

Table of Contents

Departmental Performance Plan FY 2001

<u>Section</u>	<u>Page</u>
Executive Summary	3
Introduction	4
Background	5
Improvements to the Strategic Plan and Performance Plan	7
Mission, Vision, and Program Descriptions.....	8
<i>One VA</i> Conferences	11
Key Performance Goals and Measures	13
Strategic Goal: Restore the Capability of Disabled Veterans to the Greatest Extent Possible and Improve Their Quality of Life and that of Their Families	
Compensation and Dependency and Indemnity Compensation Program Outcomes	16
Vocational Rehabilitation and Employment Rehabilitation Rate	18
Strategic Goal: Ensure a Smooth Transition for Veterans from Active Military Service to Civilian Life	
Montgomery GI Bill Usage Rate	23
Foreclosure Avoidance Through Servicing (FATS) Ratio	25
Strategic Goal: Honor and Serve Veterans in Life and Memorialize Them in Death for Their Sacrifices on Behalf of the Nation	
Chronic Disease Care Index and Prevention Index	28
Pension Program Outcomes	31
Insurance Program Outcomes.....	33
Percentage of Veterans Served by a Burial Option	35
Strategic Goal: Contribute to the Public Health, Socio-Economic Well Being and History of the Nation	
Research Projects Relevant to VA's Health Care Mission.....	38
Primary Care Training for Residents	40
Appearance of National Cemeteries	42

Strategic Goal: Provide *One VA* World-Class Service to Veterans and Their Families Through the Effective Management of People, Technology, Processes, and Financial Resources

Waiting Time for Appointments and Treatments.....	45
Abandoned and Blocked Call Rates.....	48
Customer Satisfaction with Health Care Services.....	50
Veteran Satisfaction – Compensation and Pension Claimants.....	52
Quality of Service Provided by the National Cemeteries	55
National Accuracy Rate – Core Rating Work	57
Average Days to Process Rating-Related Actions.....	60
Appeals Resolution Time.....	65
Average Days to Complete Education Claims	67
Unique Patients	70
Average Cost Per Patient	73
Revenue Stream for the Health Care System.....	76
Means and Strategies	78
External Factors	100
Major Management Challenges	102
Data Verification and Validation	113
Crosscutting Activities	120
Program Evaluations	128
Budget Account Restructuring.....	132
Enhancing Accountability for Performance	133
Communication	135
Tax Expenditure and Regulation	136
Preparation of the Departmental Performance Plan.....	136
Resource Requirements by Strategic Goal.....	136
Table of Resource Requirements by Strategic Goal	138
Performance Measures by Departmental Goals and Objectives and Performance	
Measures by Program.....	139
Performance Measures by Departmental Goals and Objectives.....	140
Performance Measures by Program	149



Departmental Performance Plan

FY 2001

The Department of Veterans Affairs (VA) exists to give meaning, purpose, and reality to America's commitment to veterans. The requirements, preferences, and expectations of veterans directly shape the benefits and services we provide. The FY 2001 Performance Plan describes how the Department will provide high quality, timely benefits and services to the men and women who have served our country in the armed forces. The plan describes our strategic goals, objectives, and performance goals we can achieve with the funds we request in the FY 2001 Budget.

This document, along with the budget submissions covering each VA program, provides information to the Office of Management and Budget (OMB), Congress, veterans service organizations, and the general public concerning not only what we do, but more importantly, how we intend to meet our commitments to the Nation's veterans and their families.

Executive Summary

VA continues to develop and implement an integrated strategic management process that links planning, budgeting, and performance measurement. The driver of this process is the VA Strategic Plan, which sets forth the long-term course and direction for the Department. VA's Annual Performance Plan builds on the Strategic Plan by identifying the specific performance targets that will bring us closer to achievement of our goals and objectives.

The FY 2001 Performance Plan contains several sections. We describe the improvements to our performance planning efforts, particularly our increased focus on outcome goals and measures. After summarizing the Department's mission, vision, and program descriptions, we present detailed information on the goals, objectives, and performance measures VA's leadership considers critical to the success of the Department. The Performance Plan also contains discussions of:

- the means and strategies that will be used to achieve our performance targets;
- external factors that may have an impact on our ability to achieve those targets;
- major management challenges;
- data verification and validation activities;
- crosscutting activities VA has ongoing with other government and private sector organizations;
- program evaluation efforts;
- budget account restructuring activities;
- efforts that are in place to enhance accountability for performance; and
- steps we will take to ensure this plan is communicated to VA staff as well as to our external stakeholders.

Finally, we present two sets of data tables. The first displays all of our performance measures by Departmental goal and objective, while the second displays the measures by program.

Introduction

The Department of Veterans Affairs (VA) directly touches the lives of millions of veterans every day through its health care, benefits, and burial programs. The FY 2001 Performance Plan describes how VA will fulfill its obligations to provide high-quality service and to deliver benefits to veterans in a way that satisfies the American public's commitment to honor veterans' service and to compensate them for their sacrifices.

The FY 2001 Performance Plan is based on new strategic goals and objectives recently adopted by the Department. The Performance Plan presents the performance targets VA is striving to achieve as a means of bringing us closer to accomplishing our strategic goals and objectives.

During our "Conversations with America," we heard four basic themes that are incorporated throughout this plan. The themes are:

- Enhance the delivery of health care;
- Expedite and improve the adjudication of compensation claims;
- Explore more partnerships with stakeholders; and
- Encourage and promote both organizational and employee accountability.

This document provides a synopsis of the more detailed planning, performance, and resource information, presented in an integrated fashion

throughout Volume 2 (Medical Programs) and Volume 4 (General Operating Expenses) of our budget submission. Taken together, the Performance Plan and the individual budget volumes present a comprehensive picture of what VA is striving to achieve, how we propose to measure our progress, and the resources required for accomplishing our strategic goals and objectives.

Background

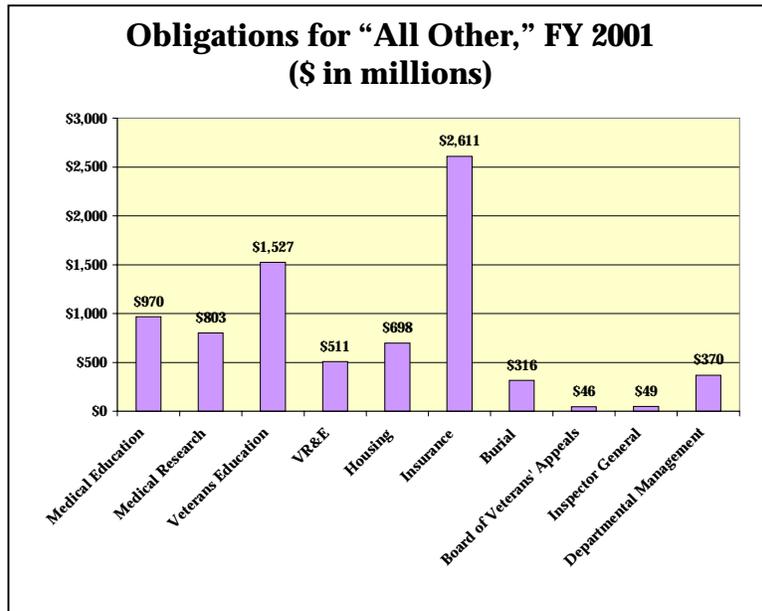
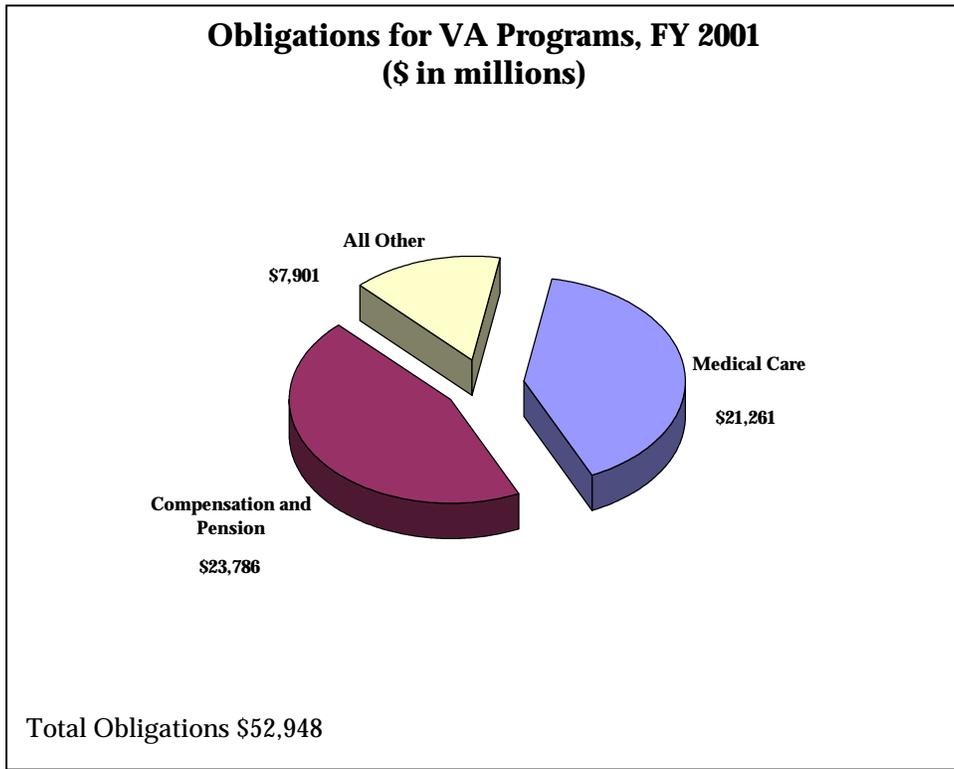
The Department carries out its responsibilities through the following programs:

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

Projected Number of Veterans and Dependents Who Will Participate in VA Programs, FY 2001			
Program	Participants	Program	Participants
Medical Care: Unique Patients	<i>3,894,900</i>	Vocational Rehabilitation: Veterans Receiving Services	<i>50,700</i>
Compensation: Veterans	<i>2,285,100</i>	Housing: Loans Guaranteed	<i>250,000</i>
Survivors/Children	<i>300,900</i>	Insurance: Administered Policies	<i>2,043,600</i>
Pension: Veterans	<i>363,000</i>	Supervised Policies	<i>2,307,000</i>
Survivors	<i>252,900</i>	Burial: Interments	<i>87,950</i>
Education: Veterans and Servicepersons	<i>309,300</i>	Graves Maintained	<i>2,447,300</i>
Reservists	<i>70,9700</i>	Headstones and Markers	<i>349,000</i>
Survivors/Dependents	<i>48,500</i>		

During FY 2001, VA obligations are projected to total over \$52.9 billion for these programs. Approximately 95 percent of this sum will go directly to

veterans in the form of monthly payments of benefits or for direct services, such as medical care.



Improvements to the Strategic Plan and the Performance Plan

Employees of the Department of Veterans Affairs are deeply committed to providing high quality benefits and services to veterans as a unified Department and to have the most positive impact on the lives of our Nation's veterans. From the time they leave active duty military service, veterans may have a variety of social, medical, and economic needs that are met through VA programs. Acting as *One VA*, we can best assure those needs are met through effective strategic and performance planning. We continually consult with OMB, the Congress, and other stakeholders for their suggestions on improving the strategic and performance plans. We are making significant revisions to the Department's strategic plan, the new version of which will be completed during FY 2000. This year's performance plan incorporates our stakeholders' suggestions. The discussion below describes the significant changes we are making to these documents to make them more useful to a wider audience.

Strategic Plan Improvements

- VA has revised its goals to be more overarching and to better define the results we expect to produce. The five new goals are more veteran-focused and represent the shared interest of the Department's organizations.
- VA's revised Strategic Plan for FY 2000 to 2005 will be based on a clearer, more concise presentation of goals, objectives, performance targets, external factors, and means and strategies.
- The plan will be based on an approach that attempts to probe the future with respect to VA's mission. What will VA look like in the year 2010; the year 2020; and who will we serve?
- The revised Strategic Plan will attempt to more clearly delineate the most critical areas in which VA intends to conduct aggressive crosscutting activities with other agencies and stakeholders that are pursuing shared goals and outcomes.

Performance Plan Improvements

- This year's Performance Plan is structured around new strategic goals and objectives that are more focused and outcome oriented.
- We include a presentation of resources by strategic goal so the reader can get a sense of the approximate cost to achieve each goal. As our accounting tools improve, this information will be more precise.

- *One VA* issues are more fully discussed, including a description of the *One VA* Conferences recently held, the outcomes of these sessions, and future plans and activities.
- Data verification and validation activities are more fully presented, including a more complete discussion of the role of the Actuary.

As necessary, we modified our performance goals to ensure they are consistent with final data for FY 1999. In addition, we have added new performance goals and deleted some of those shown in last year's plan, to reflect our latest evaluation as to how best to measure our success.

Mission, Vision, and Program Descriptions

Since the earliest days of our country, support of our veterans and their families has been a national concern. 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. President Lincoln signed legislation in 1862 that authorized national cemeteries. In 1865, the National Home for Volunteer Soldiers was established and other homes for disabled veterans of the Civil War opened in several locations throughout the country. In 1917, the United States Government Life Insurance program was established. In 1930, a major consolidation of veterans service functions took place when President Hoover signed a bill which established the Veterans Administration as an independent Federal agency. During World War II, the Nation's most far-reaching program for veterans was established with the passage of the Servicemen's Readjustment Act of 1944, also known as "The GI Bill of Rights," which offered low interest loans to purchase homes, farms or small businesses; unemployment benefits; financial assistance for schooling; and health care and rehabilitation services.

Just as the history of VA has been evolutionary in nature, we can expect that VA will continue to transform. Today, there are over 25 million living men and women who served in the armed forces. VA currently provides health care and benefit services to millions of veterans as well as eligible survivors and dependents of veterans. The needs of today's veterans and their families will continue to change. While the veteran population of the next century may be smaller, veterans will live longer and may require additional health care and benefit services.

Mission

“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.

In today’s environment, President Lincoln’s statement reflects VA’s responsibility to serve America’s veterans and their families with dignity and compassion and be their principal advocate in ensuring they receive medical care, benefits, social support, and lasting memorials. Taken together, these programs promote the health, welfare, and dignity of all veterans in recognition of their service to this Nation.

The statutory mission authority for the Department of Veterans Affairs reflects our Nation’s commitment to veterans as we are tasked as an organization *“To administer the laws providing benefits and other services to veterans and their dependents and the beneficiaries of veterans.”* (38 U.S.C. § 301(b), 1997)

Vision

As the Department of Veterans Affairs heads into the 21st century, we will strive to meet the needs of the Nation’s veterans and their families today and tomorrow.

We will become 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. We will continuously benchmark the quality and delivery of our service with the best in business and use innovative means and high technology to deliver “World-Class Service.” We will foster partnerships with veterans and other stakeholders making them part of the decision-making process. We will cultivate a dedicated VA work force of highly skilled employees who understand, believe in, and take pride in our vitally important mission.

Program Descriptions and Mission Statements

Medical Care

VA meets the health care needs of America’s veterans by providing primary care, specialized care, and related medical and social support services.

Medical Education

VA's health care education and training programs help to ensure an adequate supply of clinical care providers for veterans and the Nation.

Medical Research

The research program contributes to the Nation's knowledge about disease and disability.

Compensation

The compensation program provides monthly payments and ancillary benefits to veterans, in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by disability, disease, or injuries incurred in, or aggravated during, active military service. This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents, in recognition of the economic loss caused by the veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability.

Pension

The pension program provides monthly payments, as specified by law, to needy wartime veterans who are permanently and totally disabled as a result of a disability not related to military service. This program also provides monthly payments, as specified by law, to needy surviving spouses and dependent children of deceased wartime veterans.

Education

The educational assistance program assists veterans and eligible dependents in achieving their educational or vocational goals, to honor and reward them for sacrifices made in service to the Nation.

Vocational Rehabilitation and Employment

The vocational rehabilitation and employment program assists veterans with service-connected disabilities to achieve functional independence in daily activities. It provides all services and assistance necessary to enable service-disabled veterans to become employable and to obtain and maintain suitable employment. The performance objective of the vocational rehabilitation program is to place service-disabled veterans in suitable employment or to

achieve independence in daily living after completing a program of rehabilitation services.

Housing

The housing program helps veterans and active duty personnel purchase and retain homes in recognition of their service to the Nation.

Insurance

This program provides life insurance benefits to veterans and servicemembers that are not available from the commercial insurance industry due to lost or impaired insurability resulting from military service. Insurance coverage will be available at competitive premium rates and with policy features comparable to those offered by commercial companies. A competitive, secure rate of return will be ensured on investments held on behalf of the insured.

Burial

Largely through the National Cemetery Administration (NCA), VA honors veterans with a final resting place and lasting memorials to commemorate their service to the Nation.

One VA Conferences

Looking ahead as we enter the 21st century, VA recognizes more clearly than ever that high quality, seamless service to the Nation's veterans is dependent upon VA operating as a unified organization. It is equally clear that this vision of *One VA* depends on dedicated VA employees across the Department, committed to working in a cooperative manner with veterans service organizations (VSOs), State Departments of Veterans Affairs, Congress, General Accounting Office and Office of Management and Budget. To accelerate the emergence of a true *One VA* culture, four major regional conferences were held in 1999 and attended by over 2,000 internal and external stakeholders.

These events, aimed at long-term transformation, took place in Phoenix, Atlanta, Pittsburgh, and St. Louis. The theme was and continues to be *One VA - One Mission, One Vision, One Voice*. The purpose was to link learning opportunities with the Department's strategic direction and improve interaction and communication at the local, regional, and national levels. Participants included senior VA leadership, middle managers, first-line employees, union officials, and other veteran and government stakeholders as identified above. Each of these participants was selected as an ambassador to educate others on

the compelling need for becoming more veteran-focused in providing world class customer service.

In each of the conferences, every participant was asked to take on the role of an investigative reporter. Working as a team, they discovered and reported on the Department's progress already being made toward becoming *One VA*. They accomplished this through fact-finding assignments, such as conducting veteran and employee interviews prior to the beginning of the conferences and at the conferences through videos that provided insight into the voice of the veteran; mock news events with the Under Secretaries of Health, Benefits, and Memorial Affairs; and exhibits displaying successful *One VA* stories at local facilities. Participants also were involved in field reporting when speakers from other public and private organizations shared their inspirational stories on coping with problems similar to those experienced by VA.

The conferences resulted in three significant outcomes:

- Increased awareness and understanding of the overarching vision, mission, goals and values of the Department and the objectives of the three Administrations;
- Identification and prioritization of national *One VA* initiatives; and
- Formulation of state and local partnerships across Administrations.

These partnerships culminated in local and state action plans for providing seamless service to veterans and their families. Most of the 50 states, two territories, and Central Office have created *One VA* Councils to oversee collaborative initiatives and improve communication within their geographic areas. In addition, local and state news articles were written summarizing actions for implementing *One VA*. These articles are being published in field facility and VSO newsletters, the national publication of VAnguard, and a soon to be operational *One VA* web site to further communicate conference results and opportunities for others to participate in *One VA* initiatives.

The national *One VA* initiatives were voted on by participants and received commitment by VA senior leadership. For example, VA will:

- Develop and implement a plan that will result in an integrated information system architecture necessary to support front-line employee access to needed information across VA and an accurate, consistent, reliable integrated information system covering all veterans.
- Develop a *One VA* orientation package that will be made available to all new VA employees as well as current employees as a refresher course.

- Develop a *One VA* Learning Map focused on enhancing veterans' knowledge about their own potential entitlement to the benefits and services provided by VA, and make it available to VA field facilities, national and local VSOs, State Departments of Veterans Affairs, military discharge centers, and others as required.
- Develop an information guide that will aid VA employees in helping veterans reach the right source for information they are seeking. The guide will be available over VA's Intranet and will be able to provide printed directions for veterans to the nearest VA facilities that provide the services required as well as a named point-of-contact for the services.

The campaign to institutionalize *One VA* continues. A national *One VA* Board, chaired by the Deputy Secretary, is being created to work with local and state levels to identify, review, communicate, and support best practices. To further indoctrinate *One VA*, a rating element to implement seamless service will be incorporated into the Annual Performance Plans of all VA network directors, area office and facility directors, and Central Office senior leadership. This campaign is a celebration of VA's history and an exploration of future opportunities with veterans and advocates for veterans.

Key Performance Goals and Measures

This section of the FY 2001 Performance Plan presents the performance goals and measures VA leaders consider critical to the success of the Department. Some of these deal with program outcomes; others pertain to the management of our programs. For each of these key performance goals, which are to be achieved in FY 2001, we present the:

- strategic goal and objective it supports;
- performance measure or measures to gauge progress toward achieving the performance goal;
- target levels of performance in graphic form;
- principle means and strategies to achieve the goal;
- crosscutting activities ongoing with other federal and non-federal organizations that contribute to accomplishment of the goal;
- major management challenges identified by the General Accounting Office and the VA Office of Inspector General that may affect goal achievement; and
- source of the performance information and how it is validated.

Our planning and measurement processes are very dynamic. This year's Performance Plan incorporates new strategic goals and objectives. These new goals and objectives have been reviewed with VSOs, Congressional staff, and

OMB as part of the Department's Four Corners Stakeholder Consultation Sessions. As a next step, we hope our stakeholders will provide their views on which performance goals and measures are most important to the success of veterans programs. This year, and in future plans, we will improve the alignment of our performance measures with our strategic goals and objectives.

VA's KEY PERFORMANCE GOALS FOR FY 2001

Strategic Goal	Performance Measure	1997 Actual	1998 Actual	1999 Actual	2000 Est.	2001 Est.	
Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families	Compensation and dependency and indemnity compensation (DIC) program outcomes	N/A	N/A	N/A	N/A	N/A	
	Vocational rehabilitation and employment rehabilitation rate	N/A	42%	53%	60%	65%	
Ensure a smooth transition for veterans from active military service to civilian life	Montgomery GI Bill usage rate	52.8%	54.0%	55.6%	57.0%	60.0%	
	Foreclosure avoidance through servicing (FATS) ratio	41.0%	37.0%	37.6%	39.0%	40.0%	
Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation	Chronic disease care index	76%	85%	89%	89%	95%	
	Prevention index	67%	79%	81%	89%	90%	
	Pension program outcomes	N/A	N/A	N/A	N/A	N/A	
	Insurance program outcomes	N/A	N/A	N/A	N/A	N/A	
	Percentage of veterans served by a burial option	65.7%	65.5%	66.8%	75.1%	76.2%	
Contribute to the public health, socio-economic well being and history of the Nation	Research projects relevant to VA's health care mission	97%	99%	99%	99%	99%	
	Percent of residents trained in primary care	39.3%	41.3%	46.0%	47.0%	48.0%	
	Percent of customers who rate the appearance of national cemeteries as excellent	78%	77%	79%	82%	88%	
Provide <i>One VA</i> world-class customer service to veterans and their families through effective management of people, technology, processes, and financial resources	Percent of patients able to schedule primary care appointment within 30 days	N/A	N/A	N/A	N/A	N/A	
	Percent of patients able to schedule specialist appointment within 30 days	N/A	N/A	N/A	N/A	N/A	
	Percent of patients with scheduled appointments at VA health care facilities seen within 20 minutes	55%	66%	68%	75%	79%	
	Abandoned call rate for compensation and pension	9%	13%	9%	10%	7%	
	Blocked call rate for compensation and pension	45%	52%	27%	15%	12%	
	Percent of patients who rate VA health care service as very good or excellent:	Inpatient	65.0%	65.3%	65.0%	67.0%	68.0%
		Outpatient	63.0%	65.0%	65.0%	67.0%	68.0%
	Percent of compensation and pension claimants who are satisfied with the handling of their claims	58%	57%	57%	65%	70%	
	Percent of customers who rate the quality of NCA service as excellent	86%	85%	84%	88%	90%	
	National accuracy rate for core rating work	N/A	64%	68%	81%	85%	
	Average days to process rating-related actions on compensation and pension claims	94	128	166	160	142	
	Appeals resolution time (in days)	628	686	745	670	650	
	Average days to complete:	Original education claims	19	25	26	26	20
		Supplemental education claims	11	15	16	17	13
	Percent reduction from 1997 in average cost (obligations) per patient	N/A	-10%	-16%	-16%	-16%	
	Percent increase from 1997 in number of unique patients treated	N/A	9%	15%	21%	24%	
	Percent of medical care operating budget derived from alternative revenue streams	<1%	4%	4%	4%	3%	

N/A = Historical or baseline data are not available.

Compensation and Dependency and Indemnity Compensation Program Outcomes

Strategic Goal: *Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.* Maximize the ability of disabled veterans, special veteran populations, 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.

Objectives: (a) Improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.

(b) Ensure survivors of service-disabled veterans are able to maintain a minimum standard of living and income through compensation and education benefits.

Performance Goal: VA is in the early stages of developing compensation and DIC program outcomes and performance measures; because of this, there are no performance goals for FY 2001.

An outcomes project team has been established within VBA's Compensation and Pension (C&P) Service. Initially, the team will determine how to best obtain reliable and statistically valid measurement data. At this time, the need for some surveys is anticipated.

Since July 1999, we have met on several occasions with representatives from the major service organizations, the Office of Management and Budget, and representatives of the Veterans' Affairs and Appropriations Committees from both the House and Senate to discuss outcomes, outcome measures, and outcome goals. At the first session, the participants generated a significant number of important insights to the program's purpose during a brainstorming session. During subsequent sessions, the participants drafted outcome statements and determined potential performance measures. The C&P Service is nearing completion of this task for the compensation program.

Means and Strategies

VA will determine appropriate means and strategies after collecting baseline data and setting performance goals. Initially, VA will form teams to determine how surveys should be conducted in order to obtain the most reliable data. We anticipate contracting out for assistance in developing and administering

surveys. We must also determine how to best capture total personal income data of veterans and surviving spouses in receipt of VA compensation, as well as a statistically valid sample of total personal income of like-circumstanced non-recipients.

