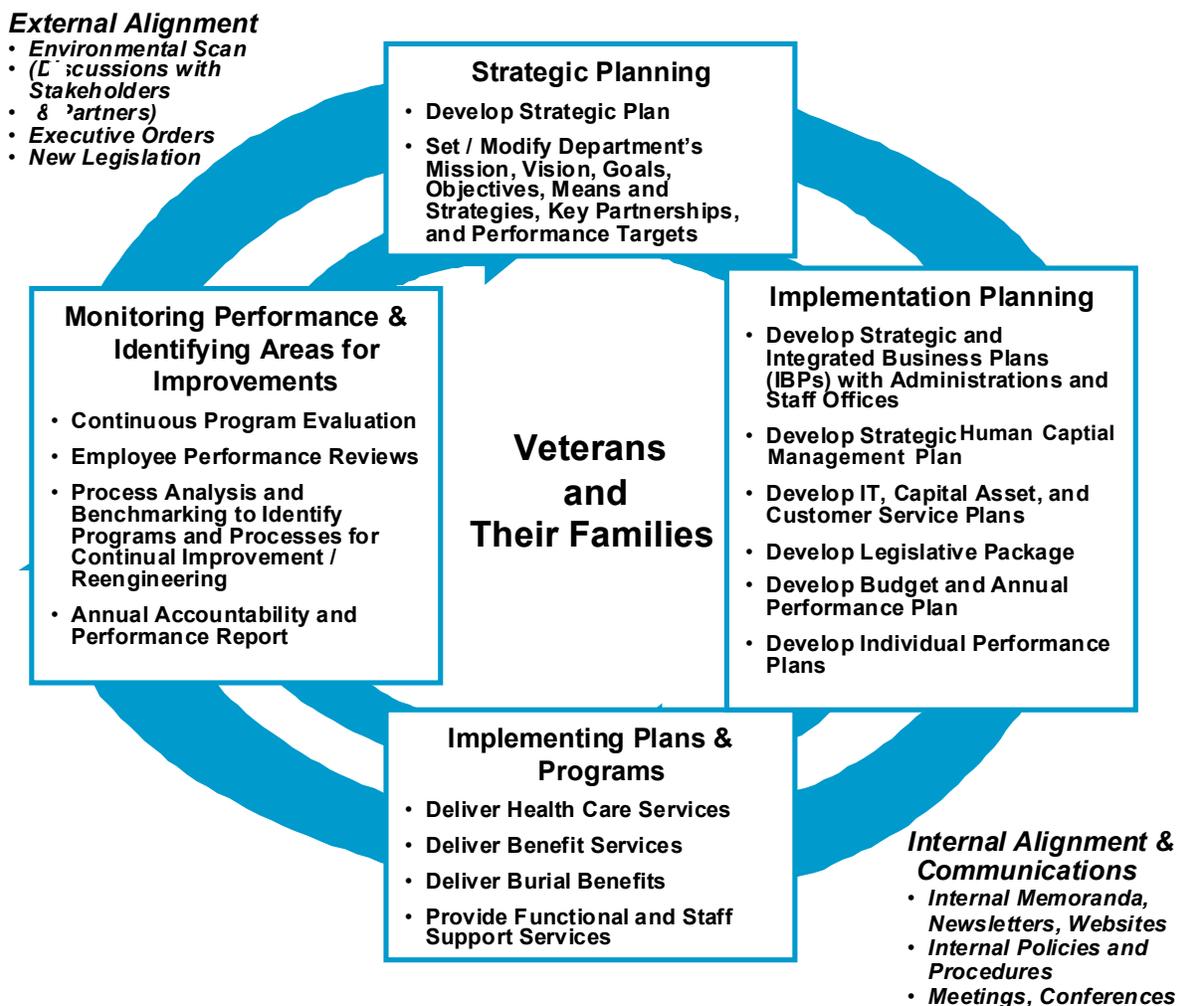
### Integrated Plans, Programs, and Budgets

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

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## 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