Crosscutting Activities

Achievement of the goal is not directly dependent on other agencies. However, we may ultimately work with other agencies to obtain the socioeconomic data needed to evaluate the impact of the compensation program on veterans and their dependents.

Major Management Challenges

Until we determine outcomes, measures, and performance targets, we cannot assess whether we have any major management challenges that will affect achievement of the performance goals.

Data Source and Validation

Measuring how veterans perceive the compensation and the dependency and indemnity compensation (DIC) programs, or the impact the programs have on the quality of their lives, is dependent on data not currently available.

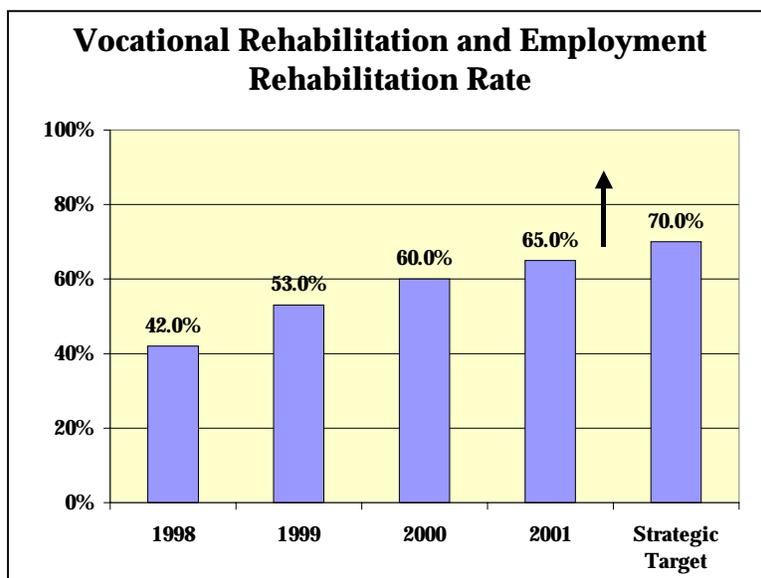
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Vocational Rehabilitation and Employment Rehabilitation Rate

Strategic Goal: *Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.* Maximize the ability of disabled veterans, special veteran populations, 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.

Objective: Enable service-disabled veterans to become employable, and obtain and maintain suitable employment.

Performance Goal: At least 70 percent of all veteran participants who exit the vocational rehabilitation program will be rehabilitated.



The vocational rehabilitation and employment (VR&E) program assists veterans with service-connected disabilities to achieve functional independence in daily activities. It provides all services and assistance necessary to enable service-disabled veterans to become employable, and to obtain and maintain suitable employment. The outcome is the placement of service-disabled veterans in suitable employment or the achievement of independence in daily living, following a program of rehabilitation services.

For many service-disabled veterans, the VR&E program is the best opportunity they will ever have to establish themselves in suitable employment, or achieve the maximum level of functioning in daily living activities. While

many circumstances exist which preclude the completion of the rehabilitation goal, such as worsening disability or personal hardship, VA is committed to helping veterans complete their rehabilitation programs successfully. The degree of success in achieving this outcome goal is measured by the percentage of veterans who exit the program through successful rehabilitation; that is, veterans who have obtained employment and remain employed.

Means and Strategies

We will pursue several initiatives during the fiscal year that will significantly improve the rehabilitation rate. The most important ones are briefly described below.

- Improve Staff Competencies – VA has developed a skills matrix which contains the key skills required for VR&E staff to properly do their jobs. The instrument is used to assess the current level of skills of each staff member and identify areas that need development. The results of the assessment are used to create individual and group training programs to overcome skill deficits.
- Employment Services Enhancements – This initiative will advance our progress in assisting service-disabled veterans to achieve suitable employment by providing VR&E staff with state-of-the-art training and tools that will help veterans achieve their employment goals more quickly and efficiently. It will help decrease the time between when the veteran is job ready and entry into suitable employment. The initiative involves training in employment services and the use of videotaping equipment to teach interview skills to veterans.
- Access – Through this initiative, VA will provide case managers with laptop computers and other supporting equipment necessary to accomplish their jobs without regard to their physical location. While visiting a veteran away from the office, a case manager will be able to access the systems and data files that he or she would normally use during the course of providing VR&E services. Under this initiative, the case manager will also be able to conduct network teleconferencing with veterans and other VR&E staff at regional offices, outbased locations, and selected access points.

Crosscutting Activities

VA partners with the Department of Labor (DOL) to conduct training on employment assistance and techniques using a new transferable skills inventory.

Major Management Challenges

Oversight authorities such as Congress, the General Accounting Office (GAO), and the Veterans' Advisory Committee on Rehabilitation have been critical of the effectiveness of the VR&E program. Some corrective measures were taken to respond to their criticisms. More recently, the final report of the Congressional Commission of Servicemembers and Veterans Transition Assistance has added concern about program focus and effectiveness. Some of the criticisms highlight valid, unresolved problems within the program, many of which have been addressed or are being addressed. Others of the criticisms can be tied back to the problems of customer service and attrition of program participants.

The VR&E leadership analyzed these criticisms to identify the fundamental, systemic issues that must be corrected or mitigated to create lasting improvements in the VR&E program. They are summarized into the seven major areas described below:

- **Focus on employment.** Despite recent success rate improvements in placing veterans in suitable employment, VR&E has not fully redirected its emphasis from training to employment. VR&E personnel need more expertise in employment markets and trends, and job placement strategies. Overcoming these shortcomings will require additional tools and training in the latest rehabilitation and employment services techniques. In addition, performance evaluation and incentive systems must be restructured to align VR&E employee behavior with the current focus of the program.
- **Realign customer perceptions and expectations with the program's intent.** Many veterans, stakeholders, and partners view the VR&E program as an education program, rather than a program geared toward employment. As a result, many veterans have misconceptions when they apply for the program, leading to frustration and high attrition in the application and evaluation phases of the rehabilitation process. These misconceptions must be resolved to improve performance, service delivery, and customer satisfaction.
- **Improve monitoring of outcomes and feedback to the program.** VR&E personnel do not yet fully understand the reasons why the majority of program participants eventually drop out of the program. Feedback of this sort is crucial to reducing the attrition rate and improving customer satisfaction. Further, VR&E does not collect longitudinal data on the long-

term success of participants from various rehabilitation tracks. Data of this sort would assist VR&E leadership in establishing program policies and directives that enable field personnel to better align veterans in rehabilitation programs with proven career paths.

- **Improve IT support for the program.** Many routine tasks and management functions that could be automated, such as scheduling and reporting, are either done manually or performed using inadequate technology. Besides generating more opportunities for data-related errors, additional clerical work increases the cost of VR&E services and detracts from providing value-added services to veterans. In addition, the current systems do not capture all of the necessary information to help manage the program. The integration of technological solutions to replace outdated and labor-intensive tasks provides the VR&E program with more opportunities to be the direct service-provider it aspires to be.
- **Improve access for veterans.** By its very nature, the VR&E program requires a close relationship between VR&E personnel and veterans. This relationship hinges on the veteran having easy access to VA personnel. However, veterans sometimes must travel great distances to see their case manager or counseling psychologist. Compounding this situation is the fact that some veterans may not have resources to contact VR&E staff through other methods such as telephone, facsimile, or electronic mail. Establishing flexible access paths will connect veterans with VA personnel. Greater personal interaction and information exchange will reduce frustration and dissatisfaction among veterans and employees and may even encourage more veterans to participate in the program.
- **Foster coalitions with peer organizations and partners.** VR&E has not capitalized on its linkage to other vocational rehabilitation organizations, training and educational facilities such as DOL, the Small Business Administration, the Department of Defense (DoD), VHA, and other VA business lines. Through more effective networking and partnerships, VR&E will enhance its ability to provide veterans with program information and services in order to help them successfully achieve their goals.
- **Improve business process efficiencies.** Presently, VR&E services are not delivered in the most timely and accurate fashion and are not cost effective. Reforming business practices and processes is critical to VR&E's vision. The guiding principles and strategies for the future concentrate on improving personal contacts with veterans so that they are actively involved throughout their rehabilitation program. Proactive involvement

of veterans and VR&E personnel will create greater opportunities to avoid time-consuming obstacles that many veterans encounter such as delayed delivery of services and payments. Additionally, streamlined business processing will reduce the number of handoffs involved with the veteran's claim and will reduce the potential for errors. From the perspectives of veterans, stakeholders, and VR&E personnel, greater continuity of services enhances veterans' successful completion of their rehabilitation plans.

Data Source and Validation

Data are entered into the benefits delivery network case status system. Its accuracy is validated during semi-annual case reviews in Central Office.

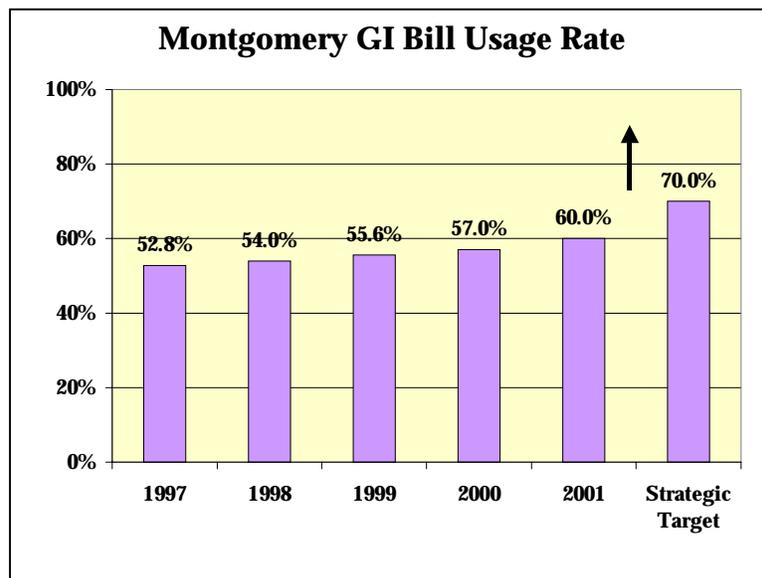
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2E.)

Montgomery GI Bill Usage Rate

Strategic Goal: *Ensure a smooth transition for veterans from active military service to civilian life.* Veterans will be fully reintegrated into their communities with minimum disruption to their lives through employment services, including vocational rehabilitation; education assistance; home loan guarantees; life insurance; and transitional health care and readjustment counseling.

Objective: Assist veterans in readjusting to civilian life by restoring lost educational opportunities and enhancing their ability to achieve educational and career goals.

Performance Goal: Improve the Montgomery GI Bill active duty usage rate to 60 percent.



The extent to which eligible beneficiaries use their earned benefit is one measure of program success. A greater number of veterans using the MGIB will contribute to a more highly educated and productive workforce, thus enhancing the Nation's competitiveness. Veterans use the benefit to readjust to civilian life and achieve educational or vocational objectives that might not have been attained had they not entered military service. DoD uses the educational benefits under the MGIB as a successful recruiting tool.

The Education Service has been working with stakeholders to reevaluate program outcomes and how best to meet statutory intent and the expectations of veterans. During FY 1998, VA initiated a formal program evaluation for each major education benefit. This evaluation, which will be completed during

FY 2000, will help us assess the extent to which the education programs are meeting their statutory intents and fill existing data gaps.

Means and Strategies

Legislation enacted in 1998 directed VA to perform more extensive outreach and provided a funding vehicle through the Readjustment Benefit account. Working with DoD's Defense Manpower Data Center (DMDC), VA began an outreach program to active duty personnel who have at least one year of service and have enrolled in the Montgomery GI Bill. The first mailing occurred in 1999. We will continue to work with our partners in developing strategies to disseminate VA benefits information at the proper intervals throughout military service.

Crosscutting Activities

Increasing the MGIB usage rate requires coordination between VA and organizations currently performing, or planning to perform, outreach activities. In addition to this partnering, a coordinated effort with DoD is underway to identify eligible service personnel and to build upon existing base counseling and outreach activities at military bases. State approving agencies and other stakeholders will provide a presence in remote locations. VA intends to establish a network for effective education outreach by supporting various activities in place and creating other activities to improve beneficiary access to benefits and services.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The MGIB usage rate is calculated by dividing the cumulative number of individuals who began a program of education under the MGIB, by the cumulative number of potentially eligible veteran beneficiaries. DMDC tabulates the annual usage rate, using their records and data from VA's Education Master Record File. There is no independent validation of this data.

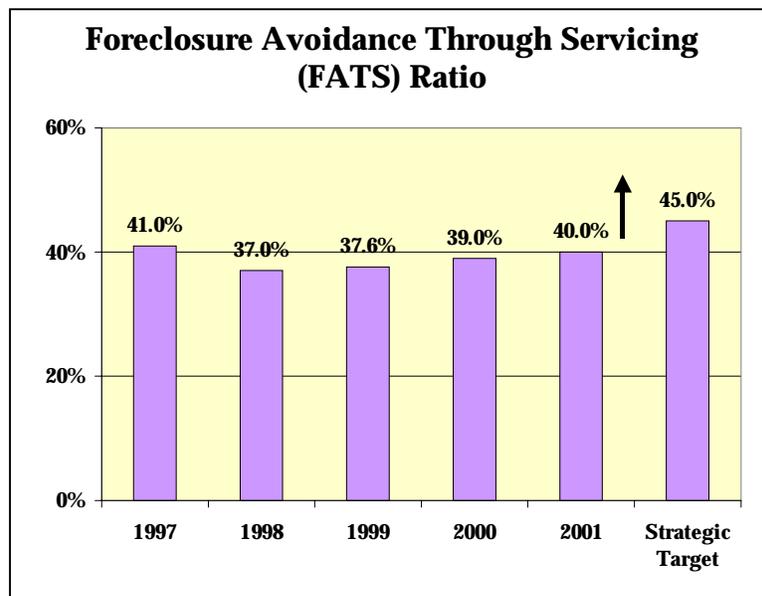
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2C.)

Foreclosure Avoidance Through Servicing (FATS) Ratio

Strategic Goal: *Ensure a smooth transition for veterans from active military service to civilian life. Veterans will be fully reintegrated into their communities with minimum disruption to their lives through employment services, including vocational rehabilitation; education assistance; home loan guaranties; life insurance; and transitional health care and readjustment counseling.*

Objective: Improve the ability of veterans to purchase and retain a home through a loan guaranty program.

Performance Goal: Improve the FATS ratio to 40 percent.



One of VA's critical functions is to assist veterans after they receive their housing benefit. Lenders report to VA when veterans are seriously delinquent (a payment is 90 days in default) on their mortgages. VA's responsibility is to contact the veteran and offer assistance to help the veteran retain his or her home or resolve the issue at the lowest possible cost to the veteran and VA.

VA measures its success in assisting veterans who are facing foreclosure with the FATS ratio, which measures the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure. When VA is able to pursue an alternative to foreclosure, the costs to the government are reduced. Veterans are able either to save their home or avoid damage to their credit rating. There are four alternatives to foreclosure:

Successful intervention – VA may intervene with the holder of the loan on behalf of the borrower to set up a repayment plan or take other action that results in the loan being reinstated.

Refunding – VA may purchase the loan when the holder is no longer willing or able to extend forbearance, but VA believes the borrower has the ability to make mortgage payments, or will have the ability in the near future.

Voluntary conveyance – VA may accept the deed in lieu of foreclosure from the borrower if it is in the best interest of the government.

Compromise claim – If a borrower in default is trying to sell the home, but it cannot be sold for an amount greater than, or equal to, what is owed on the loan, VA may pay a compromise claim for the difference in order to complete the sale.

Means and Strategies

- Loan Service and Claims (LS&C) Redesign – There is a need to automate the default servicing and foreclosure management so VA staff can direct efforts toward helping veterans avoid foreclosure. The LS&C system that supports basic business processes does not have the complete functionality to support the full range of changes in lending industry practices or restructuring of field operations. Enhancing the system will increase its utility, provide more accurate data, and improve customer service and workload management.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

The LS&C component of the housing program is not able to optimally manage supplemental servicing of GI loans. Partially as a result of these deficiencies, foreclosures are excessive and claims against the veterans housing benefit program exceed by more than \$29 million per year the amount considered tolerable. VA has not taken advantage of electronic data interchange capabilities offered by the mortgage lending community. It is the only major player in the mortgage lending industry without a modernized automated loan servicing system. This drawback will be corrected through the system currently being developed, which will automate routine and redundant activities,

improving efficiency and allowing employees to concentrate on supplemental loan servicing.

Data Source and Validation

The VA Office of Inspector General (IG) is currently conducting an audit of this measure to determine its reliability. The IG expects to complete the audit during FY 2000.

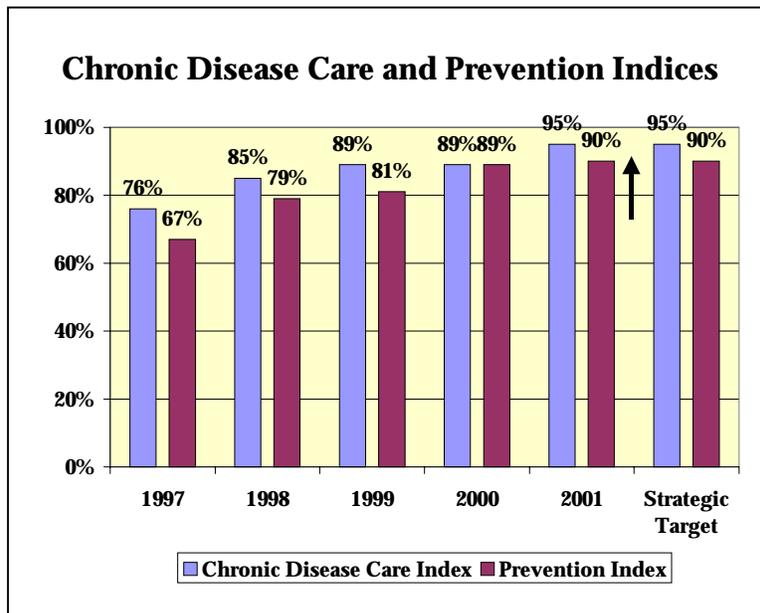
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2D.)

Chronic Disease Care Index and Prevention Index

Strategic Goal: *Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation. 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 memorialize them in death for the sacrifices they have made for their country.*

Objective: Improve the overall health of enrolled veterans including special populations of veterans through high quality, safe, and reliable health services.

Performance Goal: Increase the scores on the Chronic Disease Care Index (CDCI) to 95 percent and the Prevention Index (PI) to 90 percent.



Means and Strategies

VA ensures the consistent delivery of health care by implementing standard measures based upon the provision of evidence-based care by focusing on chronic diseases, prevention, and use of clinical guidelines. Clinical guidelines are recommendations for the performance or exclusion of specific procedures or services derived through rigorous methodological approaches such as determination of appropriate criteria and literature reviews to determine strength of evidence in relation to these criteria.

The chronic disease care index (CDCI) measures how well VA follows nationally recognized clinical guidelines for ischemic heart disease, hypertension, chronic obstructive pulmonary disease, diabetes mellitus, and obesity. Investment in effective chronic disease management results in improved health of veterans and reduced use of services. Since a large percentage of veterans seek care for one or more chronic diseases, improved management of chronic disease results in reductions in inpatient costs, admissions, and lengths of stay. The prevention index (PI) assesses how well VA follows nationally recognized primary prevention and early detection recommendations related to diseases with major social consequences. The diseases are: influenza and pneumococcal diseases; tobacco consumption; alcohol abuse; and cancer of the breast, cervix, colon, and prostate. Effective disease and injury prevention is an effective tool for improving veterans' health. Although underutilized by the health care industry, disease and injury prevention is an effective tool used by VA to improve veterans' health.

Crosscutting Activities

In conjunction with DoD, VA develops and implements clinical practice guidelines with a long-range view toward ensuring continuity of care and a seamless transition for a patient moving from one system to the other.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The External Peer Review Program (EPRP), a contracted, on-site review of clinical records, is the source for the CDCI and PI. The EPRP serves as a functional component of VHA's quality management program. The contractor evaluates the validity and reliability of the data using accepted statistical methods. Ongoing inter-rater reliability assessments are performed quarterly for each abstractor in the review process. A random sampling protocol is used to select individual patient charts. Abstractors then review the charts to determine if appropriate data are included. The ensuing data are aggregated into appropriate indices. A quarterly report is produced for each VISN.

The source for the CDCI and the PI is on-site review of the clinical record. The measures for the goal will be the application of a random sampling protocol that looks at individual patient charts, abstracts the appropriate data, and calculates the indices. A VISN-specific report is produced quarterly. Beginning

with the FY 2000 cycle, counseling on tobacco use will be removed from the CDCI and placed with the clinical guideline for tobacco use. This will bring clinical practice in line with the new guideline calling for counseling two times per year.

(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Pension Program Outcomes

Strategic Goal: *Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation. 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 memorialize them in death for the sacrifices they have made for their country.*

Objective: Provide a level of income that brings eligible veterans and their survivors up to a standard of living that ensures dignity in their lives.

Performance Goal: VA is in the early stages of developing pension program outcomes and performance measures; as a result, there are no performance goals for FY 2001.

The purpose of the pension program is to provide monthly payments, as specified by law, to needy wartime veterans who are permanently and totally disabled as a result of disability not related to military service. The program also provides monthly payments to needy surviving spouses and dependent children of deceased wartime veterans.

VA is working with our stakeholders from Congress, OMB, and VSOs to determine outcomes and performance measures for the compensation program. When that task is complete, the C&P Service will begin the similar task for the pension program. We will begin this project during FY 2001.

Means and Strategies

VA will determine appropriate means and strategies after collecting baseline data and setting performance goals. Initially, VA will form teams to determine how surveys should be conducted in order to obtain the most reliable data. We anticipate contracting out for assistance in developing and administering surveys. We must also determine how to best capture income data, to include welfare payments, of veterans and survivors in receipt of pension, as well as a statistically valid sample of total personal income of like-circumstanced non-recipients.

Crosscutting Activities

Achievement of the goal is not directly dependent on other agencies. However, we may ultimately work with other agencies to obtain the socio-economic data needed to evaluate the impact of the pension program on veterans and their dependents.

Major Management Challenges

Until we determine outcomes, measures, and goals, we cannot assess whether we have any major management challenges that will affect achievement of the performance goals.

Data Source and Validation

Measuring how veterans perceive the pension program, or the impact the program has on the quality of their lives, is dependent on data not currently available.

(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Insurance Program Outcomes

Strategic Goal: *Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.* 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 memorialize them in death for the sacrifices they have made for their country.

Objective: Enhance the financial security for veterans' families through life insurance and other benefits programs.

Performance Goal: Provide policyholders with the best financial value from their policies and give them the same or better policy services that would normally be provided on a commercial policy.

VA's program compares favorably with the commercial insurance industry. The A.M. Best Company, a leading information source for the insurance industry, uses an index to compare the average annual cost of life insurance policies from various companies. This index is an excellent benchmark because it includes premiums, dividends and cash values as well as the time value of money. Based on this index, VA's insurance programs have been the best performing life insurance value in the country by a wide margin.

Means and Strategies

VA is studying options to improve the service of VA insurance programs. Some strategies for improvement will await the study of survivors' benefits under PL 105-368, which we expect to complete by June 2000.

Crosscutting Activities

Achievement of this goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this goal.

Data Source and Validation

VA will use the Life Insurance Fact Book, published by the American Council of Life Insurance, to indicate what the average American is purchasing in insurance coverage. VA will calculate competitive premium rates using the

1980 Commissioner's Standard Ordinary Mortality Table with a 5 percent interest rate.

We will not independently validate this information.

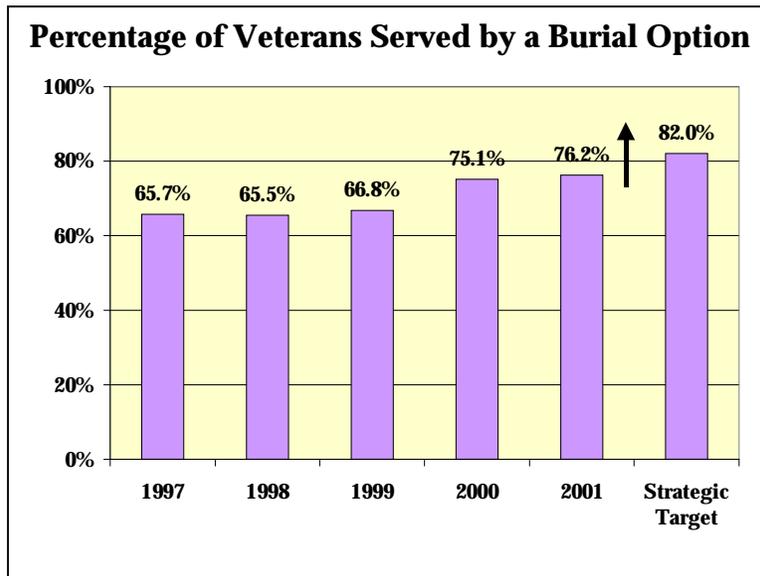
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2F.)

Percentage of Veterans Served by a Burial Option

Strategic Goal: *Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.* 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 memorialize them in death for the sacrifices they have made for their country.

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

Performance Goal: Increase the percentage of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance (75 miles) of their residence to 76.2 percent. (Note: Performance data have been adjusted to reflect changes recommended in a recent audit conducted by the IG).



The mission of the National Cemetery Administration (NCA) is to “honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation.” NCA data from recent years show that about 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at time of death. As annual interments and total gravesites used increase, cemeteries deplete their inventory of space and are no longer able to accept full-casketed or cremated remains of first family members for interment. This reduces the burial options available to veterans. At the end of FY 2000, of the 119 existing national cemeteries, only 61 will contain available, unassigned gravesites for the burial of both casketed and cremated remains; 28 will only accept cremated remains and remains of family members for interment in the same gravesite as a previously deceased family member; and 30 will only perform interments of family members

in the same gravesite as a previously deceased family member. By the year 2005, the Little Rock, Culpeper, and Woodlawn National Cemeteries will exhaust their current supply of available, unassigned, full casket gravesites. However, there is a state veterans cemetery planned for Little Rock, Arkansas, and the Culpeper and Woodlawn National Cemeteries are within 40 miles of other open national cemeteries.

Means and Strategies

In order to meet the burial needs of veterans, NCA needs to increase access by developing additional national cemeteries in unserved areas; expanding existing national cemeteries to continue to provide service to meet projected demand, including the development of columbaria and the acquisition of additional land; and developing alternative burial options consistent with veterans' expectations.

Advance Planning Funds will be available for the development of new national cemeteries to serve veterans in the areas of Atlanta, Georgia; Detroit, Michigan; Miami, Florida; and Sacramento, California. These locations were identified in the 1994 report to Congress. When open, these cemeteries will provide a burial option to about 1.5 million veterans that are not currently served.

NCA will expand existing national cemeteries by completing phased development projects in order to make additional gravesites or columbaria available for interments. Phased development in ten-year increments is a part of the routine operation of an open national cemetery. NCA's practice is to lay out and subdivide a cemetery by sections or areas so that it may be developed sequentially as the need approaches. NCA plans to begin a cemetery expansion project at the Ft. Logan, Colorado, National Cemetery to expand the cemetery's ability to accommodate full-casket and cremated interments.

National cemeteries that will close due to depletion of grave space are identified to determine the feasibility of extending the service period of the cemetery by the acquisition of adjacent or contiguous land.

Crosscutting Activities

NCA has established a partnership with the states to provide veterans and their eligible family members with burial options. For example, NCA administers the State Cemetery Grants Program, which provides grants to states of up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries including the acquisition of initial operating equipment. NCA also plans to develop and distribute a planning model to encourage and help

individual states in establishing state veterans cemeteries through the State Cemetery Grants Program.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

NCA determines the percentage of veterans served by a burial option within a reasonable distance of their residence by analyzing census data, projected openings of new national or state veterans cemeteries, and changes in the service delivery status of existing cemeteries.

The IG completed its audit assessing the accuracy of data used to measure the percent of the veteran population served by the existence of a burial option within a reasonable distance of place of residence. Audit results showed NCA personnel generally made sound decisions and accurate calculations in determining the percent of veterans served by a burial option. Although inconsistencies in NCA's estimate of the percent of the veteran population served by a burial option were identified, they did not have a material impact and no formal recommendations were made. NCA has addressed these inconsistencies and the adjustments are included in this performance plan.

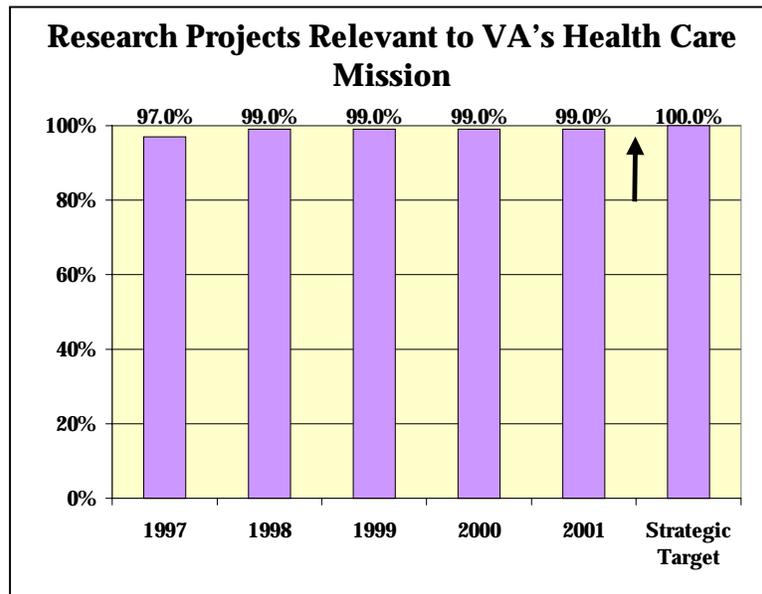
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 4.)

Research Projects Relevant to VA's Health Care Mission

Strategic Goal: *Contribute to the public health, socio-economic well-being, and history of the Nation.* VA will support the public health of the Nation as a whole through medical research, medical education and training, and serve as a resource in the event of a national emergency or natural disaster; VA will support the socio-economic well being of the Nation through education, vocational rehabilitation, and home loan programs; and VA will preserve the memory and sense of patriotism of the Nation by maintaining national cemeteries as national shrines, and hosting patriotic and commemorative ceremonies and events.

Objective: Advance VA medical research and development programs to better address the needs of the veteran population and to contribute to the Nation's knowledge of disease and disability.

Performance Goal: Maintain the percentage of funded research projects relevant to VA's health care mission in Designated Research Areas at 99 percent.



Means and Strategies

VA will maintain the proportion of medical research projects that are demonstrably related to the health care of veterans or to other Departmental missions. In meeting its mission, VA Research & Development (R&D) capitalizes on the unique opportunities provided by the veterans health care system. R&D continues to realign its priority areas to more appropriately target research projects that address the special needs of veteran patients and to balance research

resources among basic and applied research. This approach will ensure a complementary role between the discovery of new knowledge and the application of these discoveries to medical practice.

The R&D program administers the medical and prosthetic research appropriation, which supports VA medical center employees conducting research projects, initiated on the basis of their own scientific interests, or in response to invitations from the R&D office in headquarters. These projects are classified in accordance with the organizational units (within the R&D office) involved in selecting applications and administering the awards resulting from successful applications. These units are: Cooperative Studies Program; Health Services Research and Development Service; Medical Research Service; and Rehabilitation Research and Development Service (recently reorganized into the overall R&D program).

Crosscutting Activities

VA cooperates with the National Institutes of Health, DoD, nonprofit foundations, and the private sector. VA researchers participate in a wide range of technical panels and interdepartmental sharing committees. One of these is the National Science and Technology Council's Construction and Buildings Subcommittee on Research and Development, the purpose of which is to lessen the cost of facilities and improve performance. Another is the Brain Injury Association and the Defense and Veteran Head Injury Program. This partnership provides VA with additional opportunities to participate in research projects designed to improve the understanding and treatment of traumatic brain injury.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

Data are derived from the Research and Development Information System (RDIS). This system is maintained by R&D and is continually updated by the Research administration offices. Verification of the data entry is audited through random R&D administrative site visits. A report is produced annually that is national in scope.

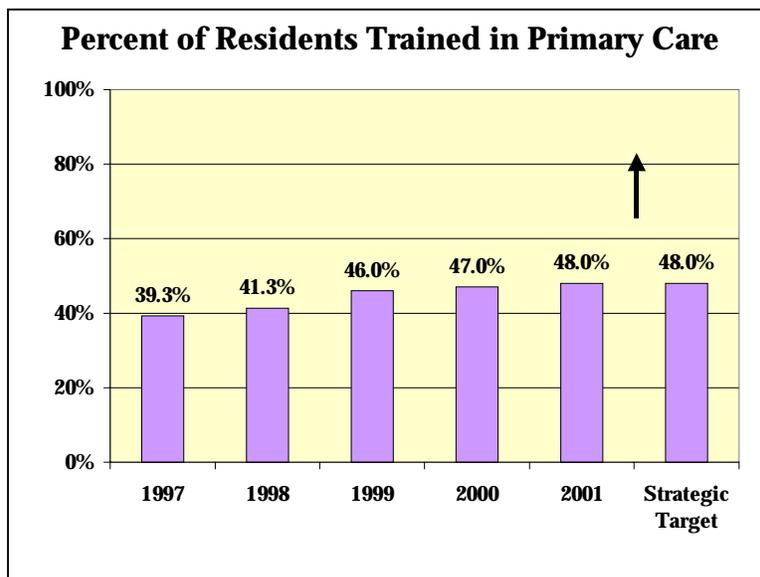
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapters 2 and 3.)

Primary Care Training for Residents

Strategic Goal: *Contribute to the public health, socio-economic well being and history of the Nation.* VA will support the public health of the Nation as a whole through medical research, medical education and training, and serve as a resource in the event of a national emergency or natural disaster; VA will support the socio-economic well being of the Nation through education, vocational rehabilitation, and home loan programs; and VA will preserve the memory and sense of patriotism of the Nation by maintaining national cemeteries as national shrines, and hosting patriotic and commemorative ceremonies and events.

Objective: Ensure an appropriate supply of health care providers for veterans and the Nation through sustained partnerships with the medical education community.

Performance Goal: Increase the percentage of residents trained in primary care to 48 percent.



Means and Strategies

Based on the recommendations of the Residency Realignment Review Committee, VHA is making a shift of 1,000 specialty resident positions; 750 will be filled as primary care positions and 250 positions will be eliminated. The latter is in keeping with the larger national goal of training fewer physicians.

VHA conducts an extensive education and training program to enhance the quality of care provided to veterans within the VA health care system. Education and training efforts are accomplished through coordinated programs and activities in the education of health professions students and residents by means of partnerships with affiliated academic institutions. The presence of health professions trainees improves veterans' care by fostering an academic milieu, thereby enhancing staff recruitment and retention.

Crosscutting Activities

VHA continues to build on its long-standing relationships with the Nation's academic institutions and intends to take a leadership role in reshaping the education of future health care professionals. Plans call for redirecting educational resources to primary care and reviewing affiliation agreements to assure they match the strategic goals and objectives of VA.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The data source for this goal is residency allocation records maintained in the Office of Academic Affiliations. These data are kept by academic and fiscal year. The measure for this goal is the number of residency positions classified in Category I (includes general internal medicine, family practice, geriatric medicine, obstetrics and gynecology, preventive medicine, and occupational medicine) at the end of the fiscal year as compared against all VA-funded residency positions. A national report is prepared annually documenting these changes.

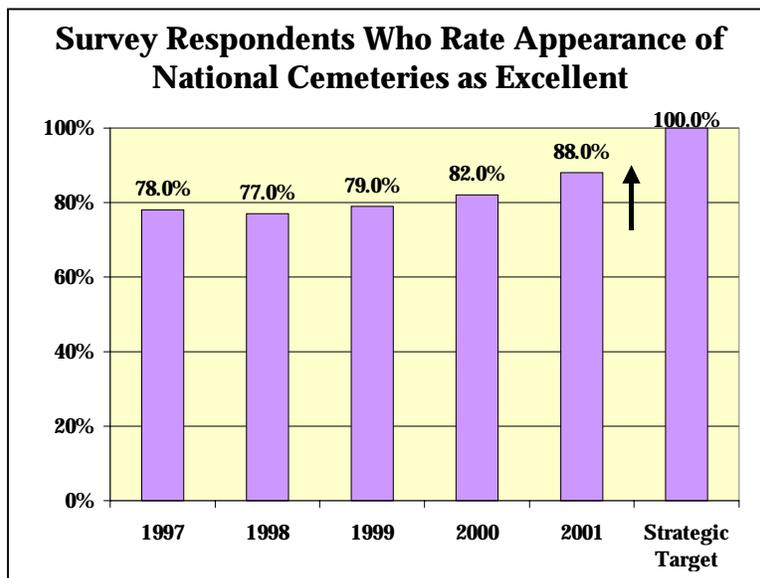
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Appearance of National Cemeteries

Strategic Goal: *Contribute to the public health, socio-economic well being and history of the Nation.* VA will support the public health of the Nation as a whole through medical research, medical education and training, and serve as a resource in the event of a national emergency or natural disaster; VA will support the socio-economic well being of the Nation through education, vocational rehabilitation, and home loan programs; and VA will preserve the memory and sense of patriotism of the Nation by maintaining national cemeteries as national shrines, and hosting patriotic and commemorative ceremonies and events.

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

Performance Goal: Increase the percentage of survey respondents who rate national cemetery appearance as excellent to 88 percent.



NCA will continue to maintain the appearance of national cemeteries as national shrines, so bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places that provide veterans and their families a dignified burial and lasting memorial.

Means and Strategies

In order to achieve this objective, NCA must maintain occupied graves and developed acres in a manner befitting national shrines. Improvements in the appearance of burial grounds and historic structures are required for NCA to fulfill this commitment to maintain our national cemeteries as national shrines. In-ground gravesites (casket and cremain) require maintenance to correct ground sinkage and to keep the headstones and markers aligned. Maintenance of columbaria includes cleaning stains from stone surfaces, maintaining the caulking and grouting between the units, and maintaining the surrounding walkways. Maintenance and repair projects involve over 560 buildings and 13,000 acres contained in 153 cemeterial installations. These projects include maintenance and repair of roads, drives, parking lots, and walks; painting of buildings, fences and gates; and repair of roofs, walls, and irrigation and electrical systems. Cemetery acres that have been developed into burial areas and other areas no longer in a natural state also require regular maintenance.

All national cemeteries are important locations for patriotic and commemorative events. NCA 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, NCA will continue to conduct educational tours and programs for schools and civic groups.

NCA conducts surveys of the families of individuals who are interred in national cemeteries and of other visitors, to measure how the public perceives the appearance of the cemeteries. This information provides a gauge by which to assess maintenance conditions at individual cemeteries as well as the overall system. Information obtained from these surveys is analyzed to ensure NCA addresses those issues most important to its customers. This approach provides us with data from the customer's perspective, which is critical to developing our objectives and associated measures.

Crosscutting Activities

NCA will continue its partnerships with various VA and civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries. An Interagency Agreement with the Bureau of Prisons provides for the use of selected prisoners to perform work at national cemeteries. This agreement has provided a supplemental source of labor to assist in maintaining the national cemeteries. Under a joint venture with the Veterans Health Administration (VHA), national cemeteries provide therapeutic work opportunities to veterans receiving treatment in the Compensated Work Therapy/Veterans Industries (CWT/VI) program. The national cemeteries are

provided a supplemental work force while veterans have the opportunity to work for pay, regain lost work habits and learn new work skills.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The source of these data is the NCA Visitor Comment Card Survey, an annual survey conducted for a period of 90 days. The measure for cemetery appearance is the percentage of respondents returning the comment card who rate the appearance of the cemetery as excellent. Respondents are asked to rate the appearance of cemetery grounds, headstones and markers, gravesites, and facilities. Cemetery appearance is considered the average of excellent scores in each of the four areas rated.

VA headquarters staff oversee the survey process and provide an annual report at the national level. NCA Area Office and cemetery level reports are provided for NCA management use.

(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 4.)

Waiting Time for Appointments and Treatments

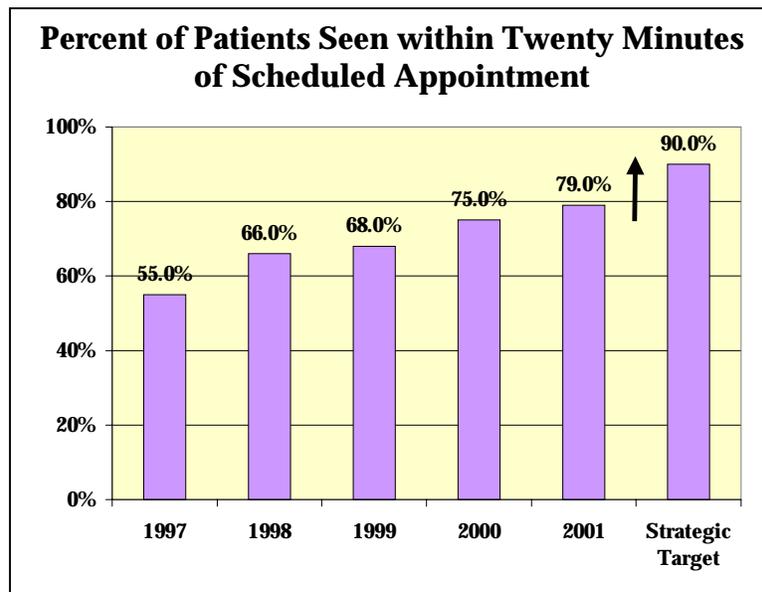
Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal 1: Increase the percent of enrolled veterans who will be able to schedule an initial non-urgent patient appointment with their primary care or other appropriate provider within 30 days to 90 percent. (Pending development of baseline data, the strategic target is 90 percent.)

Performance Goal 2: Increase the percent of patients who will be able to obtain a non-urgent appointment with a specialist within 30 days of the date of referral to 90 percent. (Pending development of baseline data, the strategic target is 90 percent.)

Performance Goal 3: Increase the percent of patients with scheduled appointments at VA health care facilities seen within 20 minutes of their appointments to 79 percent.



Means and Strategies

VHA's overall service and access goal is to provide personalized care when it is needed and where it is needed in ways that are creative, innovative, and cost effective. Personalized care means continuity of care is provided across the continuum by a team that knows the veteran and his/her needs. Timeliness of services ensures care is received when it is needed. Providing care in the manner most convenient to the veteran enables us to provide care where it is needed and wanted.

As part of this overall service and access goal, VHA will increase access to benefits and services for veterans and their families by focusing on the 30-30-20 performance goals. Patients will receive an initial, non-urgent appointment with their primary care or other appropriate provider within 30 days, will receive a specialty appointment within 30 days of referral by a primary care provider, and will be seen within 20 minutes of their scheduled appointment. VHA is planning to incorporate the 30-30-20 goals into the FY 2000 performance agreement between the Network Directors and the Under Secretary for Health. This will help assure a concerted effort across the VA health care system to accomplish these key goals.

Among the strategies to be used to achieve the 30-30-20 performance goals are:

- Hire additional staff in critical areas to provide more timely access to care and services.
- Continue with the Institute for Healthcare Improvement initiatives and other process improvement efforts to improve work and work processes.
- Open more community-based outpatient clinics (CBOC) to provide improved and more convenient access for patients.
- Procure short-term contracts with specialists to provide services to veterans that have been waiting for a significant period of time to improve timeliness of access to specialty services.
- Renovate infrastructure in existing facilities to ensure that at least two exam rooms are available for those providing services on a given day.
- Increase the availability of mental health services, including PTSD and substance abuse services, to improve access and service in mental health.
- Begin the project to enhance/replace the scheduling package.
- Develop transplant-sharing agreements to increase access and decrease costs.
- Purchase new and replace aging diagnostic and treatment equipment to improve clinical services.

- Replace aging linear accelerators and cardiac catheterization laboratories to improve clinical services.
- Provide Outpatient Medication Dispensing Technology in CBOCs and hospital-based clinics to improve service.

These key performance goals are a major component of the Department's initiative to improve service and access. This overall initiative includes the 30-30-20 goals as well as two other goals—(1) patients will have access to 7 day-a-week, 24 hour-a-day telephone triage, care, and consultation; and (2) VHA will implement the technological requirements to make patient clinical information available across sites of care in an effective manner for providers.

Crosscutting Activities

Achievement of these performance goals is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The source of data for the 30-day goals is the computerized Veterans Health Information Systems and Technology Architecture (VISTA) Scheduling Package available at each VA medical facility. To obtain data in FY 2000, two enhancements will be made to the Scheduling Package—(1) a patch will be developed to allow a distinction between new and follow-up appointments; and (2) a patch will be developed to flag or mark those patients requesting the “next available appointment” so the actual waiting time can be measured. Data will be abstracted from VISTA using the methodology identified in the 1999 VHA directive, Clinic Time to Appointment Extract. The source of data for the 20-minute waiting time is the annual survey conducted by the National Performance Data Resource Center.

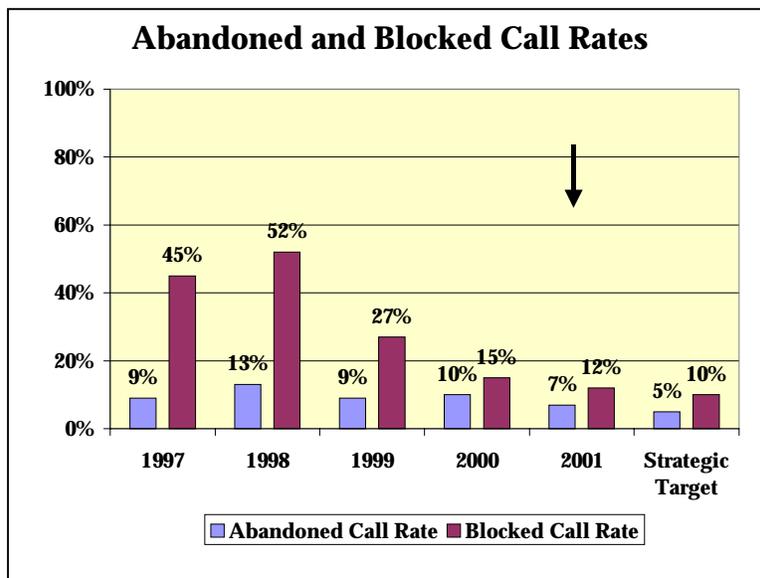
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Abandoned and Blocked Call Rates

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve communications with veterans, employees, and stakeholders to share the Department's mission, goals, and results and to increase awareness of benefits and services for veterans and their families.

Performance Goal: Improve communications and outreach by reducing the telephone abandoned call rate to 7 percent and blocked call rate to 12 percent.



Major achievements in telephone access continue. On February 1, 1999, a National Automated Response System (N-ARS) was made available to six regional offices with the highest blocked call rates. These offices improved from approximately 60-80 percent blocked calls to about 8 percent.

Means and Strategies

N-ARS will be expanded to include a case-specific routing feature. Veterans' calls will be routed to teams/veterans service representatives (VSRs) using a five-digit extension. The testing of the case-specific feature is expected to begin during the second quarter of FY 2000 in conjunction with the service delivery network (SDN) 2's Virtual Information Center Pilot. The Virtual Information

Center will assess the feasibility of using resources at one regional office to handle overflow calls from another regional office. Successful implementation of these initiatives will significantly enhance telephone access.

VBA is developing an Internet web site which will allow veterans to apply for compensation, pension, and vocational rehabilitation benefits by completing VA Form 21-526 (Application for Original Disability) and VA Form 28-1900 (Disabled Veterans Application for Vocational Rehabilitation), and submitting them electronically.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The abandoned call rate is calculated using data captured by automated call distribution equipment. The blocked call rate is based on data received monthly from Sprint (service provider) reports.

There is no independent verification of this information.

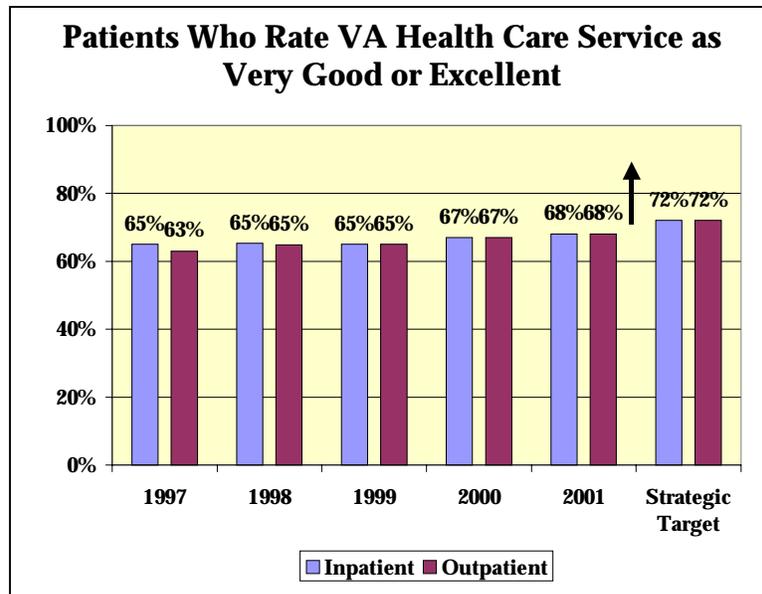
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Customer Satisfaction with Health Care Services

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Increase to 68 percent the percentage of patients rating VA health care service as very good or excellent.



Means and Strategies

VA will obtain continual feedback from the general veteran population on their satisfaction with service through surveys, focus groups, complaint handling, direct inquiry and comment cards. This feedback is used to build a database on what customers expect and provides information that can be used to revise performance goals and identify areas for improvement. As appropriate, specific groups of customers -- such as Gulf War veterans, minority veterans, and women veterans--are surveyed to determine their special needs and levels of

satisfaction. VISNs continue to implement strategies geared to improving patient satisfaction by creating CBOCs, opening weekend clinics, employing case managers, building permanent clinic screening teams, and making infrastructure improvements such as a VISN-wide Guest Services Program. VA seeks input from veterans service organizations to improve access, quality of care, and veteran satisfaction.

Crosscutting Activities

Achievement of this goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The source of these data is the National Performance Data Resource Center (NPDRC) surveys of individual veterans. The annual surveys consist of samples of inpatients and outpatients responding to a question asking them to rate their care on a scale from poor to excellent. An annual report is available on VISN performance. The validity and reliability of the findings are ensured by a research team using standard survey methodologies.

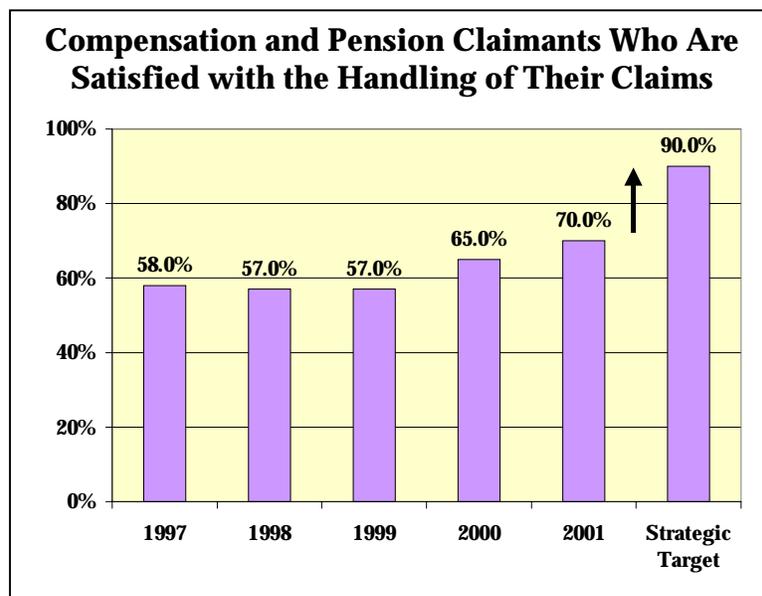
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Veteran Satisfaction - Compensation and Pension Claimants

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Attain a 70 percent overall customer satisfaction rating.