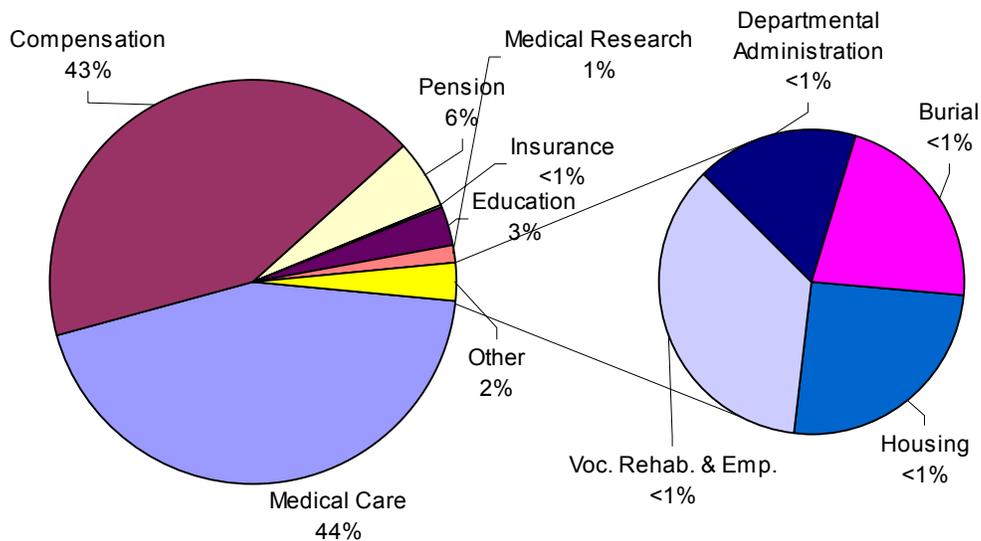
## Integrated Plans, Programs, and Budgets

### 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**

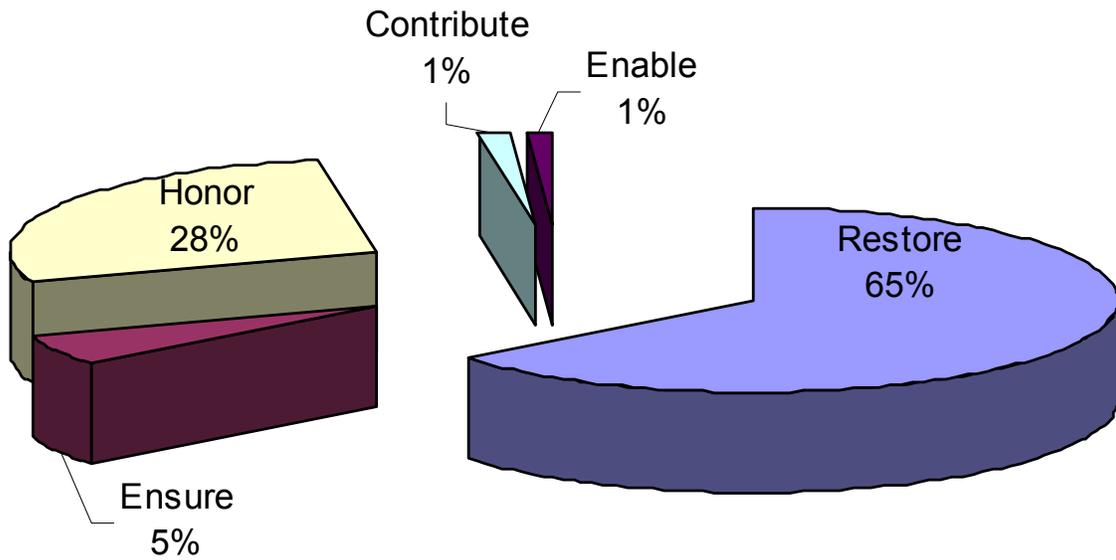


**(\$ are rounded in millions)**  
 Medical Care \$27,547  
 Compensation \$26,957  
 Pension \$3,543  
 Education \$2,003  
 Medical Research \$822  
 Voc. Rehab. and Employment \$697  
 Housing \$490  
 Memorial and Burial \$422  
 Departmental Administration \$346  
 Insurance \$33  
**Total Appropriations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