Means and Strategies

The strategic objective for veteran satisfaction is driven by accuracy and professionalism in the way we serve our claimants. As we take action to improve technical accuracy, enhance veterans' access to us, and provide them with the information they need, we anticipate improvements in veteran satisfaction. The following initiatives will significantly improve our performance.

- Additional FTE Resources – VBA will redirect 183 existing FTE and hire 243 new FTE to claims adjudication to improve accuracy and timeliness

of processing. With full implementation, this should result in significant improvement in customer satisfaction because timeliness, accuracy, and access will improve.

- Training, Responsibilities, Involvement, and Preparation (TRIP) - VA will continue its partnership with veterans service organizations, states' Departments of Veterans Affairs, county veterans service officers, and other recognized entities representing veterans' interests. The purpose of this initiative is to increase satisfaction by improving the evidence gathering component of claims processing. This will provide two benefits: fewer resources will be required to handle a claim and a decision-maker can decide the claim earlier in the claims process.
- Virtual Service Center - VA will implement a user-friendly website from which veterans and dependents can inquire about claim status or checks issued and receive immediate on-line answers. The site will also contain certain forms which veterans can complete and submit electronically. This improved access should increase veterans' satisfaction with claims processing.
- Virtual VBA - This project will launch VA into the 21st Century by allowing us to process veterans claims in an electronic environment. Since many of our stakeholders, including DoD and other government agencies, are beginning to use digital imaging technology, we must be in an environment that will facilitate the exchange of information with them.
- VETSNET Migration (C&P Benefits Payment Replacement System) - VA will pursue an incremental strategy as the most effective means to complete the development of the C&P payment system. A key component of the strategy is the completion of the award, payment, and accounting subsystem. Completion of this forms the basis for replacing the finance and accounting code with a standardized, on-line accounting and payment system that will interface with the Financial Management System.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

Veteran satisfaction information is collected through an annual survey of veterans or their families who have recently received decisions on their claims or whose claims are still pending. VA conducted prior surveys in conjunction with Pacific Consulting Group.

VBA's Surveys and Research Staff oversees the survey process to make sure professional standards are met and reliable data are obtained.

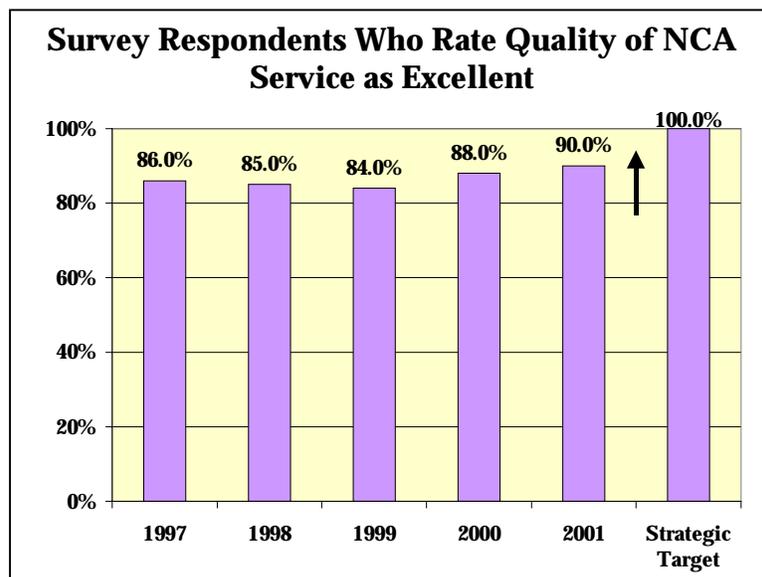
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Quality of Service Provided by the National Cemeteries

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Increase the percentage of survey respondents who rate the quality of service provided by the national cemeteries as excellent to 90 percent.



NCA strives to ensure the Nation's veterans and their families are satisfied with the quality of service provided by national cemeteries by providing high-quality, responsive service in all of its contacts with veterans and their families.

Means and Strategies

NCA will continue to provide high-quality, responsive service in all NCA contacts with veterans and their families and friends. 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. VA will continue to provide weekend scheduling of the interment in a national cemetery for a specific time in the ensuing week. By FY 2001, we will increase to 32 the number of national cemeteries providing automated gravesite locator information through user-operated kiosks. NCA conducts surveys of the families of individuals who are interred in national cemeteries, and of other visitors, to ascertain how they perceive the quality of service provided. Through its annual customer comment card survey, NCA measures its success in delivering service with courtesy, compassion, and respect.

Crosscutting Activities

NCA works closely with components of DoD and veterans service organizations to provide military honors at national cemeteries. While NCA does not provide military honors, national cemeteries facilitate the provision of military honors and provide logistical support to military honors teams. Veterans and their families have indicated that the provision of military honors for the deceased veteran is important to them.

NCA continues to work with funeral homes and veterans service organizations to find new ways to increase awareness of benefits and services. Funeral directors and members of veterans service organizations participate in regularly conducted focus groups to identify not only what information they need but also the best way to ensure they receive it.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The source of data used to measure the quality of service provided by national cemeteries is the NCA Visitor Comment Card Survey, an annual survey conducted for a period of 90 days. The measure for quality of service is the percentage of respondents returning the comment card who rate the quality of interaction with cemetery staff as excellent. VA headquarters staff oversee the survey process and provide an annual report at the national level. NCA Area Office and cemetery level reports are provided for NCA management use.

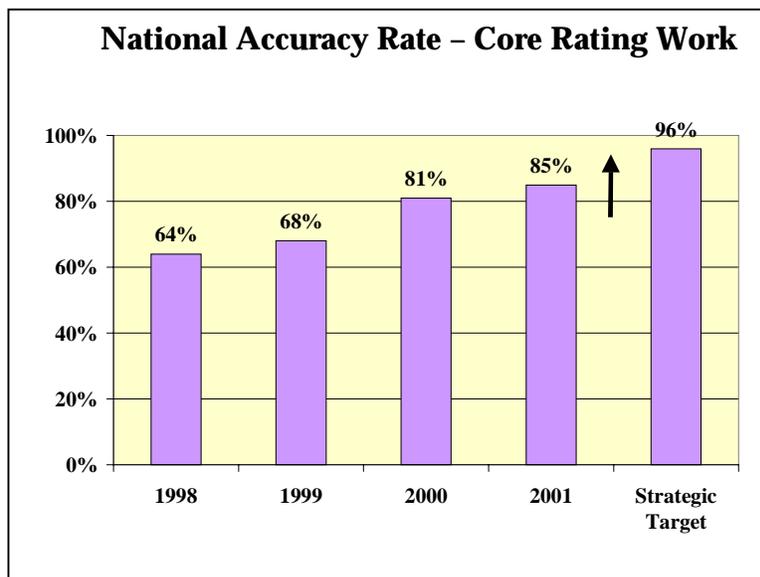
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 4.)

National Accuracy Rate – Core Rating Work

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Attain an 85 percent national accuracy rate for core rating work.



Improvement in technical accuracy is the highest priority as an element toward expediting and improving the adjudication of compensation and pension claims. This priority is reflected on VBA's balanced scorecard with accuracy having the heaviest weight. Baseline technical accuracy levels were established during 1998 from special reviews of nationwide samples of cases. Baseline accuracy was 64 percent for core rating work. Core rating actions include original compensation claims, original dependency and indemnity compensation (DIC) claims, original pension claims, reopened compensation claims, reopened pension claims, routine examinations, and reviews due to hospitalization.

Means and Strategies

We will pursue several initiatives during the fiscal year that will significantly improve claims processing performance. The most important ones are briefly described below.

- Additional FTE Resources – VBA will redirect 183 existing FTE and hire 243 new FTE to claims adjudication to improve accuracy and timeliness of processing. With full implementation, this should result in significant improvement in accuracy as new employees gain experience.
- Training and Performance Support Systems (TPSS) – This initiative consists of four comprehensive training and performance support systems: basic rating, veterans service representatives, journey-level rating specialists, and decision review officers.
- Systematic Technical Accuracy and Review (STAR) Program – Continued implementation of STAR will allow for review of statistically valid samples at the national, service delivery network (SDN), and regional office level.
- Systematic Individual Performance Assessment (SIPA) – This initiative complements the STAR program by bringing performance assessment and accountability to the journey-level individual. A representative sampling of work products for each employee will be reviewed for quality. The initiative requires 110 additional FTE in FY 2001.
- Development and Case Management – This initiative will improve accuracy of claims processing by providing a single capability which addresses complete claims development, claim status, and case management.
- Rating Board Automation (RBA) Redesign – The shortcomings of the current RBA system will be remedied by a stricter definition and control of data fields, and by capturing data on special issues of interest.
- VETSNET Migration (C&P Benefits Payment Replacement System) – VA will pursue an incremental strategy as the most effective means to complete the development of the C&P payment system. A key component of the strategy is the completion of the award, payment, and accounting subsystem. Completion of this forms the basis for replacing the finance and accounting code with a standardized, on-line accounting

and payment system that will interface with the Financial Management System.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

The Department has two major management challenges that may affect achievement of the performance goal: the increased complexity of the workload and the loss of highly experienced decision-makers.

Decision-makers are faced with significant changes in the body of law governing the compensation and pension programs. Compared with the past, the process of evaluating claims using a combination of regulations and precedent decisions is much more complex, requires additional research time, and is more prone to error.

During the next five years, VA will experience the loss of over 1,100 experienced decision-makers due to retirement. To avoid a two-to-three year skill gap, we need to stabilize the claims processing workforce by hiring and training substantial numbers of new employees before the actual losses occur.

Data Source and Validation

The C&P Service determines accuracy rates by reviewing a statistically valid sample of cases for each SDN. The national accuracy rate is calculated by compiling the results from the nine SDNs. The sample size is large enough to ensure a 95 percent confidence level with a sampling error rate of +/- 5 percent. Each SDN sample will reflect a regional office's relative share of its respective SDN's total completed workload. The accuracy rate for the Nation is a compilation of the C&P Service review results for the nine SDNs, weighted to reflect relative share of the national workload. Program experts who are independent of field operations management conduct the reviews.

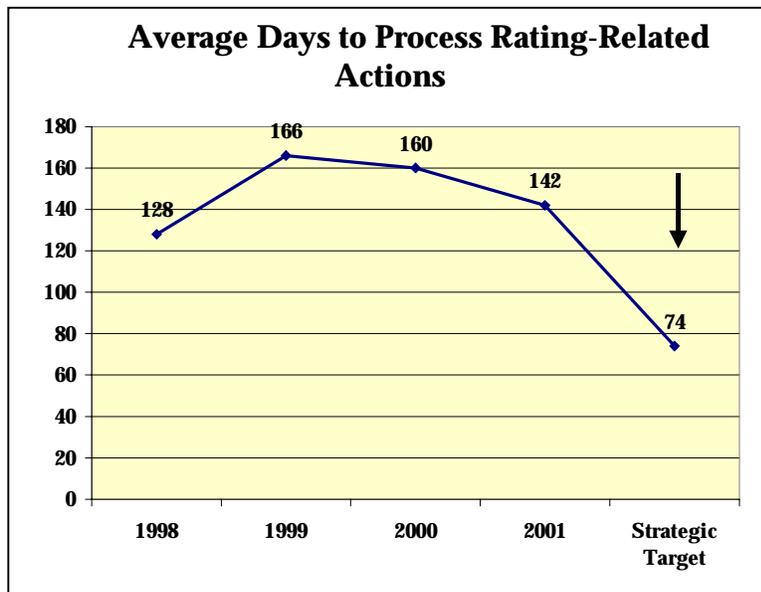
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Average Days to Process Rating-Related Actions

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Complete rating-related actions on compensation and pension claims in an average of 142 days.



Timeliness of claims processing, especially of rating-related actions, continues to be an important issue for the Department. Prior to FY 1999, information about claims processing timeliness probably understates actual performance by a substantial margin. An Inspector General audit of three end products revealed that timeliness reported by regional offices was in error by as much as 34 percent. Core rating actions include original compensation claims, original DIC claims, original pension claims, reopened compensation claims, reopened pension claims, routine examinations, and reviews due to hospitalization.

Means and Strategies

We will pursue several initiatives during the fiscal year that will significantly improve claims processing performance. The most important ones are briefly described below.

- Additional FTE Resources – VBA will redirect 183 existing FTE and hire 243 new FTE to claims adjudication to improve accuracy and timeliness of processing.
- Benefits Delivery at Discharge – VBA will continue to expand its initiative to develop claims, conduct disability examinations, and prepare rating decisions for service persons awaiting discharge from active duty.
- Personnel Information Exchange System (PIES) – Through this initiative, VBA will implement enhancements to the system, which has been operational since December 1998. We will identify options for exporting the application beyond the National Personnel Records Center (NPRC) allowing for electronic information requests to all military records centers (that is, Defense Finance and Accounting Services, Cleveland, OH; Naval Reserve Personnel Records Center, New Orleans, LA). VBA and VHA continue to develop the component that will allow for the exchange of service data between VHA and NPRC.
- Virtual VBA – This project will launch VA into the 21st Century by allowing us to process veterans claims in an electric environment. Since many of our stakeholders, including DoD and other government agencies, are beginning to use digital imaging technology, we must be in an environment that will facilitate the exchange of information with them.
- VETSNET Migration (C&P Benefits Payment Replacement System) – VA will pursue an incremental strategy as the most effective means to complete the development of the C&P payment system. A key component of the strategy is the completion of the award, payment, and accounting subsystem. Completion of this forms the basis for replacing the finance and accounting code with a standardized, on-line accounting and payment system that will interface with the Financial Management System.

Crosscutting Activities

VBA will consult with VHA and appropriate DoD officials to formulate proposals supporting claims development and the physical examinations process prior to separation with a disability rating at or near separation from active duty. National, state, and county veterans service organizations are encouraged to be an integral part of the planning and execution of this project.

VBA will work with DoD and NPRC to create a local area network that will allow electronic control and exchange of military medical records and service verification. VBA will also work with VHA to streamline the exchange of beneficiary information.

Major Management Challenges

GAO and IG report that the timeliness of adjudication decisions and slow appellate decisions continue to be a major challenge in VA's compensation and pension programs. They also report that the timeliness and quality of medical examinations conducted for the purposes of deciding C&P claims need to be improved. VA has taken several steps to address these challenges.

Claims Processing Timeliness. VBA continues to pursue the redefined claims processing concepts outlined in its *Roadmap to Excellence*. Nine SDNs have been established which align regional offices geographically so that the offices in each network can share resources and provide support to one another.

Also among the outlined concepts is the continued merger of veterans services functions with adjudication functions into Veterans Service Centers where veterans service representatives will use a case manager approach to complete claims for veterans benefits. Although this merging of functions adversely affects our ability to complete claims in the short term, the long-term effect will be the ability to provide more timely and accurate service to our veteran customers.

This revised process will be supported by initiatives that affect specific points in the claims adjudication process. Such initiatives include Benefits Delivery at Discharge, PIES, and Electronic Burial Claims.

Appeals Processing. For a one-year period ending November 30, 1998, we tested the viability of the Decision Review Officer (DRO) position as an enhancement to the appeal process. The results of the test indicated significant improvements in the appellate process. Timeliness of decisions, from the date of the formal appeal to the date of the final decision, was reduced from an average

of 421 days to 316 days while the number of appeals continuing to the Board of Veterans' Appeals (BVA) was reduced by 10 percent. Cases reviewed by DRO achieved an accuracy rate of 81 percent, compared to the national accuracy rate of 64 percent. The data also suggested that the recommended process would enable BVA to issue a final decision, thereby reducing the number of remanded decisions. The process has been refined and will be implemented nationwide in the near future.

The expansion of video-conferencing offers claimants the opportunity to have a hearing with BVA decision-makers without waiting for more than a year for a Travel Board hearing or undergoing the expense and inconvenience of a trip to Washington.

VBA and BVA have adopted a joint performance indicator called Appeals Resolution Time, which represents the average number of days it takes VA to resolve an appeal, from the date of the Notice of Disagreement to the date of resolution.

A joint VBA/BVA work group has been formed to develop a methodology to improve overall claims processing timeliness. The work group developed a common definition of the term "issue." In June 1999, the Veterans Appeals Control and Locator System (VACOLS) became the only tracking system for appeals, covering all stages from the receipt of the Notice of Disagreement through final disposition by BVA or the Court of Appeals for Veterans Claims (CAVC). This version implements the tracking of individual issues being appealed and will allow for statistical analysis of the types of disabilities which are most commonly appealed, remanded, and reversed after the regional office's decision.

Timeliness and Quality of Compensation and Pension Medical Examinations. VBA and VHA continue to work together to improve the timeliness and quality of medical examination reports done for disability evaluation purposes. VBA and VHA have jointly designed improved worksheets for every system of the body to guide physicians in performing examinations that meet VBA's needs. In addition, VBA has provided training to VHA physicians.

In March 1998, the Under Secretaries for Benefits and Health jointly issued a memorandum to VHA VISN Directors, and Directors of VBA regional offices and VHA medical facilities, advising them that VBA regional offices and VHA medical facilities were expected to work in cooperation to reduce the number of incomplete examinations and to initiate all reasonable efforts at the local level to address the issue of incomplete examinations.

In January 1999, under the joint Disability Examination Steering Committee, VBA and VHA established a work group with a goal of significantly reducing the number of incomplete examinations. The work group has been asked to analyze the reasons for the high rate of incomplete examinations and to offer recommendations for reduction.

Public Law 104-275 authorized VBA to conduct a pilot project to measure the effectiveness of contracting with a non-VA medical source and its impact on veterans. Data are being collected in conjunction with the Contract Disability Examination Pilot.

Data Source and Validation

The timeliness of rating-related actions is measured using data captured automatically by the Benefits Delivery Network as part of claims processing.

In its September 1998 report, the IG found that three key compensation and pension timeliness measures lacked integrity. They reported that the information system was vulnerable both to reporting errors and to manipulation by regional office personnel to show better performance than was actually achieved. VA has taken several steps to ensure it has accurate and reliable data. Since October 1997, we have maintained a database of all end-product transactions that are analyzed, on a weekly basis, to identify questionable actions by regional offices. The C&P Service reports quarterly on its findings and calls in cases for review from stations with the highest rates of questionable practices.

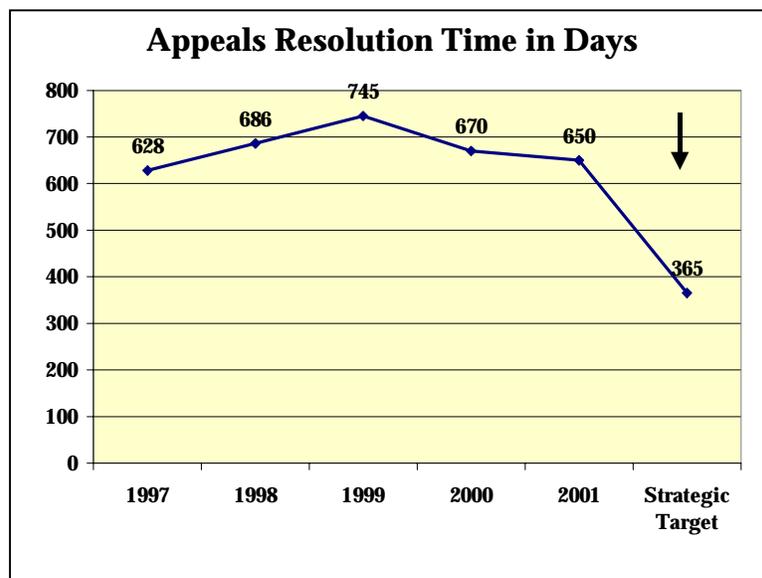
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2B.)

Appeals Resolution Time

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Reduce the appeals resolution time to 650 days.



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 a final decision by the Board of Veterans' Appeals (BVA). This timeliness measure was adopted at the beginning of FY 1999 as a principal measure of performance relied upon by both BVA and VBA and is widely used in our Departmental strategic plans, budgets and performance plans. Although some improvements in BVA's timeliness can be achieved unilaterally, such as those realized from reductions in administrative overhead and other initiatives involving internal procedural changes, others can only result from coordinated efforts undertaken by both BVA and VBA. Such an

approach acknowledges that claims and appeals processing must be viewed as a continuum, rather than as a series of discrete activities. BVA is committed to this approach and has targeted improving appeals resolution time as our most important timeliness objective.

Means and Strategies

Remand rate reduction is a central component of our strategy for reducing appeals resolution time. Remands represent a rework phase of the appellate cycle and typically add two years to the processing time for an appeal. Remands delay not only the individually affected cases, but, because by law we must process the oldest cases first, processing of newer appeals is delayed when remanded appeals are returned to the Board for re-adjudication. One of our primary remand rate reduction strategies 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 systems. A second strategy has been to develop and refine improved bases of information that can be used to better analyze trends concerning what types of cases have been remanded and why, so as to help focus efforts to avoid future remands.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Sources and Validation

VACOLS, VA's appeals tracking system and BVA's main business system, serves as the exclusive source of all data used to calculate appeals resolution time.

Where feasible, 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.

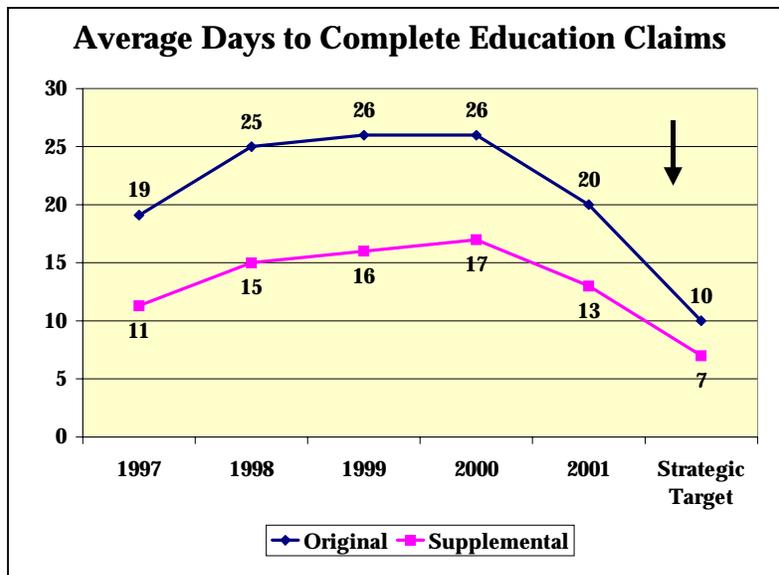
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 3D.)

Average Days to Complete Education Claims

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Process original and supplemental education claims in an average of 20 days and 13 days, respectively.



Claims processing timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which that work can be completed. By streamlining work processes and minimizing hold time, dramatic improvements in timeliness are achievable.

Means and Strategies

We will pursue several initiatives during the fiscal year that will significantly improve timeliness of education claims processing performance. The most important ones are briefly described below.

- Develop and install electronic data interchange/electronic funds transfer (EDI/EFT) – VA is reengineering the administration of the education programs by replacing the current system of manual eligibility and entitlement processing with an expert system, and by replacing the current system of mailing monthly benefits checks to veterans with the electronic transfer of funds directly into their bank accounts. The expert system for eligibility and entitlement processing requires electronic submission of enrollment information from training facilities to VA. The electronic transfer of education benefits will use existing commercial EFT.
- Continuity of Operations Plan – This initiative will use contractor resources to conduct a thorough review of the education processing environment in the four regional processing centers. The study will provide recommendations for maintaining operations in the event of a disaster and identify solutions that will permit a more dynamic direction of resources to concentrations of work.
- TEES (The Education Expert System) – This project is an umbrella initiative that will include changes to existing benefit payment systems; changes to VACert, the application used for electronic transmission of enrollment information, and implementation of an Internet version for the same purpose, VANetCert; development of new programs for delivery of benefits for flight, correspondence, on-the-job training, and apprenticeship training that will interface with the expert system; and implementation of a comprehensive expert system.

Crosscutting Activities

Achievement of this performance goal is not directly dependent on other agencies.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The timeliness of education claims processing is measured using data captured automatically by the Benefits Delivery Network as a part of claims processing.

The Education Service staff confirms reported data through ongoing quality assurance reviews conducted on a statistically valid sample of cases.

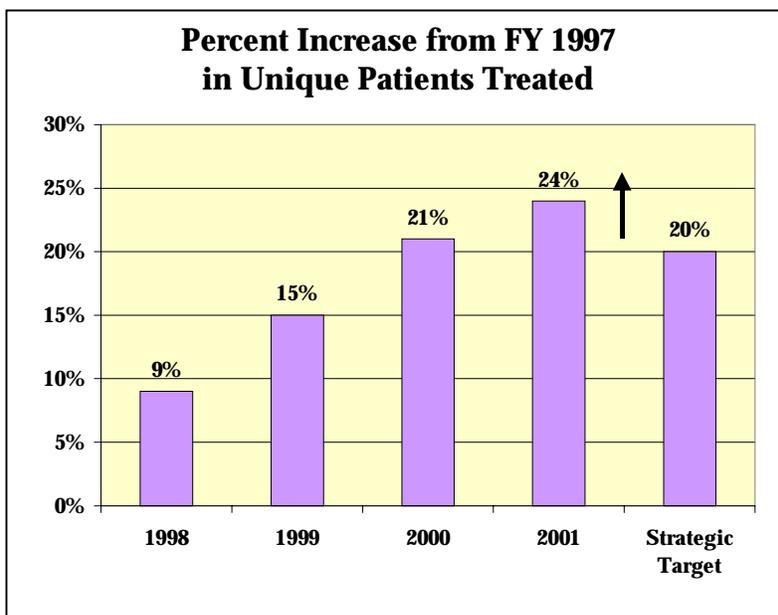
(For additional information on this performance goal, refer to General Operating Expenses, Volume 4, Chapter 2C.)

Unique Patients

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Increase the number of unique patients treated in the health care system by 24 percent (FY 1997 baseline = 3,142,000 unique patients).