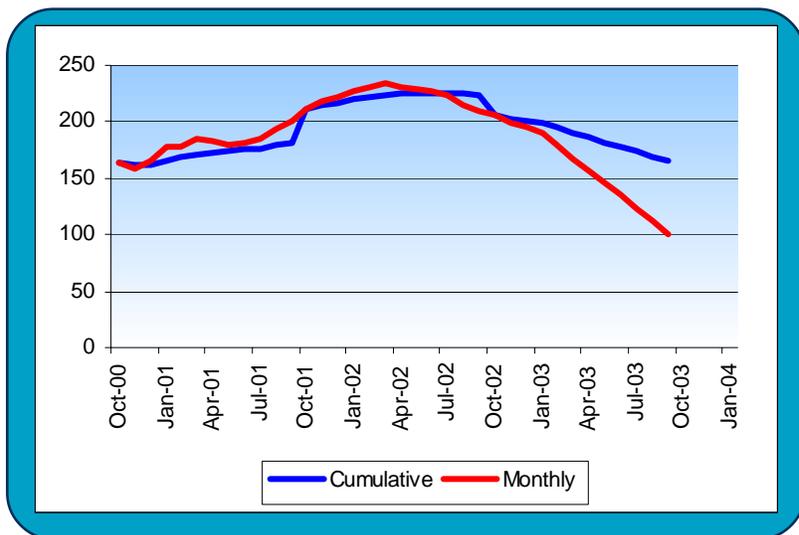
# Appendix 4

## VA Claims Processing

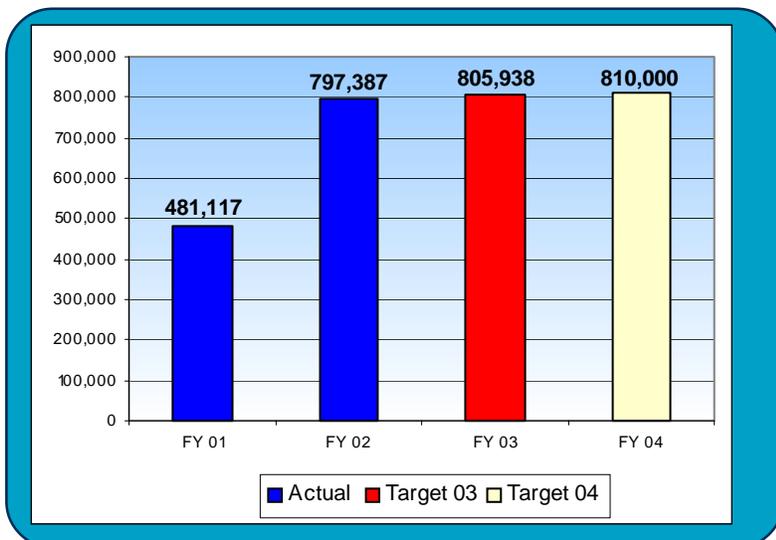
In FY 2002, VA completed more than 797,000 ratings (versus 481,000 in FY 2001 - a 66 percent improvement). During the year, the total number of pending ratings peaked at 430,000. However, by September 30, 2002, VA had reduced that number to 346,000. VA achieved this success even though it received an 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"> <li>Veterans with service-connected disabilities rated 50% or more disabling</li> </ul>
666,757	538,244	
2		<ul style="list-style-type: none"> <li>Veterans with service-connected disabilities rated 30% or 40% more disabling</li> </ul>
447,063	266,349	
3		<ul style="list-style-type: none"> <li>Veterans who are former POW's</li> <li>Veterans awarded the Purple Heart</li> <li>Veterans whose discharge was for a disability that was incurred or aggravated in the line of duty</li> <li>Veterans with service-connected disabilities rated 10% or 20% disabling</li> <li>Veterans awarded special eligibility classification under Title 38, U.S.C., Section 1151, "benefits for individuals disabled by treatment or vocational rehabilitation"</li> </ul>
884,139	448,071	
4		<ul style="list-style-type: none"> <li>Veterans who are receiving aid and attendance or housebound benefits</li> <li>Veterans who have been determined by VA to be catastrophically disabled</li> </ul>
206,902	146,672	
5		<ul style="list-style-type: none"> <li>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</li> <li>Veterans receiving VA pension benefits</li> <li>Veterans eligible for Medicaid benefits</li> </ul>
2,350,164	1,386,662	
6		<ul style="list-style-type: none"> <li>Compensable 0% service-connected veterans</li> <li>World War I veterans</li> <li>Mexican Border War veterans</li> <li>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.</li> </ul>
129,710	38,759	
7		<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>Subpriority e: Noncompensable 0% service-connected veterans not included in Subpriority-a above</li> <li>Subpriority g: Nonservice-connected veterans not included in Subpriority-c above</li> </ul>
159,437	85,762	
8		<ul style="list-style-type: none"> <li>Veterans who agree to pay specified copayments with income and/or net worth above the VA Means Test threshold and the HUD geographic index</li> <li>Subpriority a: Noncompensable 0% service-connected veterans enrolled as of January 16, 2003 and who have remained enrolled since that date</li> <li>Subpriority c: Nonservice-connected veterans enrolled as of January 16, 2003 and who remained enrolled since that date</li> <li>Subpriority e: Noncompensable 0% service-connected veterans applying for enrollment after January 16, 2003</li> <li>Subpriority g: Nonservice-connected veterans applying for enrollment after January 16, 2003</li> </ul>
2,081,618	963,434	

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## 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

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## **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.

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## **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
<b>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.</b>		
<b>Objective 1.1:</b> 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
<b>Objective 1.2:</b> Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.	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
<b>Objective 1.3:</b> 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
<b>Goal 2: Ensure a smooth transition for veterans from active military duty to civilian life.</b>		
<b>Objective 2.1:</b> Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits and services.	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

# Appendix 7

## Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
<b>Objective 2.2:</b> 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
<b>Objective 2.3:</b> Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.	Improve the housing program by developing business relationships with private sector organizations.	Private Sector
<b>Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.</b>		
<b>Objective 3.1:</b> 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.	
	Improve services to Vietnam veterans with health problems by consulting with outside partners on improving the agency's strategic direction regarding their treatment.	National Academies - Institute of Medicine Health and Human Services, Defense
	Strengthen quality of services by determining an appropriate benchmark for bed days of care.	American Medical Association, American Hospital Association, American Association of Medical Colleges
	Strengthen cost accounting by collaborating on the Parametric Cost Accounting System (PACES).	
Improve health services by consulting with professional associations.		
<b>Objective 3.2:</b> 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.	Social Security Administration
<b>Objective 3.3:</b> 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)	Treasury, Social Security Administration

# Appendix 7

## Crosscutting Activities by Objective

OBJECTIVE	CROSSCUTTING ACTIVITY	EXTERNAL ORGANIZATION
<b>Objective 3.4:</b> 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
<b>Objective 3.5:</b> 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
<b>Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.</b>		
<b>Objective 4.1:</b> Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans as well as 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
<b>Objective 4.2:</b> 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
<b>Objective 4.3:</b> 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><b>Objective 4.4</b> 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><b>Objective 4.5:</b> 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><b>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.</b></p>		
<p><b>Objective E-1:</b> Recruit, develop, and retain a competent, committed and diverse workforce that provides high quality service to veterans and their families.</p>	<p>Enhance workforce-planning initiative by collaborating with agencies to develop accurate models.</p>	<p>Federal Agencies</p>
<p><b>Objective E-2:</b> 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><b>Objective E-3:</b> 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><b>Objective E-4:</b> 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>

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## 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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## **Appendix 8**

### **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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## **Appendix 8**

### ***Data Capacity***

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.

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## 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

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## 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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