Means and Strategies

As part of a three-ply approach to implementing management strategies to become more efficient, VA has for several years achieved its performance targets to increase the number of unique patients treated in the health care system. The original performance goal was to increase the number of unique patients by 20 percent from FY 1997 to FY 2002. VA expects to achieve this during FY 2000. Therefore, prior to developing the FY 2002 Performance Plan, we will reevaluate

the appropriateness of maintaining this as one of the Department's key measures.

VA's plan to increase the number of unique patients has been part of an overall strategy to become more efficient that includes decreasing the cost (obligations) per patient treated and increasing alternative revenue sources. One of the primary strategies for increasing the number of patients treated by VA is shifting health care resources and patient treatment modalities from inpatient care to outpatient care. This strategy requires a policy of sustained growth that is essential to the well being of the VA health care system. Public Law 104-262, the Veterans' Health Care Eligibility Reform Act of 1996, represents the single most important factor in opening the way for increasing veterans' access to VA medical care. Another important strategy is to increase the number and types of access points for medical care services. This will be done through continued expansion of the number of CBOCs at which veterans and eligible dependents can receive outpatient care.

Crosscutting Activities

VA has a vast number of sharing agreements with DoD that result in both increased access to, and quality of, medical care for veterans. Many of these collaborative partnerships result in increased levels of care for many of VA's most important subgroups of patients, including veterans with spinal cord injury, acute traumatic brain injury, Gulf War illnesses, and those in need of prosthetic services.

Major Management Challenges

GAO reviews have recommended that VA improve accuracy, reliability, and consistency of information used to measure the extent to which: (1) veterans are receiving equitable access to care across the country; (2) all veterans enrolled in VA's health care system are receiving the care they need; and (3) VA is maintaining its capacity to care for special populations.

VA is well along in implementing timely and detailed indicators of change in Veterans Equitable Resource Allocation (VERA) workload measures. VA has added a criterion to its allocation principles (VHA Directive 97-054). The directive states that VISNs' allocations shall "support the goal of improving access to care." VISNs are required to report on how resources are allocated each year and specifically how the goal of equitable access is addressed.

VA has developed enrollment procedures for gathering and updating information on employment, insurance, and service-connected disabilities.

Concerning the effects of health insurance on access to care for the non-insured, VA has implemented procedures to accomplish this goal such as setting the principle of funding allocations to be consistent with eligibility requirements and priorities.

VA is implementing GAO's recommendation to gather information on current users with and without reasonable access. We have incorporated this as a requirement for applications for new CBOCs. Ensuring reasonable access for high priority veterans is tied to the enrollment process.

GAO recommended we adopt uniform definitions and institute timely reporting of changes in access including waiting times, patient satisfaction, and priority of veterans served. VA is in the early stages of implementing this recommendation with three new performance goals that will provide data on the time to schedule initial primary care and specialty clinic appointments and waiting time to be seen for a scheduled appointment.

Data Source and Validation

The source of these data is the VERA Patient Database in the Boston Allocation Resource Center. A report on the number of unique patients is produced annually and is available at both the national and VISN levels. Internal control systems are in place to ensure that social security numbers are not duplicated and that records are valid.

Based on its audit of unique patients, the IG concluded that we overstated the patient count by 5.7 percent. The IG cited two major reasons for this:

- inaccurate SSNs were entered into the National Patient Care Database
- patients with undocumented appointments or who did not keep their appointments were counted as being treated.

The Acting Under Secretary for Health agreed with the recommendations in the IG's report and provided an acceptable implementation plan.

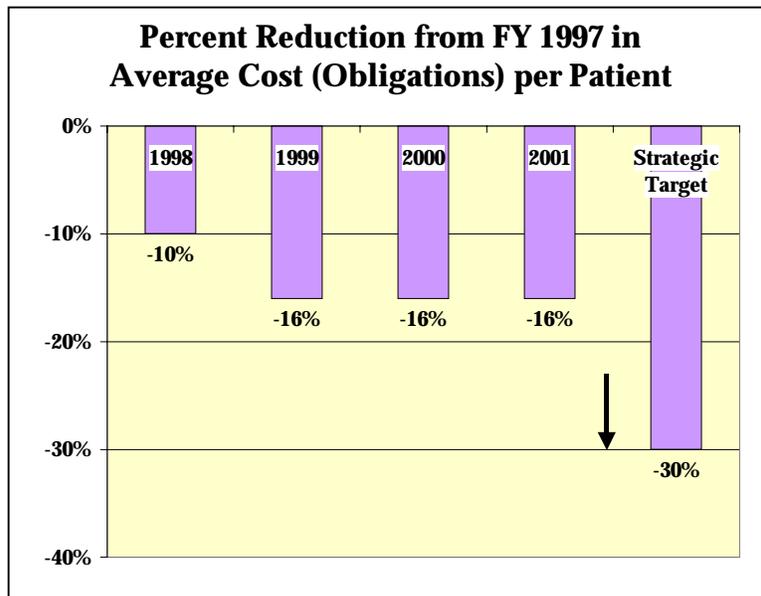
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Average Cost Per Patient

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: Maintain the 16 percent reduction in average cost per patient (FY 1997 baseline = \$5,458).



Means and Strategies

As part of a three-ply approach to becoming more efficient, in FY 1998 and FY 1999, VA achieved its performance targets to reduce the average cost (obligations) per patient. Therefore, prior to developing the FY 2002 Performance Plan, we will reevaluate the appropriateness of maintaining this as one of the Department's key measures.

The primary strategy for bringing about reductions in the cost per patient is reengineering the health care system by shifting health care resources and patient treatment modalities from inpatient care to outpatient care. This shift impacts physical plants, clinical staff needs, and almost all aspects of the health care delivery system. Hospital utilization is minimized whenever therapeutically possible, and inpatient services are being converted to outpatient services and extended into the community.

Consolidation and integration are undertaken to eliminate redundancy, improve economies of scale, and bring service levels and/or workload up to minimum levels to assure cost effectiveness and clinical quality. Restructuring addresses consolidation, integration, right sizing of facilities, and realignment of services and programs within facilities. VA has witnessed a significant decrease in the number of operating beds nationwide as a result of these activities and plans to continue decreasing operating beds in the future.

Crosscutting Activities

VA collaborates with the Department of Health and Human Services (HHS) to develop non-VA benchmarks for bed days of care, which are obtained from a Health Care Financing Administration (HCFA) database. VA is able to obtain data on ambulatory procedures from the National Center for Health Statistics. VA collaborates with DoD on enhancing VA's Parametric Automated Cost Engineering System (VA PACES), on partnering on real property assets, and on acquisition and collocation of VA facilities with excess property available through the closure of military bases. VA also participates in joint design and construction projects with the Department of Agriculture, Indian Health Service, Public Health Service, National Park Service, and Merchant Marine Academy.

Other crosscutting activities include providing laundry services to State Veterans Homes and Job Corps Programs, collaborating with the General Services Administration (GSA) in a government-wide real property information Sharing program on utilization of government-owned and government controlled real property in the Northeastern area of the United States, and acquiring leasehold interests in real property for clinical and administrative purposes within various regions across the United States. VA also participates with a private sector panel to identify enhanced-use lease initiatives at various VA medical centers for the purpose of obtaining lower cost utilities and energy services thus making more resources available for direct patient care.

Major Management Challenges

GAO has identified as a major management challenge whether VA's health care infrastructure meets veterans' needs. For example, they note the need for consolidation of hospital assets in the Chicago, Illinois, area. VA has developed a plan for more efficiently meeting the health care needs of veterans in the Chicago area and has other plans in place to ensure the health care infrastructure will ensure veterans' needs are met.

Data Source and Validation

The source of the data for this goal is the Automated Allotment Control System (AACS). AACS allocations (includes the prorated share of national specific programs) are compared against the total number of unique patients. A VISN-specific report is produced annually. There is no independent validation of this information.

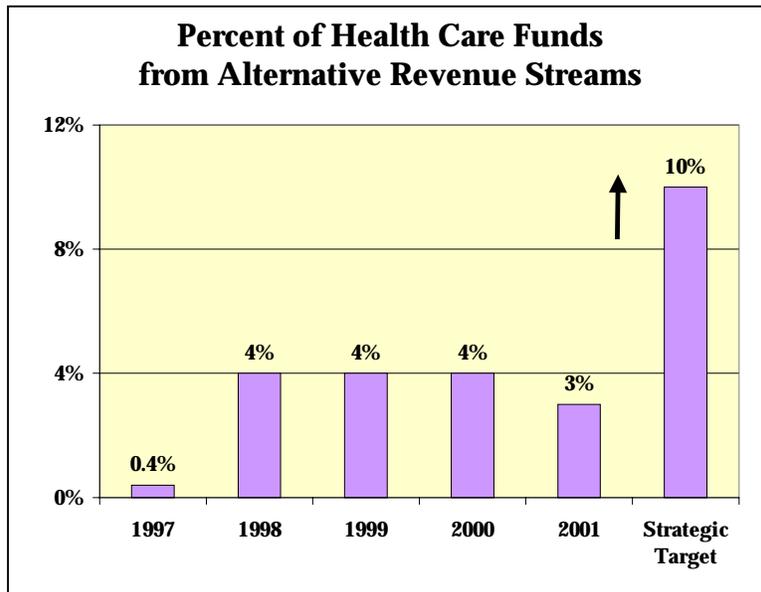
(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Revenue Stream for the Health Care System

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.* VA will operate as a veteran-focused organization that provides high quality, accessible, and timely information and service through the development and maintenance of a high-performing workforce, the application of state-of-the-art technologies, the continuous improvement of processes, and the effective allocation of dollars.

Objective: Improve VA's overall governance and operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Performance Goal: All alternative revenues, including medical recoveries, Medicare and other sharing revenues, will total 3 percent of the Medical Care operating budget.



Means and Strategies

As part of a three-ply approach to becoming more efficient, VA has for several years attempted to diversify its funding base and increase the percent of health care funds from alternative revenue streams through medical cost recoveries, sharing revenues and Medicare reimbursements. Therefore, prior to

developing the FY 2002 Performance Plan, we will reevaluate the appropriateness of maintaining this as one of the Department's key measures.

The future success of the VA health care system may depend as much on diversifying our funding base as on any other strategy. VA will actively pursue alternative revenue streams including medical cost recoveries and a Medicare reimbursement pilot, that is, Medicare subvention, based on the evaluation of DoD subvention due to end in December 2000.

A variety of strategies will be used to maximize the share of the medical care operating budget derived from alternative revenue streams.

- Implementation of reasonable charges, accomplished in September 1999, allows for market price recoveries for actual services provided.
- To ensure accurate insurance information, all medical facilities are establishing patient pre-registration, to include the use of software that assists in gathering and updating patient insurance information.
- Outsourcing opportunities for all or part of the revenue process are being pursued.
- Scanning outpatient encounter forms and using outpatient procedure rates will increase outpatient recoveries.

Crosscutting Activities

VA continues to work with the Health Care Financing Administration to obtain Congressional authorization for Medicare subvention.

Major Management Challenges

There are no major management challenges that will affect achievement of this performance goal.

Data Source and Validation

The source for these data is the general ledger maintained by VHA Financial Management and the Automated Allotment Control System. The numerator for this goal is revenues from each VISN's general ledger. The denominator is all VISN allocations (including prorated share of national specific programs) based on total VHA obligations. A VISN-specific report is produced annually. Although the goal has been 10 percent, numerous factors have contributed to this goal not being met.

(For additional information on this performance goal, refer to Medical Programs, Volume 2, Chapter 2.)

Means and Strategies

Strategic Goal: *Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.*

Medical Care

VHA will rely on several widely accepted quantitative measures to assess improvement in physical, mental and social functioning of disabled veterans and special populations of veterans. These measures include the following:

- Survey of functional status for the enrolled population. VA will strive to improve the functional status of veterans annually in achieving positive health outcomes.
- Addiction Severity Index (ASI) for patients seen in specialized substance abuse treatment settings.
- Global Assessment of Functioning (GAF) score for patients suffering from mental illness.
- Provide optimal levels of care in skilled community nursing facilities, when clinically indicated.
- Special attention to independent living and employment including homeless veterans treated in VA domiciliary care and in contracted residential care programs.
- Discharges to non-institutional care for inpatient spinal cord injury (SCI) and traumatic brain injury (TBI) patients.

Interspersed throughout VHA's objectives are key strategies and performance goals designed to meet the health care needs of special populations of veterans. VHA is committed to maintaining the existing capacity of these programs and services and has adopted a set of performance goals to ensure this promise is kept. Public Law 104-262, the Veterans' Health Care Eligibility Reform Act of 1996, mandates that VA will report progress annually on performance goals for the following six disability programs: spinal cord injury, blindness, seriously mentally ill, traumatic brain disorder, amputation, and post-traumatic stress disorder. The performance goals established for these programs in the FY 2001 Performance Plan are as follows:

- *Spinal Cord Injury*: Maintain the proportion of discharges from SCI center bed sections to non-institutional settings.
- *Spinal Cord Injury*: Increase the percent of SCI respondents to the National Performance Data Resource Center Survey who rate their care as very good or excellent.
- *Blind Rehabilitation*: Increase the percentage of patients who are “satisfied” or “completely satisfied” when queried on the national Blind Rehabilitation Customer Satisfaction Survey.
- *Traumatic Brain Injury*: Increase the percentage of TBI patients able to live independently for first admissions patients who are discharged from TBI Network, medical rehabilitation beds to the community (home, board and care, transitional living, and assisted living residences), based on Uniform Data System for Medical Rehabilitation criteria.
- *Mentally Ill*: Increase the percentage of unique mental health patients seen during a single quarter as either inpatients or outpatients who received at least one GAF score during that quarter. Baseline to be established in FY 2000.
- *Mentally Ill*: Increase the percentage of homeless patients with mental illness (including substance abuse) who receive a follow-up mental health outpatient visit, admission to a Compensated Work Therapy Transitional Residence (CWT/TR) or admission to a Psychiatric Residential Treatment Program (PRRTP) within 30 days of discharge from from a domiciliary care for homeless veterans (DCHV) or health care for homeless veterans (HCHV) contract care.
- *Mentally Ill*: Increase the percentage of veterans who acquired independent living arrangements at discharge DCHV Program or a community-based contract residential care program.
- *Preservation Amputation Care and Treatment*: Increase the percentage of diabetic patients at risk for foot amputations who are referred to a foot care specialist (PACT Coordinator, podiatrist, orthopedic, or vascular surgeon, diabetic educator, etc.).
- *Preservation Amputation Care and Treatment*: Increase the percentage of patients satisfied with the use of VA issued lower extremity prosthetic limbs.

- *Post Traumatic Stress Disorder (PTSD)*: Increase the percentage of specialized intensive PTSD programs (those currently enrolled in the National PTSD Outcomes Monitoring System) that meet the Special Emphasis Program goal of 50 percent follow-up at four months after discharge.
- *Post Traumatic Stress Disorder*: Increase the number of months in which the veteran received VA mental health services during the six months after the first PTSD visit.
- *Addictive Disorders*: Increase the percentage of patients seen in specialized substance abuse treatment settings who have an initial ASI and six-month follow-up ASI.

Vocational Rehabilitation and Employment

VR&E has created a pilot program of Employment Specialists (ES) who provide consultative assistance to other VR&E staff on employment services and may provide direct services to job-ready veterans. Through aggressive marketing and educational efforts, the ES promotes a positive image and assists the employment community to hire from a trained applicant pool. The ES monitors the veteran's program to analyze and identify operational difficulties encountered; determines what will reduce or eliminate difficulties; persuades officials to take corrective action; and follows up to assure that required changes have been made and successful outcomes are being achieved.

Employment services training for our supervisory staff and ESs, which includes job-hunting strategies, networking, and employment resources, helps reduce the amount of time needed for veterans to move into suitable employment. In FY 2001, this joint VA/DOL training will improve the skills for our rehabilitation counselors, employment specialists, and other front-line staff. This cross-agency training builds networking links that can speed the employment process.

A job is gained or lost based on the personal employment interview. Effective interview techniques, while very important, are not generally taught as part of educational or training programs. To assist our veterans in developing this skill, we will provide videotaping resources in some of our locations.

We will increase veterans' access to employment information through development and electronic linkages to America's Job Bank; the proposed Veterans and Servicemembers Internet Site; and the Verification of Military and Training.

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

Medical Care

VHA provides eligible veterans at risk for psychological trauma from active military duty in a combat theater of operations and/or from military-related sexual assault access to clinically effective readjustment counseling that is culturally sensitive and results in positive consumer feedback. The Readjustment Counseling Service systematically surveys veterans for their satisfaction with Vet Center services.

Education

Increasing the MGIB usage rate requires coordination between VA and organizations currently performing, or planning to perform, outreach activities. In addition to this partnering, a coordinated effort with DoD is underway to identify eligible service personnel and to build upon existing base counseling and outreach activities at military bases. State approving agencies and other stakeholders will provide a presence in remote locations. VA intends to establish a network for effective education outreach by supporting various activities in place and creating other activities to improve beneficiary access to benefits and services.

An independent evaluation of VA administered educational assistance programs, to be completed during FY 2000, will provide an opportunity to examine the extent to which these benefit programs serve their purposes and satisfy the needs of their intended beneficiaries. VA will analyze the findings from this evaluation and develop specific strategies for better meeting the needs of veterans and other beneficiaries.

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

Medical Care

The President signed the “Veterans Millennium Health Care and Benefits Act” (PL 106-117) on November 30, 1999. This comprehensive legislation improves a broad array of health services for our Nation’s veterans. It firmly established a high priority for nursing home care to the most severely disabled veterans and those needing nursing home care for a service-connected disability, enhances VA’s home and community-based extended care programs, and requires

VA to maintain these programs at the FY 1998 level. The Act authorizes VA to set co-payments for higher income non-service-connected veterans who use VA extended care services and allows VA to update co-pay charges for pharmaceutical and outpatient services. The Act also allows VA and DoD to enter into an agreement expanding DoD reimbursement to VA for care of certain dually eligible TRICARE beneficiaries. The legislation authorizes VA to reimburse certain veterans as payor of last resort for emergency care, expands programs for homeless veterans and sexual trauma counseling, expands enhanced-use leasing authority, and enhances other VA medical programs.

Burial

VA needs to increase access by developing additional national cemeteries in unserved areas; expanding existing national cemeteries to continue to provide service to meet projected demand, including the development of columbaria and the acquisition of additional land; and developing alternative burial options consistent with veterans' expectations. Three new national cemeteries will be opened in FY 2000 near Chicago, Illinois; Dallas/Ft. Worth, Texas; and Cleveland, Ohio. In addition, new national cemeteries will be developed to serve veterans in four areas identified in the 1994 report to Congress.

In addition to building new cemeteries, VA will expand existing national cemeteries by completing phased development projects in order to make additional gravesites and/or columbaria available for interments. Phased development in ten-year increments is a part of the routine operation of an open national cemetery. It is the practice of the National Cemetery Administration to lay out and subdivide a cemetery by sections or areas so that it may be developed sequentially as the need approaches. National cemeteries that will close due to depletion of grave space are 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.

To complement VA's system of national cemeteries, NCA administers the State Cemetery Grants Program (SCGP), which provides grants to states of up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries including the acquisition of initial operating equipment. These cemeteries may be located by the states in areas where there are no plans for NCA to operate and maintain national cemeteries.

VA provides headstones and markers for the graves of eligible persons in national, state, other public and private cemeteries. Delivery of this benefit is not dependent on interment in a national cemetery. In addition, NCA will continue to ensure Presidential Memorial Certificates are delivered accurately and timely.

A Presidential Memorial Certificate conveys to the family of the veteran the gratitude of the Nation for the veteran's service.

We will improve accuracy and operational processes, reducing the number of inaccurate or damaged headstones and markers delivered to cemeteries. Headstones and markers must be replaced when either the government or the contractor makes errors in the inscription, or if the headstone or marker is damaged during delivery or installation. When headstones and markers must be replaced, it further delays the final portion of the interment process, the placing of the headstone or marker at the gravesite.

VA will use, to the maximum extent possible, modern information technology to automate our operational processes. On-line ordering using NCA's Automated Monument Application System - Redesign (AMAS-R) and electronic transmission of headstone and marker orders to contractors are improvements that increase the efficiency of the headstone and marker ordering process. NCA will increase its efficiency by encouraging other federal and state veterans cemeteries to place their orders for headstones and markers directly into the AMAS-R system.

Strategic Goal: Contribute to the public health, socio-economic well being and history of the Nation.

Medical Care

Strategies of managed care have transformed VHA's health care delivery system by facilitating patient treatment in the most appropriate setting. The primary care provider/team as the coordinator of health services plays a key role in assuring high quality, cost effective care. This shift to primary care enables veterans to receive services from clinicians who are accountable for addressing and coordinating their health care needs.

VA has developed plans and maintains readiness as required by Public Law 97-174. A Memorandum of Understanding between VA and DoD has been implemented which requires joint plans and procedures for using the VA medical system as the primary backup to DoD during war and other national emergencies. The National Disaster Management System (NDMS) Federal Coordinating Center Guide coordinates planning and conducts local NDMS area exercises as a Federal Coordinating Center responsibility. The four partners in NDMS are VA, DoD, the Public Health Service, and the Federal Emergency Management Agency (FEMA). The mission is to maintain these partnerships to address the varied needs of veterans, active duty military personnel, and victims of catastrophic disasters.

Medical Research

VA has realigned its priority research areas to more appropriately target research projects that address the special needs of veteran patients and to balance research resources among basic and applied research. This approach will ensure a complementary role between the discovery of new knowledge and the application of these discoveries to medical practice.

Scientific peer review will be augmented with an administrative review for relevance to VA's health care mission. Projects with VA health care relevance will be selected purposefully for funding before projects with no demonstrable relevance. VA will maximize its research potential and capabilities by focusing on collaborative opportunities where VA is uniquely positioned. VA has identified Designated Research Areas that represent areas of particular importance to our veteran patient population. The areas on which projected obligations for FY 2001 will be the highest are research projects on chronic disease, aging, trauma related illness, health systems, and military occupations and environmental exposures. An effective and efficient career development process will be implemented for VA investigators.

As the veteran population ages, the management of health care for the elderly becomes increasingly important to VA. New multi-site clinical trials are being planned with the National Institute on Aging to address health care delivery issues in the aged. The results of these studies should contribute to better, more cost efficient, care for elderly veteran patients. Prostate disease is also of great importance to both VA and Congress. New clinical trials are being planned to address the treatment of prostate disease and should be ready to start in FY 2000.

Projects with VA health care relevance will be selected purposefully for funding before projects with no demonstrable relevance. Scientific peers on the Federally chartered review boards determine the scientific merit of the projects seeking funding from VA's Research Program and institutions of higher learning. In addition, attention is paid toward ethnic, racial, gender, and geographical balance on these review boards.

Medical Education

VA will reduce its subspecialty medical resident positions and increase positions in primary care training. Based on the recommendations of the Residency Realignment Review Committee, VA will make a shift of 1,000 specialty resident positions by FY 2001. Some 750 positions will be filled as

primary care positions and 250 positions will be eliminated. The latter is in keeping with the larger national goal of training fewer physicians. Further, VA will provide an educational and training experience for medical residents and other trainees comparable to, or superior to, their other academic training opportunities. VHA is working to ensure medical residents and other students rotating through its clinical programs are part of a modern health care system where not only the students but also the permanent staff learn as a result of the excellent patient care being provided. Therefore, VA will identify key drivers of medical resident motivation and satisfaction through surveys, and develop and implement appropriate improvements.

Burial

VA will maintain the appearance of national cemeteries as national shrines, so bereaved family members are comforted when they come to the cemetery for the interment or later to visit the grave(s) of their loved one(s). In order to achieve this objective, NCA must maintain occupied graves and developed acres in a manner befitting national shrines. Extensive renovation of grounds, gravesites and grave-markers will be undertaken at cemeteries where the greatest needs exist. NCA will begin renovation of historic structures at 59 national cemeteries that were developed during the Civil War era.

NCA will continue its partnerships with various VA and civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries.

NCA conducts surveys of the families of individuals who are interred in national cemeteries and of other visitors to measure how the public perceives the appearance of the cemeteries. Information obtained from these surveys is analyzed to ensure NCA addresses those issues most important to veterans, their survivors, other cemetery visitors.

All national cemeteries are important locations 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, NCA will continue to conduct educational tours and programs for schools and civic groups.

Strategic Goal: *Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes, and financial resources.*

Medical Care

VHA will continually strive to meet or exceed the expectations of veterans and their families by delivering accurate, timely, and courteous service. VHA obtains continual feedback from the general veteran population on their satisfaction with service through surveys, focus groups, complaint handling, direct inquiry and comment cards. This feedback includes information on the following:

- The percent of customers rating VA health care service as very good or excellent.
- The proportion of patients who rate the quality of VA health care as equivalent to or better than what they would receive from any other health care provider.
- The share of patients reporting coordination of care problems in the outpatient customer feedback survey.
- The average number of problems reported per patient on courtesy questions in the annual outpatient customer feedback survey.

VA also obtains feedback from special populations of veterans to assess their satisfaction with the service they receive. These include the following:

- The percentage of spinal cord injury patients who rate their care as very good or excellent.
- The percentage of patients queried on the National Blind Rehabilitation Customer Satisfaction Survey who are satisfied or completely satisfied with their care.
- The percentage of patients satisfied with the use of VA-issued lower extremity prosthetic limbs for both the administrative and clinical processes.

The Department is beginning to reengineer processes and benchmark with world class organizations to optimize process cycle times and access to services. The focus of these efforts is on goals to improve access by decreasing waiting

times for primary care appointments to 30 days, waiting times for specialty appointments to 30 days, and waiting times to see a provider to 20 minutes.

Additional strategies to improve service and access include providing 24 hours-a-day, 7 days-a-week access to nurse advice lines, implementing technological requirements to make patient clinical information available across sites of care for providers, and ensuring VISNs will have improved timely access to patient information needed for patient care and decision-making.

Providing 24 hours-a-day, 7 days-a-week access to nurse advice lines is a commonly provided service, if not a community standard, for most health plans today. In addition to improving the ability to provide timely and proximate care to patients, telephone care can improve the quality of care by reducing unnecessary emergency room visits, physician appointments, and walk-in-visits. All patients can potentially benefit from access to telephone care 24 hours-a-day, 7 days-a-week.

Strategies to accomplish this goal include: providing after-hours access to phone care through five regional call centers; upgrading phone systems in sites where regional call centers may be placed to allow for automatic intelligent call switching and call forwarding; developing and improving read only access to VISTA databases across sites of care; providing recurring funding to support call center staff in regional call centers; and providing the capability and connectivity for web-based interactive access to patients.

Patients increasingly seek and receive VA care at multiple sites. They may receive primary care at community-based outpatient clinics (CBOC) and specialty or inpatient care at one or more medical centers. Timely access to clinical information by VA staff from multiple sites of care is paramount to ensure prompt service, continuity, and quality care. In addition, providers need a more efficient means to document care.

The bulk of the necessary resources required to achieve improved patient clinical information will be for purchases of equipment and contract services. Examples of equipment to be purchased include: servers; personal computers and peripherals; wireless equipment; imaging equipment and high-resolution video equipment. Contract services would include: technical support; repository development; and telecommunication infrastructure installation. A small percentage of support staff would implement and manage the information technology.

VISN network directors understand the significance of having timely access to patient information for patient care and decisionmaking. Additionally, VHA

intends to increase the number of VISNs using remote telemedicine capabilities to enhance access to care for clinical services.

Strategies developed to improve timely access to patient information include:

- supporting infrastructure and solutions to make clinical information available across sites of care;
- providing efficient means of documenting care including easy access to computers and training in the use of the electronic medical record, handheld/wireless devices, and speech recognition tools;
- expanding and enhancing VISTA Imaging and Picture Archiving computer Systems (PACS);
- improving the clinical lexicon (clinical vocabulary) which is essential to all long-term solutions for clinical information exchange and sharing;
- adding domains (laboratory, pharmacy and radiology) to expedite development of the Government Computer-Based Patient Records (G-CPR); and
- purchasing interface engines that will enable the exchange of information between VISTA and commercial off-the-shelf components.

VHA intends to develop a baseline for telemedicine activities in order to enhance access to care for an array of clinical services needed by the populations served. VHA will initiate telemedicine projects, including a national back pain referral center, a psychiatric consultation service for diagnosis and management of depression in the elderly and for management of bipolar disorders and expand the SCI Home Care clinical telemedicine services to remaining SCI centers. Other telemedicine projects will be initiated within VISNs.

VHA has innovative education and training programs and practices that promote a department-wide, systematic approach to the education, training and development of VA employees in order to provide high quality, seamless service to veterans. The VA Learning University (VALU) mirrors the movement in the private sector toward creating corporate universities as a means for providing continuing education and training of employees. If VA is to keep pace with industry standards, greater attention must be placed on providing employees with the knowledge and skills necessary for high performance in an integrated benefits and health care delivery system.

VHA senior level managers have determined that service and access are keys to success and are of direct benefit to veterans and their families. VHA's overall service and access goal is to provide personalized care when it is needed and where it is needed in ways that are creative, innovative, and cost effective. Personalized care means continuity of care is provided across the continuum by a team that knows the veteran and his or her needs. Timeliness of services

ensures care is received when it is needed. Providing care in the manner most convenient to the veteran enables us to provide care where it is needed and wanted.

Reducing costs and improving the revenue stream for the health care system will remain a strategy to responding to the pressures of shifting from a basic system of hospital-centered care to the delivery of managed, patient-centered, primary care and maintaining the necessary core of specialty care. VA will continue to increase the number of patients enrolled in the health care system, pursue sustained program growth, and provide greater access to veterans.

Compensation and Pension

Improvement in technical accuracy of claims adjudication remains the number one priority of the compensation and pension programs. This priority is reflected on the balanced scorecard with accuracy weighted the heaviest. Baseline technical accuracy levels were established during 1998 from special reviews of nationwide samples of cases. Baseline accuracy levels are 64 percent for core rating work, 70 percent for authorization work, and 51 percent for fiduciary work. We anticipate that improvements in the area of accuracy will help drive improvements in other scorecard areas and we would expect a cascading effect on the other strategic objectives.

In the reengineered environment, job certification will become the new formal, standardized process by which employees will demonstrate they have acquired job skills and knowledge. Career progression will be based on acquisition and demonstration of skills. A team of senior level VBA managers is currently addressing certification issues.

As part of VBA's succession planning strategy to maintain an effective workforce during these times of high attrition losses, in FY 2000, the compensation and pension programs will require an additional 440 FTE. In FY 2001, additional FTE will be hired or redirected into the compensation and pension programs.

Education

Cycle time analysis reveals that most education claims are held for days awaiting review by a decision-maker. By streamlining work processes and minimizing hold time, dramatic improvements in timeliness are achievable. An information technology solution that incorporates artificial intelligence into the claims resolution process by permitting data to arrive electronically, filtering through an "expert" or rules based application, and updating the data base for

payment authorization will eliminate the waiting time for many claims not needing human intervention.

To ensure education beneficiaries and other stakeholders receive the best possible service, we will create pertinent training programs that give employees the skills and knowledge necessary to accomplish our mission. This takes on greater importance as VBA pursues workforce planning. As jobs are redesigned to meet the changing needs of our veteran population, effective and timely training becomes critical. We will leverage limited resources by working with VBA's training staff to present training sessions in the most efficient manner possible. We will provide technical training to stakeholders who assist us in the process of helping eligible beneficiaries achieve the education or training goals.

Vocational Rehabilitation and Employment

Improving the veteran's access to vocational rehabilitation and employment (VR&E) staff and information will help VR&E achieve the goal of 60 days to make entitlement determinations by placing staff in military discharge centers and other locations where the veteran population indicates the need. Adjusting work schedules, as needed, will provide additional access to VR&E staff at times more convenient to veterans. We will place teleconferencing capabilities in VR&E locations and locations such as selected county veterans offices, military discharge centers, and state vocational rehabilitation offices which are proximate to veteran populations.

Improving the skills of our staff, through training, we will improve both the quality and timeliness of the entitlement determination process. In 2001, we will develop a needs assessment instrument which will assist us in evaluating the veteran's vocational rehabilitation requirements.

The accuracy of decisions will be improved through our ongoing communications improvements and by improving our access to information sources. Our information management systems, including WINRS and other electronic resources, will improve our ability to obtain important information quickly. We will focus on the accuracy of payments to veterans, institutions, contractors, and vendors, and the accuracy of determining the need to a specific expenditure and procurement of the best goods and services for the best available price.

Our strategies to improve communications, access, and staff skills will place us in a position to meet the needs of our veterans in an effective and efficient manner. Because the nature of VR&E services is direct personal intervention, we need to be accessible. VR&E staff are located in each VA regional office and have

approximately 150 outbased or itinerant sites. We will relocate some of our staff to provide access in key population areas not currently well served and support VA's presence at selected military discharge centers. We will use technology to augment our staff and provide tools to improve access and services.

VA has several methods for controlling costs of the VR&E program. Activity Based Costing will assure that charges for veteran services are properly accounted. Our National Acquisition Strategy will help us evaluate the need for external service providers, agree upon reasonable fees for service, reduce contract administration overhead, and even reduce the number of contract service providers needed to manage our workload. Our further implementation of the WINRS information management system, part of the VBA corporate database, will provide us with tools to collect and analyze program data, including costs, which will support decision-making.

The VR&E program, along with the Federal Aviation Administration, has been selected to participate in a unique organizational development program created at the Massachusetts Institute of Technology. This will allow VR&E to improve its ability for strategic planning, create a systems approach to management, and improve employee development. The program was implemented for VR&E Service staff in 1999 and will be carried to field staff in 2001, 2002, and 2003.

Housing

VBA continues to stress the Lender Appraisal Processing Program (LAPP). Under LAPP, certain lenders are authorized to establish property value in accordance with criteria established by VA. With more lenders opting for this procedure, VA staff resources are available to provide better service on those cases where VA makes the value determination. Management has placed strong emphasis on CRV timeliness by making it one of the two critical speed measures on the Loan Guaranty Balanced Scorecard.

To improve VA's ability to effectively assist veterans who are delinquent on their mortgages, VA will implement an automated system to track the variety of actions taken by VA, lenders, and borrowers during the default period. This system will automate routine and redundant activities, improving efficiency and allowing employees to concentrate on supplemental loan servicing. It will also allow for an earlier analysis of the appropriateness of the different alternatives to foreclosure.

VA totally revised the measurement of the quality of loan guaranty field operations to improve fairness and accuracy, and to focus on essential work

processes. The process requires a review of quality at the local level, and a second review away from the work site for validation purposes. The second level review for regional offices is performed at the Regional Loan Centers (RLC). loan guaranty service in VA Central Office reviews the work of the RLCs. After the first year of this process, refinements will be made as the results are analyzed. Staffing changes, training and other management actions will be directed toward areas/functions needing improvement.

The loan guaranty program is moving toward EDI (electronic data interchange) with our trading partners. Testing and implementation of the receipt of loan applications via EDI occurred in 1999. This will be followed in 2000 by development of the receipt of appraisal data by EDI. This will reduce the cost for VA and lenders for originating a guaranteed loan. It will reduce manual data entry and the filing and storage of paper records, freeing staff for more productive work. We plan to have all major communications with lenders on defaulted loans, including intent to foreclose, foreclosure completion, election to convey property and claims filed, submitted by EDI. This will allow staff to concentrate on delinquent loan servicing by reducing person hours associated with review and storage of paper records.

VA relies heavily on the lending industry to deliver the home loan benefit. Ultimately, the level of veteran satisfaction is directly dependent on how well VA can meet the expectations of lenders, builders, real estate brokers and appraisers. This means adapting the delivery of our services to industry practices and making timely changes as technology generates improvements in the loan origination process. Current plans call for major enhancements in the following areas: loan funding fee replacement, EDI, and automated determination of eligibility.

To give employees the training they need to perform their duties properly, Loan Guaranty Service has built a training program for both new hires and seasoned employees. This training has three components: classroom instruction; self-paced, computer-based, and web-based training; and interactive televised training over the Veterans Benefits Network. Because of our unique reliance on our private sector partners (e.g., banks, mortgage companies) to provide the benefit to veterans, we provide training to numerous program participants in the details and workings of the VA home loan program.

Insurance

Two major actions are being undertaken to maintain the high level of veterans' satisfaction: the paperless processing initiative and the self-service initiative. In addition, the survey instruments themselves are used as a basis for

improving satisfaction. We revised S-DVI forms and pamphlets as a result of feedback that indicated these forms were confusing. We improved follow-up procedures through the use of a new software application after learning we failed to follow-up on some inquiries. We have also made adjustments to work processes based on responses to a survey question that asks, "What could we do better?" We anticipate reassessing our training needs based on survey results in order to improve the delivery of services and the satisfaction ratings.

Several factors impact the toll-free line's performance. Workforce flexibility and an adequate number of trunk lines for the 800 line play important roles in reducing blockage and average hold time. The insurance program continues to expand the number of telephone agent positions to accommodate high telephone traffic periods during which most blockages occur.

We continue to expand the Interactive Voice Response (IVR) system and Internet access. Recently, the IVR system was expanded to allow the insured to select certain system-generated letters and forms for downloading. Further expansion of the IVR system will take place under the Insurance Self Service initiative.

Veterans with Internet capability can now access the VA Insurance website at **www.vba.va.gov/vainsurance.htm**. Through this website, policyholders and beneficiaries can download forms needed to request loans, change beneficiaries, and make a death claim. They can also submit questions about their policies or request policy changes either through the website or via e-mail at **VAinsurance@vba.va.gov**.

VA has undertaken various actions to improve the timeliness of insurance disbursements. Special post office boxes were set up so applications for disbursements would bypass the mailroom and decrease the time required for a veteran to receive a payment. We also improved the way we process returned mail. Incorrect addresses from returned mail are electronically sent on a daily basis to the Social Security Administration in order to obtain a better address. Another focus area is the elimination of data processing delays. Some disbursements require manual processing which is slower and more labor intensive than computerized processing. Programming changes have and will continue to eliminate some manual processing situations. In the future, primary improvements in this area will come from the Paperless Processing, Self Service, and Debt Collection Improvement Act (DCIA) initiatives.

Burial

VA has three hub cemeteries to provide weekend scheduling of an interment in a national cemetery for a specific time in the ensuing week. One hub cemetery is located in each of NCA's three geographic, administrative areas to provide this weekend service to families and funeral directors.

Another means of providing quality service to cemetery visitors is to provide automated gravesite locator information through a user-operated kiosk. Kiosks provide an easy-to-use vehicle for locating gravesites both on weekdays and weekends, particularly outside normal business hours when cemetery staff are not available. Although these kiosks are used primarily for locating gravesites, they also provide other information regarding burial benefits such as eligibility requirements, headstone and marker ordering information, customer service standards, and floral regulations.

NCA works closely with components of the DoD and veterans service organizations to provide military honors at national cemeteries. While VA does not provide military honors, national cemeteries facilitate the provision of military honors and provide logistical support to military honors teams.

Department-wide

Capital Investment Process

The capital investment process was created in June 1997 to foster a *One VA* approach to the use of capital funds and to ensure all major capital investment proposals are based upon sound economic principles and are fully linked to strategic planning, budget, and performance goals. The process does this by reviewing asset proposals that include high risk and/or mission critical projects. The Department demonstrates excellent progress implementing both the principles and practices of performance-based acquisition management. VA is the first civilian agency to develop an agency-wide capital planning process which allows for investment trade-offs both among and between categories of assets, i.e., medical and non-medical equipment, information technology, infrastructure, and leases. The VA Capital Investment Board (VACIB) makes recommendations to the VA Resources Board (VARB) on capital investments submitted by the major organizations of the Department, resulting in a unified comprehensive VA Capital Plan (VCP) consistent with agency mission, goals, objectives, priorities and strategies. The VACIB is made up of top management from across Department business lines.

Each proposal includes a description of the capital investment and how it supports the Department's strategic goals. Proposals were first validated to ensure the application criteria were adequately addressed prior to scoring. Investment proposals were scored and submitted to the VACIB for review and approval. Proposals were evaluated based on the following criteria: customer service, return on taxpayer investment, high performing workforce, risk, alternatives analysis, threat mitigation, and special emphasis program. The first three criteria relate to the Department's strategic goals, while risk and alternatives analysis address improved business practices. Threat mitigation addresses the issue of life safety in VA facilities especially related to seismic safety. The special emphasis program criterion addresses Congressional concern regarding the programs of spinal cord injury, seriously chronically mentally ill, traumatic brain injury, blind rehabilitation, post-traumatic stress disorder, and prosthetics. The acquisition and use of these capital assets will enhance the Department's ability to attain its strategic goals and perform its mission.

The following projects have been approved for FY 2001:

Palo Alto, California - 120 Bed Gero-Psychiatric

Project Description: This project will construct a new 120-bed gero-psychiatric nursing home building consisting of approximately 75,000 gross square feet. The building may be single or multiple-story, depending on the design analysis of the site. This project supports 11 additional gero-psychiatric beds in support of the VA Palo Alto Health Care System and the Sierra Pacific VISN. The new beds are in addition to the existing 109 beds in Building 324, totaling 120 beds in the new building.

Total Cost: \$26,600,000

Government Computer-based Patient Record

Project Description: The Government Computer-based Patient Record (GCPR) Framework Project is a joint effort of the VA, DoD, and the Indian Health Service (IHS). It includes the design, development, and implementation of the standards, technical architecture, data architecture, hardware, and software architecture required to achieve an easily accessible, yet secure, life-long medical record for each veteran, military personnel and their dependents, and Native Americans and their descendents.

The primary goal of this readily accessible record is to enhance the health care provided to the patients of the VA and the GCPR partner agencies. Additional goals are to enhance medical research, reduce health care costs, ease

transfer of military retirees into VA's system and improve the efficiency of keeping medical records.

Total Cost: \$19,100,000

Temple, Texas - Cardiovascular Institute

Project Description: This project will provide for renovation and new construction to establish space for a joint venture Cardiovascular Institute (VA, Scott & White Hospital Affiliate and Texas A&M Medical School) in existing Building 162 and adjacent to Buildings 204 and 162 (Temple Division). This project includes up to 41,300 net square feet of building space, modifications to Center drives, an additional 63 parking spaces, a new chiller, and relocation of several existing functions to make way for the project

Total Cost: \$11,500,000 – Funded in FY 2000 with reprogramming

Phoenix, Arizona - Regional Office Building Lease

Project Description: This project will lease office space within the central business district of Phoenix. The new leased facility will provide the regional office with the latest facility infrastructure that will provide additional space required because of new program and staff. The state-of-the-art facility will enable the regional office to provide optimal customer service in the form of improved business processes. The new facility will allow the regional office to implement all business process reengineering concepts without any undue hindrances, obstacles, or limitations that would be encountered in an older facility. As a result, implementation of business process reengineering initiatives will produce faster response times, fewer errors, better service to customers, and in the end, happier, more satisfied customers.

Total Cost: \$5,773,555

VBA Telephone Strategy

Project Description: This project will implement a Virtual Information Center (VIC), to employ a virtual call center concept by deploying telephone technology that will allow all call servicing resources in a geographically defined region (Service Delivery Network) to participate in a common call queue regardless of their physical location. This strategy will allow regional office telephone managers to adjust the availability of staff without the need of relocating them to centralized locations. A pilot test of this concept is currently being developed for the Service Delivery Network Two (SDN 2) area of

responsibility. The SDN 2 Virtual Information Center will use the network resources, the VBA N-ARS and a homogeneous customer-based telephone network to service the customer call demand for the entire SDN 2 servicing area. This initiative proposes implementing a Virtual Information Center at each of the nine Service Delivery Areas.

FY 2001 Cost: \$11,683,000

Benefits Delivery Network (BDN)/VBA

Project Description: This information technology proposal examines alternatives to support continued operation of the BDN until a more modern and less fragile system can be developed. The BDN comprises those application systems, hardware, operating systems software, and network (WAN/LAN) apparatus VBA employs to pay non-medical benefits to the Nation's veterans. These alternatives are examined in light of the larger issue of the Department's implementation of data center consolidation (DCC) as mandated by OMB.

FY 2001 Cost: \$4,781,000

Virtual VBA

Project Description: This project is a pilot for a project to create an electronic work environment (EWE) for VBA's C&P claims processing. This electronic environment, Virtual VBA, will scan all original veteran benefits claims into an imaging system creating an electronic folder. By having C&P electronic folders accessible throughout the claims and appeals process, this initiative will directly improve the quality of service to the 2.7 million veterans who rely on C&P to deliver benefits and services.

FY 2001 Cost: \$10,887,000

VETSNET Migration (Replacement of the C&P Payment System)

Project Description: VBA's C&P Service proposes to replace its existing system, the BDN for C&P award, payment, and accounting processes, with a custom built C&P Benefits Replacement System. The benefits provided by this project include support for compliance and stronger system controls and improved support for business decision-making.

FY 2001 Cost: \$2,768,000

Ft. Logan, CO - Expansion of Cemetery

Project Description: The purpose of this project is to develop burial areas in the remaining undeveloped land and to provide additional and improved facilities needed to support cemetery operations. The gravesite development portion of the project will create the following new burial areas to extend the life of the cemetery to 2020: 26,400 casket sites – including 13,200 pre-placed crypts; 7,000 in-ground cremains sites; and 10,000 columbarium niches. The site improvement portion of the project encompasses development of 66 acres as well as modifications to the existing cemetery to unite the whole cemetery site of 213 acres including: site clearing, demolition, grading, drainage, fencing, and planting; utility distribution systems and lawn irrigation; roadway system, walks and parking; pedestrian and vehicular access modifications. Building construction and renovation included in the project will improve operations and address space deficiencies such as renovation and conversion of the existing Administration Building to Information Center to serve funeral attendees and visitors; new Administration Building located near the existing maintenance complex; and renovation and improvements to three existing committal service shelters.

Total Cost: \$19,400,000 - \$3,300,000 in C&P

Information Security Program (ISP)

Project Description: This project will provide a multi-vectored approach to managing the risk to VA's information assets from known threats and vulnerabilities. The eleven initiatives in this proposal represent the concurrent actions necessary to manage the areas of greatest information security risk, as defined by recent GAO and IG audits and the best judgment of the Department-level Information Security Work Group. These initiatives are: Enterprise Risk Assessment; Departmental Incident Response Capability; Standard Security Packages; Remote Network Access; Research Capacity; VA Information Security Awareness Program; VA Information Security Training Program; Information Security Policy Framework and Promulgation; Certification and Accreditation; VA Information Security Web Page; and Information Security Organization. In addition to these initiatives, this proposal requests funds for eight FTE for the Department's Information Security Program office to support its oversight and coordination role. FTE levels indicated in each initiative are requirements for Office of Information and Technology information security staff only. FTE resources from the Administrations and Staff Offices will also be required to fund the eleven initiatives.

FY 2001 Cost: \$17,500,000

Integrated Financial/Logistics Management Standards (IFMS)

Project Description: VA proposes to replace the existing core financial management system and selected other applications that collect and feed financial information to the core system with an integrated, Department-wide commercial off-the-shelf (COTS) based core financial and logistics system. The current systems, which form a collection of non-integrated legacy financial and mixed applications, exhibit a variety of functional limitations and operational deficiencies. The replacement of the core financial system will strengthen the flow of financial information, improve data integrity, increase standardization of procedures, enhance service to veterans and our other customers, and decrease costs.

FY 2001 Cost: \$56,899,000

Improving Access to Services and Benefits through Information Technology

The information technology (IT) vision, *One VA*, is expressed as a set of functional capabilities needed to better serve veterans in an integrated manner. These capabilities can be thought of as the primary integrated set of customer service requirements that IT is expected to help satisfy. They are divided into four general categories: (1) customer service; (2) customer self-service; (3) internal data sharing and exchanges; and (4) external data sharing—federal and non-federal.

Realization of the IT vision will require that certain of VA's information systems successfully integrate or exchange information in a manner that is transparent to VA customers regardless of where information originates, how it is being transmitted, or how it is managed.

The IT vision is intended to guide the operational, tactical, budget, and capital planning for all future information technology initiatives for the entire Department. Actual implementation of the concepts in the vision will be staged over the next three to five years. An IT Architecture Report and Integration Agenda was published during FY 1999. Other initiatives and activities that are underway or being developed by the Administrations are being reviewed for applicability and development as *One VA* IT vision projects.

“Greening the Government” Efforts

VA has set the following environment goals in accordance with Executive Order 13101, “Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition:”

- Waste prevention goals are 5 percent waste reduction by FY 2000; 20 percent waste reduction by FY 2005, and 40 percent waste reduction by FY 2010.
- Goals for recycling are 5 percent recycling increase by FY 2000, 20 percent recycling increase by FY 2005, and 40 percent recycling increase by FY 2010.
- Goals for purchase of EPA's designated CPG items are 100 percent for FY 2000, FY 2005, and FY 2010.

Under the direction of the Department’s Environmental Executive, we will set policy, issue guidance, and provide training and education to VA employees in our Administrations and staff offices. Plans include the establishment of a VA Environmental Council with key personnel from these organizations to provide the essential communication network and overcome resistance in obtaining buy-ins into the Department's Environmental Program.

In fulfilling the goals, our training and education will use available tools such as broadcast messages on our Department-wide electronic mail system, training at seminars, acquisition symposiums, environmental program displays at major conferences, articles in newsletters, and issuance of information letters, memoranda, and notices on environmental requirements. The establishment and updating of our environmental website www.va.gov/oa&mm/recycle will be part of our education and training initiative that VA employees can access for vital environmental information.

External Factors

There are a number of factors and issues external to the organization that could significantly affect the Department’s ability to achieve our highest priority goals and objectives. Among these factors are passage of legislation, change in resource levels, cooperation and non-cooperation from other Federal agencies or private organizations, or unpredictable outcomes such as the long-term health effects of military service in the Gulf War.

- VA's strategy for increasing access to benefits and services for veterans and their families continues to be a major focus. The goals are to improve access to care by decreasing waiting times for primary care appointments to 30 days, waiting times for specialty appointments to 30 days, and waiting times to see a provider to 20 minutes. Strategies being considered to decrease waiting times include: provide improved, more convenient access for patients through the opening of more CBOCs; and improve the timeliness of access to specialty services through the procurement of short-term contracts with specialists to provide services to veterans that face significant periods of waiting time.
- Although monthly payments were increased by 20 percent in 1998 and indexed to inflation, the Montgomery GI Bill benefit covers less of the cost of tuition, fees, subsistence, and other expenses than in the past. Therefore, MGIB benefits must be leveraged with other federal, state, local, and private assistance. For example, DoD supplements these benefits with additional benefits (or “kickers”) for recruits who enter certain hard-to-fill specialties. In addition, today’s veteran has different demographic characteristics (e.g., marital status) and education and training needs than veterans of the past.
- The lack of consistent Federal acquisition regulatory, policy, and procedural requirements for contracted services, supplies, and equipment for veterans participating in the vocational rehabilitation program may at times impede veterans from getting timely services, supplies, or equipment which could affect completion of training and ultimately employment.
- Economic factors significantly affect VA’s capacity to improve veterans’ ability to purchase homes. Typically, loan, default, and foreclosure rates are related to the general state of the economy and particularly sensitive to regional downturns.
- Through the State Cemetery Grants Program, VA has established a partnership with the 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.
- 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 rain or drought, can result in or exacerbate sunken graves, sunken markers, soiled markers, inferior turf cover, and weathering of columbaria. For example, the 230-pound upright headstones and the 130-pound flat markers tend to settle over time and must be raised and realigned periodically. The frequency of this need varies depending on soil conditions and climate.

Major Management Challenges

There are several unresolved management problems facing the Department that could potentially disrupt service delivery to veterans if not addressed in a timely fashion. The following discussion summarizes specific actions taken by VA to resolve identified problem areas. A complete description of our efforts to resolve management problems identified by the VA Inspector General (IG) and the current status of each open GAO recommendation was provided Senator Fred Thompson in an October 15, 1999, letter from the Secretary of Veterans Affairs. The background descriptions provided for these management challenges were drawn directly from documents prepared by the IG and GAO.

Pending Material Weaknesses

Compensation and Pension (C&P) System—Lack of Adaptability and Documentation

Background: The C&P system is outdated and needs to be replaced. The plan for correcting this weakness is to implement the Veterans Service Network (VETSNET) C&P application. The targeted correction date is FY 2003.

Actions include:

- Pursued an incremental strategy to complete development of the C&P payment system.
- Replaced the finance and accounting code currently in the Benefits Delivery Network with a standardized, on-line accounting and payment system that will interface with the Financial Management System.

Loan Guaranty –Financial Modernization

Background: The loan guaranty system lacks up-to-date interfaces between manual and automated components. There are three major needs for a modernized loan guaranty system: (1) credit reform requirements, including cohort year accounting; (2) interface of loan guaranty systems to FMS; and (3)

loan guaranty program modernization projects, including a new payment system to identify duplicate payments automatically. Automatic interfacing of payments cannot be accomplished before VA implements the modernized loan guaranty system. The targeted correction date is to be determined.

Actions include:

- Replaced the Automated Voucher Audit and Payment System with FMS on-line payment processes.
- Placed the Loan Service and Claims System into production at all nine regional loan centers.
- Started consolidating all loan guaranty accounting to the Mortgage Loan Accounting Center in Austin.
- Converted stations merged as part of that consolidation into the FMS general ledger system.

Loan Guaranty—Loan Service and Claims

Background: The loan service and claims component of the loan guaranty program is not able to optimally manage supplemental servicing of claims. The primary cause of the loan servicing problems is the lack of effective ADP support in regional offices. Foreclosures are excessive and claims against the Loan Guaranty Revolving Fund and the Guaranty Indemnity Fund exceed by more than \$29 million per year the amount considered tolerable. VA is the only major player in the mortgage lending industry without a modernized automated loan servicing program. The targeted correction date is FY 2000.

Actions include:

- Developed a replacement Loan Service and Claims System.
- Completed pre-production testing and installed production sites.

Inadequate Control Over Addictive Drugs

Background: A 1991 GAO report concluded VA's controls over a large number of prescription drugs were inadequate. Too many employees had access to pharmacy drug stocks, and the stocks were inspected infrequently. VHA issued a directive, "Increased Accountability for Drugs," which required medical centers to maintain a perpetual inventory of bulk supplies of controlled substances. New procedures for screening prospective employees were also established. This weakness is on schedule to be corrected during FY 2000.

Actions include:

- Expanded prime vendor delivery systems for pharmaceuticals to reduce inventories and provide direct delivery of controlled substances to VA pharmacies.
- Removed controlled substances from all Office of Acquisition and Materiel Management warehouses and depots.
- Procured bar-code equipment to inventory controlled substances in Pharmacy Service.
- Moved forward with plans to bar code blood transfusions and medical administration.
- Determined information system needs and began equipment acquisition.
- Completed beta testing of the software at four sites.
- Negotiated national implementation with AFGE.

Personnel and Accounting Integrated Data (PAID) System

Background: VA's central payroll and accounting system, PAID, lacks the ability to expand and accommodate new functions. HR LINK\$, the Department's initiative to replace PAID with a modern human resources and payroll system, became the basis for correcting the weakness in lieu of investing in expensive modifications to existing systems. The targeted correction date is on schedule for FY 2001.

Actions include:

- Began VA-wide implementation of employee self-service functionality and supporting processing by the Shared Service Center (SSC).
- Implemented the use of an expert system for classification, called Coho, resulting in delegations to managers for classification.
- Prototyped the use of Casting, which will qualify employees based on their on-line application and produce the Certificates of Eligibles for manager selection.
- Prototyped new functionality where managers will initiate personnel transactions from their desktop computer, use electronic routing for approvals, and then all approved transactions will flow to the SSC for final processing.
- Developed new replacement corporate HR/payroll system, PeopleSoft, for personnel transactions.
- Scheduled full deployment of all HR LINK\$ functionality, including deactivation of the legacy corporate system, to be concluded by August 2001.

Education System—Chapter 1606

Background: The system to support the Montgomery GI Bill (MGIB) selected reserve payment is outdated. Payment delays are frequent because the system relies heavily on manual input. Failure to replace the current system has resulted in significant overpayments, errors in payment, delays in payment, and excessive reliance on adjudicative staff. The targeted correction date is FY 2001.

Actions include:

- Reprogrammed funds to accelerate development of an enhanced MGIB-Selected Reserve system, patterned after the MGIB-Active system.

Credit Reform

Background: Credit reform was targeted for correction during FY 1999. VA needed to improve the integration of VBA's systems and procedures to support credit reform initiatives affecting loan programs. The forced reliance on the manual accumulation of data to prepare major financial reports resulted in untimely reports to Treasury and OMB. Although all milestones have been completed, this material weakness will not be closed until loan guaranty accounting is completely migrated to FMS and audit testing is complete. The new correction date is FY 2000.

Actions include:

- Instituted a series of systems and accounting modifications.
- Used the cohort year general ledgers to produce end-of-year budget executive reports (SF-133s) for FY 1998 and FY 1999.

Loan Sale Program Management

Background: Under the Loan Sale, or VinnieMac program, VA sells its current portfolio loans to investors with a guaranty of prompt monthly payments and reimbursements for losses on foreclosed loans, including foreclosure costs. When this was declared a material weakness, mechanisms to account for loans sold after they leave VA were not in place. VA needed to develop systems to account for losses on loans, track cash reserves, and establish individual reserves, in accordance with credit reform requirements. The targeted correction date is FY 2000.

Actions include:

- Worked with Treasury to establish a new Financing Account.
- Contracted with a big-5 accounting firm to perform credit reform accounting and budgeting for the loan sales and loans sold program.

- Entered all credit reform data for cohort years 1992 through 1999 into FMS.

Information Systems Security

Background: Information systems security was identified as a material weakness in FY 1998. The Department's assets and financial data are vulnerable to error or fraud because of weaknesses in information security management, access to controls and monitoring, and physical access controls. This material weakness is targeted for correction in FY 2003.

Actions include:

- Produced a multi-year program plan and budget proposal.
- Developed slate of initiatives, which in combination are a comprehensive approach to managing risk through continuous assessment, policy, workforce education, security automation, and strong centralized management and oversight.
- Established a permanent central security group under the CIO.
- Initiated a contract for an independent Department-wide assessment of information security risks and development of a plan for managing these risks.
- Acquired commercially-available Web-based awareness training curricula.
- Initiated a contract for a commercial Critical Incident Response Capability (CIRC) service.
- Published a strengthened Department-wide policy on system accounts, passwords, and other internal controls.
- Commended by GAO in its October 1999 audit report on the status of security at VA.

Management Challenges Identified by the General Accounting Office

VA Health Care Infrastructure Does Not Meet Current and Future Needs

Background: Many VA facilities are deteriorating, inappropriately configured, or no longer needed because of their age and VA's shift in emphasis from providing specialized inpatient services to providing primary care in an outpatient setting. Despite eliminating about one-half of VA's hospital beds, excess capacity remains.

Actions include:

- Improved accuracy of data collection processes for nursing home resource management by implementing the Decision Support System.

- Developed a plan for meeting veterans' needs in the Chicago area.
- Established a comprehensive capital asset management process.

VA Lacks Adequate Information to Ensure Veterans Have Access to Needed Health Care Services

Background: GAO reviews have recommended that VA improve accuracy, reliability, and consistency of information used to measure the extent to which (1) veterans are receiving equitable access to care across the country; (2) all veterans enrolled in VA's health care system are receiving the care they need; and (3) VA is maintaining its capacity to care for special populations.

Actions include:

- Improved equity in access largely through establishment of CBOCs.
- Developed process to review funding allocations by network directors to medical centers.
- Agreed to identify criteria for networks to use in evaluating health outcomes.

VA Lacks Outcome Measures and Data to Assess Impact of Managed Care Initiatives

Background: VA does not know how its rapid move toward managed care is affecting the health status of veterans because measures of the effects of its service delivery changes on patient outcomes have not been established. Other public and private health care providers have recognized the necessity—and the difficulty—of creating such criteria and instruments.

Actions include:

- Established a Gulf War Field Advisory Group to strengthen oversight and coordination of Gulf War health care processes.
- Initiated a wide range of research projects related to illnesses of Gulf War veterans, as well as environmental risk factors.
- Worked with DoD to develop a joint computerized patient record system.
- Developed a treatment strategy for homeless veterans.

VA Faces Major Challenges in Managing Non-Health Care Benefits Programs

Background: In managing non-health care benefits programs, VA needs to overcome a variety of difficulties. Currently, VA cannot ensure its veterans' disability compensation benefits are appropriately and equitably distributed because its disability rating schedule does not accurately reflect veterans'

economic losses resulting from their disabilities. Also, VA is compensating veterans for diseases that are neither caused nor aggravated by military service. In addition, claims processing in VA's compensation and pension program continued to be slow, and the vocational rehabilitation program has yielded limited results. Moreover, the data VA will use to measure compensation and pension program performance are questionable. Furthermore, VA has inadequate control and accountability over the direct loan and loan sales activities within VA's Housing program.

Actions include:

- Installed a new Loan Service and Claims System.
- Contracted for services for reconstructing various aspects of loan sales.
- Developed a National Acquisition Strategy for veterans in VR&C programs.
- Tracked critical categories of C&P claims using the Systematic Technical Accuracy Review (STAR) process.
- Created a variety of training packages for claims adjudicators.
- Met with stakeholders to discuss program outcomes, outcome measures, and outcome goals.

VA Needs to Manage Its Information Systems More Effectively

Background: VA has made progress in addressing Year 2000 challenges but still has a number of associated issues to address. In addition, VA lacks adequate control and oversight of access to its computer systems and has not yet institutionalized a disciplined process for selecting, controlling, and evaluating information technology investments, as required by the Clinger-Cohen Act.

Actions include:

- Designated information security as a material weakness under FMFIA.
- Launched an entity-wide security management planning program.
- Published a Department-wide technical architecture.
- Developed and implemented a capital investment process for information technology.
- Conducted in-process and post-implementation reviews of IT capital investment projects.
- Completed Y2K renovation, validation, and implementation of applications.

Management Challenges Identified by VA's Office of Inspector General

Resource Allocation

Background: IG audits have shown resource allocations (VHA funding patterns) have not been adequately addressed. Disparities in clinical and administrative staffing levels have resulted because VHA has not yet developed and implemented staffing guidelines or methodologies.

Actions include:

- Changed the method used to fund VAMCs, i.e., Veterans Equitable Resource Allocation (VERA).
- Evaluated network-to-facility allocation to identify best practices.
- Began implementation of a new cost-based data system for clinical and administrative production units.

Debt Management

Background: Despite VA's largely successful debt management program, unfavorable and mistaken characterizations of the Department's debt collection efforts persist. As of September 30, 1998, debt owed VA totaled about \$3.7 billion. This debt resulted from defaults on home loan guaranties, direct home loans, medical care cost recovery, C&P overpayments, and educational benefits overpayments. Through October 1998, audit coverage of VA's debt management program has focused on billing and collection of medical care co-payments by veterans or their insurance companies for medical care of non-service connected conditions, and overpayments of C&P benefits.

Actions include:

- Worked with Treasury to implement administrative offset and cross-servicing provisions of Debt Collection Improvement Act.
- Placed over \$250 million of benefit overpayment debt and medical care debt with Treasury.
- Referred about \$3.2 million to Treasury Debt Management Service Center for cross-servicing.
- Participated in pilot with Treasury to refer first-party ineligible and Emergency/ Humanitarian debts from ten VAMCs.

Claims Processing, Appeals Processing, and Timeliness and Quality of C&P Medical Examinations

Background: VA needs to improve the timeliness of claims processing, appeals processing, and medical examinations for veterans applying for C&P benefits. VA claims processing backlog continues to grow and timeliness in benefits claims and appeals processing continues to deteriorate. Claims and appeals processing and timeliness remain among the most important issues affecting much of the veteran population. Veterans view the benefit claims and appeals activities as one process. Thus, gains made in discrete areas of the overall process can only be accepted as partial solutions to the larger problem.

Actions include:

- Established nine Service Delivery Networks that align regional offices geographically so they can share resources and provide support.
- Merged veterans services functions with adjudication functions into Veterans Service Centers.
- Adopted a joint performance indicator called Appeals Resolution Time.
- Formed a joint VBA/BVA work group to develop a methodology to improve overall claims processing timeliness.
- Provided training to VHA physicians.

Security of Systems and Data

Background: Information security practices at VA have been the subject of four recent reviews by the General Accounting Office (GAO) and VA's Office of Inspector General (IG). GAO and IG made several recommendations to improve the quality of information security in the Department.

Actions include:

- Produced a comprehensive VA Information Security Program Requirements and Budget Plan (ISP).
- Concurred with GAO recommendation to designate Information Systems Security as an FMFIA material weakness.
- Established an action plan to remedy this weakness by early 2003.
- Established a permanent central security group under the CIO.
- Initiated a contract for an independent Department-wide assessment of information security risks and development of a plan for managing these risks.
- Acquired commercially-available Web-based awareness training curricula.
- Initiated a contract for a commercial Critical Incident Response Capability (CIRC) service.

- Published a strengthened Department-wide policy on system accounts, passwords, and other internal controls.

Workers' Compensation Costs

Background: VA pays out \$140-\$145 million annually to injured federal workers. According to the IG, VA's Workers' Compensation (WC) program lacks effective management in key areas. For example, current claimants do not always return to work promptly when they are no longer disabled.

Actions include:

- Implemented electronic filing service of initial employee claims to OWCP.
- Developed pilot programs for long-term case management and fraud identification techniques.
- Provided VA field facilities with access to the VA WC Management Information System (WC-MIS).
- Developed a plan for conducting a one-time review of all open and active WC cases.
- Sponsored the First Annual Federal WC Conference and Exposition.
- Provided information, guidance, and support to VA union stewards.

Inappropriate Benefit Payments

Background: VA needs to develop and implement a more effective method to identify inappropriate benefit payments. Recent IG audits found that the appropriateness of C&P payments has not been adequately addressed.

Actions include:

- Identified Federal prisoners in receipt of VA benefits by computer matching with Bureau of Prisons.
- Entered a computer matching agreement with SSA to receive listings of incarcerated veterans whose benefits may be subject to reduction or termination.
- Installed programming to run computer matching agreement with DoD to identify individuals receiving dual compensation.

VA Consolidated Financial Statement

Background: The President has set a goal that all Government financial statements will receive a clean (unqualified) opinion by FY 1999. To ensure the effective use of VA's budgetary resources and the provision of quality services to our Nation's veterans, achieving a clean audit opinion is a necessity.

Actions include:

- On target to receive an unqualified audit opinion for FY 1999; awaiting final IG audit results.

Health Care Quality Management and Patient Safety

Background: VA faces the challenge to not only maintain an effective health care quality management (QM) program, but also to adapt the QM program to rapidly changing Department needs. One challenge to the QM program is the transition from the inpatient setting to the ambulatory care setting. Ambulatory care is far more fast-paced, and this more rapid pace of patient care increases the potential for serious error to occur.

Actions include:

- Shifted care from inpatient to outpatient and community settings.
- Instituted a comprehensive measurement and monitoring system to help assure care delivery in outpatient settings.
- Held network directors accountable for a series of performance measures focusing on outpatient care.
- Implemented nationally developed clinical practice guidelines.
- Assessed VA care in both inpatient and outpatient settings using an annual national patient satisfaction survey.

GPRA – Data Validity

Background: GPRA requires Federal agencies to report performance outcomes annually to Congress. Each of VA's three major administrations developed performance measures and a system to report outcomes based on these performance measures. VA has numerous automated data collection systems that are needed to support GPRA objectives, and the accuracy and reliability of the data is of paramount importance. Prior IG audits found erroneous data in many VA financial and management systems. Inaccurate data in VA records result in faulty budget and management decisions, and adversely impact program administration.

Actions include:

- Established an Office of the Actuary.
- Completed IG audits of five of VA's key performance measures.
- Worked to improve internal controls to ensure accurate and reliable data for planning and management purposes.
- Acknowledged data limitations.

Data Verification and Validation

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 needs to establish 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; and data reliability, validity, and integrity checks. Senior managers are considering the establishment and need for a VA Data Council to provide oversight on data verification issues and practices.

Upon establishment of Department key performance measures, it was critical to senior managers that the quality of the data reported be objectively verified for accuracy. The Office of the Inspector General (IG), through performance audits, provides an important and objective assurance of data quality. To date, the IG has completed performance audits on five key measures and has plans to initiate performance audits on other key measures.

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

- validity—do the data represent what they are supposed to or intended to;
- reliability—are the data consistent and can they be replicated; and
- integrity—can the data be gamed or manipulated.

In reviewing data validity, reliability, and integrity, the IG work is being performed in accordance with GAO's Assessing the Reliability of Computer Processed Data, popularly known as the Gray Book.

During FY 1999, the IG completed audits of VHA's number of unique patients and NCA's percentage of the veteran population served by the existence of a burial option within a reasonable distance of place of residence.

Based on its audit of unique patients, the IG concluded that we overstated the patient count by 5.7 percent. The IG cited two major reasons for this:

- inaccurate SSNs were entered into the National Patient Care Database
- patients with undocumented appointments or who did not keep their appointments were counted as being treated.

The Acting Under Secretary for Health agreed with the recommendations in the IG's report and provided an acceptable implementation plan.

The NCA performance audit showed that NCA personnel generally made sound decisions and accurate calculations in determining the percent of veterans served by a burial option. However, inconsistencies in NCA's estimate of the percent of the veteran population served by a burial option were identified. Although these inconsistencies did not have a material impact and no formal recommendations were made, adjustments have been made to data collection practices by NCA. The validity and reliability of the NCA measure was based on a review of adjustments made by VA personnel to veteran population data received from the Census Bureau, an evaluation of the decision to define a cemetery's service area (in most cases, as the area within a 75-mile radius), an assessment of the mapping software used by NCA personnel, and data input and output for a stratified random sample of cemeteries.

During FY 1999, the IG began two new audits. One audit is to determine whether VBA personnel accurately computed the foreclosure avoidance through servicing (FATS) ratio and the other is to determine the accuracy of the VHA performance measures on the chronic disease care index (CDCI) and the prevention index (PI).

The VBA audit will include an assessment of pertinent internal controls at selected regional offices and the Austin Automation Center, reviews of random samples of successful interventions, refundings, voluntary conveyances, compromises, and foreclosures recorded in the Liquidation and Claims System (LCS) to test authenticity, reviews of random samples of cures and payments to test completeness of data in LCS, and an assessment of the program used to compute the ratio. The audit is expected to be completed in 2000.

The VHA audit will evaluate the statistical sampling methodology and assumptions to determine if it produces results that are representative of actual treatment provided by VHA, examine the data processing systems in which CDCI and PI data were input to determine whether the data were processed accurately, whether there were adequate controls to prevent bad data from processing, and compare source documents and data from the automated systems to determine whether the proper data were input accurately and if there is sufficient supporting documentation in the medical records. The audit is expected to be completed by early FY 2001.

As a standard practice of accountability, the IG will follow-up all recommendations made regarding data integrity, validity, and reliability on all performance measure audits. The IG is responsible for maintaining the

Department's centralized, computerized follow-up systems that provide for oversight, monitoring, and tracking of all IG recommendations through both resolution and implementation. Resolution and implementation actions are monitored to ensure disagreements between the IG and management are resolved as promptly as possible and corrective actions are implemented as agreed upon by management officials. Disagreements unable to be resolved between the IG and management are decided by the Deputy Secretary, VA's audit follow-up official. Management officials are required to provide the IG with documentation showing the completion of corrective actions. IG staff evaluates information submitted by management officials to assess both the adequacy and timeliness of actions and to request periodic updates on an ongoing basis.

Veterans Health Administration

Internal controls exist for many of VHA's data collection efforts. However, the quality of the data is receiving greater scrutiny. In response to criticisms, VHA is making significant progress toward developing a data quality strategy to provide the necessary internal control processes that have been lacking in the system with regard to data validity, reliability, and integrity. Specifically, a GAO draft report on VA Access to Care and the Need for Better Oversight of Veterans Equitable Resource Allocation (VERA) System, noted throughout the report that data quality issues had a negative impact on the ability of GAO to make an accurate assessment of issues and that standardization of collecting and analyzing data was lacking. In response to the GAO report, the Under Secretary for Health requested that VHA hold a Data Validation Summit to develop strategies to eliminate such problems as lack of standard definitions, decentralized approaches to data collection and implementation of automated systems, local modification, lack of knowledge/understanding, and difficulty of coordination of more than 140 VHA data bases contributing to data validity problems. In addition to addressing these problems, the Data Validation Summit identified corporate data issues impacting VHA's ability to provide comprehensive, accurate, business-needs data as efficiently as possible to a variety of VA business data users and other data customers. Summit participants are working on five initiatives to address data quality in VHA: form a data quality council to provide leadership (currently awaiting approval from the Acting Under Secretary for Health); define a standards process; define and implement local accountability for data; establish on-going employee education, training, and communication programs for VHA data users; and provide patients with access to their data. These efforts provide a foundation for VHA's continuing process to improve the quality, availability, and accuracy of information to support the decision process.

In order to provide a VISN level management tool, the VHA Decision Support System (DSS) Steering Committee has just completed a test of four national measures. Based on the outcome of these tests, recommendations regarding standardization and data quality will be forwarded to VA's National Leadership Board for action.

The validity of VHA's electronic databases has been assessed in a number of studies by researchers, with adequate validity being found for most data elements. For those measures where data are collected as a result of chart review, medical record reviews have been performed with computerized algorithms to enhance their reliability. In addition, abstractors have received intensive training in the application of the criteria prior to abstraction and have a "help desk" available to them during abstraction to answer questions about difficult charts. Inter-rater reliability has been assessed with the level of agreement being at least adequate for all performance indicators, when compared to generally accepted standards. Extensive psychometric testing of the customer feedback instruments has been performed to establish their reliability and validity. In addition, validity has been enhanced by risk adjusting facility data for age, gender, and health status, and by using a wide variety of survey procedures to obtain high response rates. The validity of the self-report measures has been considerably enhanced through on-site visits for randomly selected facilities.

Veterans Benefits Administration

C&P's program automated information system was vulnerable to reporting errors and the ability to erroneously enter data to show better performance than was actually achieved. VBA has taken several steps to ensure it has accurate and reliable data for planning and management purposes. VBA collects and stores in a database all end product transactions from all stations since October 1, 1997. From that database, VBA extracts and reviews transactions, and identifies questionable actions for the following types of claims: original and reopened compensation, original and reopened disability pension, original dependency and indemnity compensation, and original death pension. In August 1998, the C&P Service issued a letter providing written clarification of the most commonly misunderstood control and work credit issues.

On a weekly basis, data are extracted and records of questionable transactions within and among regional offices are made available via the Intranet. C&P tracks the questionable transactions for each office and prepares quarterly summaries which are also available to local field managers via the Intranet.

The C&P Service also tracks the percent of questionable end product transactions for each office. For those stations having the highest percentage of questionable transactions, these sites were identified for case call-in review. The first case call-in review of approximately 500 cases, from five selected regional offices, took place during April 1999. Based on the results of this review, Office of Field Operations and the C&P Service management met with the regional office directors and staff representatives in June 1999 to discuss the findings. Each office was required to submit an action plan for addressing end product improprieties.

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). Headquarters staff review the data for general conformance with previous report periods, and any irregularities are validated through contact with the reporting station.

NCA conducts an annual survey of the families of individuals who are interred in national cemeteries and of other visitors to measure how the public perceives the appearance of the cemeteries and the quality of service provided. This information provides a gauge by which to assess maintenance conditions at the cemeteries and our success in delivering service with courtesy, compassion, and respect. The survey provides us with data from the customer's perspective, which is critical to developing our objectives and associated measures. VA headquarters staff oversee the survey process and provide an annual report at the national level. NCA Area Office and cemetery level reports are provided for NCA management use.

Efforts are also underway to expand the use of information technology to collect performance data for recently developed performance measures. NCA has established a Data Validation Team whose goal is to ensure that performance data collected and reported for timeliness of scheduling interments and setting headstones and markers are accurate, valid and verifiable. The team's major tasks include defining performance measurement terms to ensure standard interpretation and application throughout NCA; identifying training needs to ensure accuracy of data and consistent data entry processes; and recommending necessary changes to the Burial Operations Support System to help ensure accurate data are entered.

Data Validity and the Chief Actuary

In its December 1996 report, the Veterans Claims Adjudication Commission observed many critical decisions relative to VA programs were not supported by “valid data and long-term analyses of program needs.” To this end, the Commission recommended, and the Secretary of Veterans Affairs agreed, VA should establish a capacity for actuarial analysis at the Department level. In establishing the position of Chief Actuary, the Department acknowledged actuarial analysis will significantly benefit the evaluation of the long-term financial commitment of VA programs to individual veterans and their dependents. Further, VA expects this function to influence such other areas as the demographics of beneficiaries, disability rates, life-time utilization of VA programs, and projections of future beneficiaries and VA workload. In July 1999, VA successfully recruited its first Chief Actuary.

To effectively serve VA and its beneficiaries, the Chief Actuary will need to ensure he is positively impacting the validity and accuracy of VA data. As his role evolves, VA anticipates improvements will ultimately result from the Chief Actuary’s efforts to create new data sets and improve old ones. Most immediately, the Chief Actuary, supported by a major contract with a nationally recognized actuarial firm, is implementing significant enhancements to the national estimates of the number and characteristics of veterans. Additionally, as a heavy user of many of VA’s administrative data sets, the Chief Actuary will explore relationships between the data elements and ask questions that may not have been contemplated when the data set was created. In this process, data are validated. The Chief Actuary is available to provide actuarial assistance to data developers throughout the Department and will also research exogenous data for useful information.

As a profession, actuaries apply Actuarial Standards of Practice to their work. According to Actuarial Standard of Practice No. 23 “Data Quality,” data should be reviewed for reasonableness and consistency, any actual or potential material biases should be disclosed, and documentation to support the use of specific data should be maintained. Consequently, VA expects the results of an actuarial review will be valuable feedback to data developers to help them improve the validity and accuracy of their data.

Departmental Policy

Over the last year, VA has made progress within the Department to begin the process of addressing both the data verification methods used by our three major operating elements as well as data limitations. In that regard, VA has continued to work to develop a cooperative relationship with the IG,

communicated the importance of internal controls to program managers, and monitored ongoing efforts within VA to improve data reliability, validity, and integrity.

It is this cooperative partnership that sends the message to VA's employees and managers that data integrity, validity, and reliability must be taken seriously and that VA expects to be held accountable for reported performance information.

Initiating a data verification process policy will increase confidence that there is a high level of data validity and reliability. Additionally, such a process will help ensure there is a lack of evidence for systematic bias.

VA recognizes that performance measure auditing should not be the only source for ensuring validity, reliability, and integrity of our data. As we meet our responsibility for providing accurate performance reports, we need to establish additional mechanisms for ensuring data quality. We recognize that VA must develop, implement, and monitor a Departmental policy on data verification methodologies to reduce, and ultimately eliminate, questions about the quality of our data.

Crosscutting Activities

To assist us in achieving our goals and objectives, VA has formed numerous partnerships and alliances with other Federal agencies, state and local governments, and private sector organizations. These crosscutting activities have the potential for providing improved delivery of service to our veterans through administrative simplification, reduction of barriers, better allocation of limited resources, and achievement of cost savings. Additionally, they provide a clear focus on measurable outcomes.

Department	VA Business Line and Activity
Defense	<p>Medical Care</p> <ul style="list-style-type: none"> • In conjunction with DoD, VA develops and implements clinical practice guidelines with a long-range view toward assuring continuity of care and a seamless transition for a patient moving from one system to the other. • VA is collaborating with DoD on developing an MOU to have access to each other's Central Cancer Registry. The Central Cancer Registry of DoD (ACTUR) will provide information to VA and VA's registry will provide similar information to DoD, thereby improving the quality of care. In addition, VA has arranged for veterans to receive medical care from both VA and DoD, depending upon a facility's proximity to their residence. • VA assists DoD on enhancing VA's Parametric Automated Cost Engineering System (VA PACES); partnering on real property assets; and acquisition and collocation of VA facilities with excess property available through the closure of military bases. • VA works with DoD on the Government Computerized Patient Record common clinical record architecture. • VA's Office of Environmental Hazards works with DoD to address war-related medical issues. The two agencies participate jointly in the following standing committees: Gulf War Program; Veterans Health Coordinating Board on Gulf War Illnesses; and the Canadian and UK Gulf War Veterans Advisory Committee. • With DoD, VA distributes excess property (sleeping bags, clothing, and furniture) for Homeless Veterans Initiative; comprehensive work therapy program employs veterans to unload, inventory, and ship these goods across the country from New Jersey location. • An MOU is under development between VA and DoD regarding the provision of VA prosthetic services for active duty, Tricare, and CHAMPUS eligibles and their beneficiaries while in military treatment facilities and the transfer of patients to VA medical centers for the

<p>Defense (cont'd)</p>	<p>provision of prosthetic services.</p> <ul style="list-style-type: none"> • An MOU is under development between VA and DoD to provide acute rehabilitation to military personnel with new spinal cord injury. • Four traumatic brain injury (TBI) lead centers have been jointly established and cooperatively funded by VA and DoD to receive and screen all TBI patients and maintain a national registry of TBI patients. <p>Medical Education</p> <ul style="list-style-type: none"> • In cooperation with DoD, VA's Chaplain Service acts jointly in operation of the Clinical Pastoral Education Center to provide clinical training for military, VA, and civilian chaplains. <p>Compensation and Pension</p> <ul style="list-style-type: none"> • VA will work with DoD officials to formulate proposals supporting claims development and the physical examination process prior to separation, with a disability rating to be completed prior to, or closely proximate to, separation from active duty. VA encourages national, state, and county VSOs to be an integral part of the planning and execution in this effort. • VA will work with DoD and National Personnel Records Center (NPRC) to develop the electronic control and exchange of military records and service verification. Options for exporting the application beyond NPRC in St. Louis, MO, will be identified to allow for electronic information requests to all military records centers (i.e., Defense Finance and Accounting Service, Cleveland, OH, Naval Reserve Personnel Records Center, New Orleans, LA, etc.). • VA is working to expand its relationship with the Defense Manpower Data Center (DMDC) to interface and use more of their data. This will provide the opportunity for potentially reducing overpayments caused by dual benefit payments using on-line matches against DMDC databases. <p>Education</p> <ul style="list-style-type: none"> • VA works with DoD to provide educational assistance to veterans and servicemembers. These benefits are an important DoD recruiting tool. • VA coordinates with entities and organizations currently performing or planning to perform outreach activities. In addition to working with each other, every group must work through DoD to identify the service personnel targeted for outreach. State approving agencies and other stakeholders will provide a presence in remote locations. It is intended that VA will establish a network for effective education outreach by supporting various activities in place and creating other activities to improve beneficiary access to benefits and services. <p>Housing</p> <ul style="list-style-type: none"> • DoD informs active duty members of their VA home loan benefits.
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Defense (cont'd)	<p>Burial</p> <ul style="list-style-type: none"> • VA works closely with components of DoD and veterans service organizations to provide military honors at national cemeteries. While VA does not provide military honors, national cemeteries facilitate the provision of military honors and provide logistical support to military honors teams. • VA provides headstones and markers for national cemeteries administered by the Department of the Army, Department of the Interior, and the American Battle Monuments Commission. VA also contracts for all niche inscriptions at Arlington National Cemetery, which is administered by the Department of the Army. In addition, Arlington National Cemetery has started placing their orders for headstones and markers directly into NCA's AMAS-R monument ordering system.
FEMA	<p>Medical Care</p> <ul style="list-style-type: none"> • The National Disaster Medical System is a Federal partnership established by an MOU between VA, DoD, Public Health Service, and FEMA. The mission is to maintain these partnerships to address the varied needs of veterans, active duty military personnel, and victims of catastrophic disasters.
GSA	<p>Medical Care</p> <ul style="list-style-type: none"> • VA and GSA share in a Government-wide Real Property Information Sharing program on utilization of Government-owned and Government-controlled real property in the Northeastern area of the United States, and in the acquisition of leasehold interests in real property for clinical and administrative purposes within various regions across the United States. • VA collaborates with GSA for the purpose of building product pre-approval programs (BPPAP).
HHS	<p>Medical Care</p> <ul style="list-style-type: none"> • VA pursues Medicare subvention with HCFA in order to establish a program that would allow Medicare eligible veterans to choose VA for their healthcare. These veterans are defined as those who have income or assets above the VA Means Test and are either compensated zero percent service-connected veterans or non-service connected veterans. • VA and HCFA share a variety of health care data. For example, VA works with HHS to develop non-VA benchmarks for bed days of care, which are obtained from a HCFA database. VA obtains data on ambulatory procedures from the National Center for Health Statistics. • VA participates with the National Cancer Institute, DoD, and the American Diabetes Association on the Joslin Diabetes telemedicine project. • In cooperation with the Center for Mental Health Services (CMHS),

HHS (cont'd)	<p>VA participates on an Interagency Task Force to develop discharge planning model for hospitalized homeless mentally ill persons, including veterans.</p> <ul style="list-style-type: none"> • VA expects to reach an agreement with HHS regarding such issues as respective responsibilities relating to ionizing radiation exposure and co-funding a project to revise radioepidemiological tables. • There is a partnership with Kaiser Permanente and the National Institutes of Health (NIH) for benchmarking products, processes, and services. Another partnering arrangement involves the American Institute of Architects and NIH in an effort to establish a research laboratory design guide. • Improving mammography and cervical cancer screening rates includes collaboration with the National Center for Health Promotion and liaisons with other private and public health care agencies involved in women's health. <p>Medical Education</p> <ul style="list-style-type: none"> • VA works with the American Diabetes Association, the Centers for Disease Control and Prevention, and other organizations in the education of providers and persons with diabetes in the prevention of foot problems through the "Feet Can Last a Lifetime Project." <p>Medical Research</p> <ul style="list-style-type: none"> • Collaborations with the pharmaceutical companies research initiatives with NIH, and liaison activities with other agencies. • VA disseminates results from the National Institute on Aging (NIA) Collaborative Studies of Dementia Special Care Units and from VA-sponsored research on dementia care. VA also explores areas of research collaboration on Alzheimer's and related dementia, including medical, rehabilitation, and health services research.
HUD	<p>Medical Care</p> <ul style="list-style-type: none"> • VA sponsors programs at 35 VA medical centers to provide ongoing case management and other needed assistance to homeless veterans who have received dedicated Section 8 housing vouchers from HUD. Health Care for Homeless Veterans (HCHV) Programs staff and homeless domiciliary staff coordinate outreach and benefits certification at four sites to increase the number of veterans receiving SSI benefits and to otherwise assist in their rehabilitation. <p>Housing</p> <ul style="list-style-type: none"> • VA and HUD participate in the Partners for Homeownership, seeking to increase the homeownership rate to 67.5 percent by the year 2000.
Justice	<p>Burial</p> <ul style="list-style-type: none"> • An Interagency Agreement with the Bureau of Prisons provides for the use of selected prisoners to perform work at national cemeteries. This agreement provides a supplemental source of labor to assist in

Justice (cont'd)	maintaining the national cemeteries.
Labor	<p>Education</p> <ul style="list-style-type: none"> • With Commerce and Agriculture, Labor helps VA by conducting approval and oversight activities for job training programs. <p>Vocational Rehabilitation and Employment</p> <ul style="list-style-type: none"> • VA partners with DOL to conduct training on employment assistance and techniques with the aid of a new transferable skills inventory.
NRC	<p>Medical Education</p> <ul style="list-style-type: none"> • VA's Office of Public Health and Environmental Hazards supports the NRC's medical education on Gulf War veterans. <p>Medical Research</p> <ul style="list-style-type: none"> • VA's Office of Public Health and Environmental Hazards works with NRC and the Institute of Medicine on research concerning herbicides, Agent Orange exposure, and the health status of Vietnam era veterans.
SSA	<p>Compensation and Pension</p> <ul style="list-style-type: none"> • VA and SSA are exploring the possibility of direct access to each others' electronic databases. This would give VA the potential to rate pension claims using SSA disability codes. <p>Insurance</p> <ul style="list-style-type: none"> • Under the Debt Collection Improvement Act, Treasury is requesting that a social security number (SSN) be provided with each disbursement. Therefore, VA works with SSA to obtain as many SSNs as possible where our records do not contain one and to verify those SSNs currently on file.
State/Local	<p>Medical Care</p> <ul style="list-style-type: none"> • VA provides laundry services to State Veterans Homes and Job Corps programs. • VA's Homeless Grant and Per Diem Program provides grants to community-based organizations, state or local governments, or Native American tribes to assist with the construction or renovation of new transitional beds and other supportive services programs. Following completion of construction, grant recipients may receive per diem payments to help offset operational expenses for their programs for homeless veterans. • VA maintains community-based Vet Centers through continued outreach contacts with all aspects of the veterans' community and local service providers. <p>Medical Education</p> <ul style="list-style-type: none"> • In conjunction with the medical school at East Tennessee State University, VA participates in an Enhanced-Use lease of 31 acres at its VA Medical Center in Johnson City.

State/Local (cont'd)	<p>Compensation and Pension</p> <ul style="list-style-type: none"> VA partners with county, state, and national service organization representatives in the national implementation of the Training, Responsibilities, Involvement, and Preparation (TRIP) project. <p>Burial</p> <ul style="list-style-type: none"> VA has established a partnership with the states to provide veterans and their eligible family members with burial options in a national or state veterans cemetery. VA administers the State Cemetery Grants Program which provides grants to states of up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries. VA is encouraging state veterans cemeteries to place their orders for headstones and markers directly into NCA's AMAS-R monument ordering system. VA has extended its second inscription program to state veterans cemeteries. In this program, the second inscription is added <i>in situ</i> (i.e., at the gravesite) to the currently existing headstone following the death and interment of a subsequent family member. In order to participate, state cemeteries must use upright headstones and have the capability to submit requests electronically.
White House	<p>Medical Care</p> <ul style="list-style-type: none"> Along with eight other federal agencies (Agriculture, Commerce, Defense, Federal Communications Commission, HHS, NASA, OMB, and Appalachian Regional Commission), VA participates in the Joint Working Group on Telemedicine—part of the Vice President's national information infrastructure initiative. VA has close liaison with the Office of National Drug Control Policy whose national drug strategy significantly informs VA's addictive disorders treatment goals. <p>Medical Education</p> <ul style="list-style-type: none"> VA's National Center for Clinical Ethics collaborates with its partners at the White House, DoD, DoE, and NIH to jointly address bioethical issues. VA also contributes funds to the President's National Advisory Bioethics Committee. <p>Burial</p> <ul style="list-style-type: none"> VA administers the White House program for providing Presidential Memorial Certificates to the families of deceased veterans, conveying the Nation's gratitude for the veteran's service.
Private	<p>Medical Care</p> <ul style="list-style-type: none"> The non-VA benchmark for customer service satisfaction is based upon data from the non-profit Picker Institute for Patient Centered Care.

<p>Private (cont'd)</p>	<ul style="list-style-type: none"> • Collaboration with Sarah Lawrence College is underway to complete the initial development of Patient Advocacy programs. • VA collaborates with the American Hospital Association's National Conference for Consumer Healthcare Advocacy for Patient Advocate professional development. • VA participates with a private sector panel to identify enhanced-use lease initiatives at various VA Medical Centers for the purpose of obtaining lower cost utilities and energy services, thus making more existing resources available for direct patient care. • VA works with the National Academy of Sciences' Institute of Medicine to provide strategic direction for the clinical, research, education, and outreach programs for veterans who have health problems, possibly as a result of exposure to Agent Orange and other herbicides used in Vietnam. • VA works together with non-profit organizations, including VSOs, to enhance assistance to homeless veterans. VA collaborates with L.A. Vets, Inc., and Corporation for National Service to expand AmeriCorps member services to homeless veterans at VA medical centers, regional offices, and in community programs. VA participates in Federal Interagency Council on Food Donation/Recovery Initiative with focus on Homeless Veterans programs. • VA's Chaplain Service partners with religious organizations to help re-establish community support systems for homeless veterans. • VA has collaborative efforts with Kaiser Permanente to establish data standards for facilities management. • VA has a liaison agreement with the Paralyzed Veterans of America to partner in developing the functional design of spinal cord injury (SCI) facilities to ensure SCI service centers best meet customer needs. <p>Medical Research</p> <ul style="list-style-type: none"> • VA researchers participate in a wide range of technical panels and interdepartmental sharing committees. Included among them are the National Science and Technology Council's Construction and Buildings Subcommittee on research and development to lessen cost of facilities and improved performance; and the Brain Injury Association and the Defense and Veteran Head Injury Program in research projects designed to improve the understanding and treatment of traumatic brain injury. • VA has established an MOU with the American Legion to share workload data to facilitate American Legion reviews of VA medical centers. Similar sharing with other service organizations is under study. <p>Housing</p> <ul style="list-style-type: none"> • VA executes the housing program through the private home building
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Private (cont'd)	<p>and mortgage lending industries. Most home loans are based on the automatic approval process that does not require VA underwriting approval before loan closure.</p> <ul style="list-style-type: none">• VA uses private sector management and sales brokers to manage and sell homes VA acquires after foreclosure.• VA sells loans to private investors through mortgage trusts. <p>Burial</p> <ul style="list-style-type: none">• VA will continue its partnerships with various civic associations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries.• VA will continue to work with funeral homes and veterans service organizations to find new ways to increase awareness of burial benefits and services.
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Program Evaluations

Purpose

Program evaluations play an important role in VA's strategic planning process. Specifically, program evaluations are used to assess, develop, and/or update program outcomes, goals, and objectives and to compare actual program results with established goals. Program evaluations assess and possibly contribute to the revision of general goals and objectives included in the Department's Strategic Plan. The VA Strategic Plan will include a section describing how program evaluations impact the Department's goals and objectives, along with a schedule for future evaluations. Outcome measures identified or enhanced during the conduct of program evaluations are included in annual performance plans and will be used to continually refine the Strategic Plan. VA's goal is to re-evaluate programs on a five to seven year cycle.

Program evaluations assess:

- the extent to which program outcome goals are being met and the extent to which current performance affects program 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 in the future to ensure the nature and scope of future benefits and services are aligned with the changing needs and expectations of veterans and their dependents; and
- the adequacy of outcome measures in determining the extent to which the programs are achieving intended purposes and outcomes.

In addition, program evaluations can fill existing data gaps, particularly relating to outcome information that can only be obtained from veterans and beneficiaries. These studies also provide an opportunity to objectively and independently analyze VA programs and yield information useful in developing policy positions. Proposals for future benefit packages and improvement in existing programs evolve from the process of evaluating programs.

Methodology

Consistent with legislative intent and 38 CFR §1.15, the Office of Planning and Analysis, an organizational entity not responsible for program

administration, is responsible for the operational aspects of program evaluation providing an unbiased, third-party perspective. Within VA, most program evaluations are conducted through contracts, which further enhances third-party objectivity. In all cases, the evaluations are managed using a team approach that includes program officials. For each evaluation, an evaluation team develops the statement of work and oversees the execution of the contract. Pre-evaluation planning and post-evaluation discussion of results and related recommendations involve our major stakeholders including OMB, Congressional staff, veteran service organizations, and the VA National Partnership Council.

Status

The evaluation of VA's education program will be completed in FY 2000. An evaluation of VA's programs for survivors of veterans who die of service-connected disabilities and who die on active duty will also be completed in FY 2000, and an evaluation of VA's cardiac care program will be completed in FY 2001.

Strategic Goal: *Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.*

Benefits for Survivors of Veterans with Service-Connected Disabilities (started in FY 1999 and scheduled for completion in FY 2000) -- This evaluation makes a determination of how effectively the Dependency and Indemnity Compensation (DIC) program as well as the Veterans Group Life Insurance, Servicemembers' Group Life Insurance, Service Disabled Veterans Insurance, and Veterans Mortgage Life Insurance programs are meeting their statutory intent. The study also identifies assistance available to survivors of severely disabled veterans from other VA and non-VA federal benefit and insurance programs and assesses how well their transition needs are met.

Prosthetics and Sensory Aids Program (PSAS) (scheduled to start in FY 2000) -- The mission of PSAS is to assist physically disabled veterans to achieve maximum functionality by serving as case managers and providing prosthetic equipment, sensory aids and assistive devices. A management study evaluated the efficiency, productivity and effectiveness of the program. The program evaluation will determine whether or not PSAS is meeting its intended outcomes.

Vocational Rehabilitation and Employment Programs (scheduled to start in FY 2002) -- This program serves 50,000 disabled veterans to overcome employment handicaps by providing vocational and educational counseling services, training, and education, and employment services. The effectiveness of the program in meeting its outcome goals will be evaluated.

Environmental Medicine Programs, e.g., Agent Orange, Ionizing Radiation, Gulf War (scheduled to start in FY 2001) -- Physical exams and medical treatment are provided to veterans who have been exposed to Agent Orange, ionizing radiation, or who served in the Gulf War. The program will be evaluated for effectiveness and adequacy.

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

Education Programs (started in FY 1999) -- The Montgomery GI Bill, the Montgomery GI Bill for Selected Reserves, and the Dependents Educational Assistance programs supported more than 415,000 persons in training in FY 1997. These programs were evaluated to determine the effectiveness of the programs in meeting their intended outcomes. Results were viewed in context of the changing nature and delivery modes of education and training in the early 21st Century.

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

Burial Benefits and Services (begun in FY 2000) -- Burial programs will be evaluated and this evaluation will meet the requirements of the Millennium Act (PL 106-117).

Disability Compensation for Veterans Programs (scheduled to start in FY 2002) -- In FY 1997, compensation benefits were paid to more than 2.2 million veterans. This program evaluation will assess the degree to which VA is meeting intended program outcomes as well as the adequacy of outcome measures.

Non-Service Connected Pension for Veterans and Survivors (scheduled to be begin in FY 2000) -- This evaluation will assess the extent to which the pension program is meeting the needs of veterans and their survivors.

Strategic Goal: *Contribute to the public health, socio-economic well being and history of the Nation.*

Cardiac Care Programs (scheduled for completion in January 2001) -- This program evaluation will assess the attainment of program outcomes; how VA's level of services compares to the private sector; the effect on outcomes of shifting to outpatient care; how variances in procedures affect outcomes; how level of services vary across VISNs; and how VA's coronary artery bypass graft and catheterization rates compare with the private sector, among others.

Mental Health – Psychosocial Programs, e.g., Homeless (includes VBA), Substance Abuse, Post Traumatic Stress Disorder, Readjustment Counseling (scheduled to start in FY 2001) -- These programs, at all levels of the continuum of care, address patients with mental health needs, as well as outreach, coordination of care, primary care, inpatient treatment, and counseling. These programs will be evaluated to see how well they are achieving their outcomes.

Other Analyses or Studies

VHA's Northeast Program Evaluation Center will conduct studies of the following programs that are relevant to performance goals and measures contained in this plan: Health Care for Homeless Veterans (HCHV), Domiciliary Care for Homeless Veterans (DCHV), Specialized Post Traumatic Stress Disorder (PTSD), Intensive Psychiatric Community Care (IPCC), Compensated Work Therapy (CWT), VA Mental Health Report Card (performance of general psychiatry and substance abuse programs), and HUD-VA Supported Housing (HUD-VASH) Program.

The purpose of the HCHV study is to monitor outreach, case management, contract residential treatment and transitional housing services provided to homeless veterans by the HCHV program. Appropriate use of program resources is monitored by monthly reports of program staffing and by reports of expenditures for contract residential treatment. Program activities are monitored by documentation of intake assessments and outpatient encounters. Veteran outcomes (addressing program effectiveness) are measured at the time of discharge from contract residential treatment.

The purpose of the DCHV study is to determine whether the program is reaching the intended target population (homeless, severely ill veterans), providing appropriate services, as well as whether the program is effective in improving the health status and quality of life for these veterans.

PTSD among veterans is of particular relevance to VA's mission because it is a chronic disorder that causes substantial psychological suffering and social dysfunction resulting directly from their military service. In response to the need to treat this disorder, VA has established a national network of programs that specialize in the treatment of PTSD. The Under Secretary for Health has mandated that the costs, accessibility and effectiveness of these programs be monitored and evaluated on a continuous basis.

The purpose of the IPCC study is to monitor the clinical and cost effectiveness of VA intensive community-based case management services for

veterans with serious mental illness. National program performance monitors address client characteristics, team structure and fidelity, service delivery and utilization, and clinical outcomes.

The CWT study will determine whether the program is achieving the major goal of maximizing a veteran's level of functioning and preparing him or her for successful re-entry into the community. The study will provide a description of the status and needs of veterans in CWT, and will assure program accountability while identifying ways to improve the program.

The National Mental Health Program Performance Monitoring System Report, an annual VA Mental Health Report Card, has been generated in each of the past five years to comprehensively document population coverage, the quality and costs of inpatient and outpatient mental health care, overall economic performance and patient satisfaction.

The purpose of the HUD-VASH) study is to monitor intensive case management and permanent housing services provided to homeless veterans by the HUD-VASH program. Currently, about 1,500 veterans are permanently housed with support of the program, which includes a Section 8 rental assistance voucher provided by HUD. Appropriate use of program resources is monitored by monthly reports of program staffing and voucher usage. Program activities are monitored by documentation of case management activities during establishment of housing and by outpatient encounters. Veteran outcomes are measured on a long-term basis (for up to five years) through case manager reports and veteran reports of satisfaction with the program. The evaluation includes a four site randomized control trial of rental assistance and intensive case management.

Budget Account Restructuring

VA and OMB established a joint working group to identify options for restructuring the Department's budget accounts. The ultimate goal of this account restructuring effort is to facilitate charging each program's budget accounts for all of the significant resources used to operate the program and produce its outputs and outcomes. Among the benefits of budget account restructuring are to: (1) more readily determine program costs; (2) shift resource debates from inputs to outcomes and results; (3) eventually make resource decisions based on programs and their results rather than on other factors; and (4) improve planning, simplify systems, enhance tracking, and focus on accountability.

Four account restructuring options were developed by the joint VA/OMB working group. Using selected features of each of these options, a single account restructuring proposal has been developed. This proposal is based on identifying the costs associated with nine VA programs: medical care, research, compensation, pension, education, housing, vocational rehabilitation and employment, insurance, and burial. Medical education, which previously was identified as a separate program, will be included as a subset of the medical care program.

We will be in a position to discuss our budget account restructuring proposal with OMB representatives in FY 2000. Consultation sessions will then be scheduled with the authorizing and appropriations committees in Congress.

Enhancing Accountability for Performance

VA's performance depends on the contributions of each employee. Therefore, VA is working toward developing more effective accountability systems for programs and for individuals to ensure day-to-day activities remain focused on achieving the Department's strategic goals.

For VA to hold programs and individuals accountable for results and to be successful, we must ensure that:

- performance objectives are clearly stated and effective strategies for achieving those objectives are identified;
- progress against those objectives is regularly measured and reported, and variances acted upon;
- performance is used to manage the organization; and
- appropriate recognition, rewards, and incentives are used.

Departmental executives developed an integrated strategic planning schedule that identifies a structured framework for planning, budgeting, and accountability. One of the cornerstones of this approach is a quarterly review of how well we are progressing toward achievement of our key performance goals. These meetings are led by the Secretary and involve key executives throughout the Department.

Veterans Health Administration

VHA improves quality through a comprehensive performance management system that (1) aligns VHA's vision and mission with quantifiable strategic goals; (2) defines measures to track progress in meeting those goals; (3) holds management accountable through performance agreements for results achieved;

and (4) advances quality with the context of patient-centered care across the continuum of care, while maintaining sound resource management.

In the past, the performance of executives in VHA was evaluated by a wide variety of inconsistent standards that were difficult to measure. In recognition of the need for a more rigorous approach to performance assessment, as well as the need for the system to demonstrate that it provides service and quality that meets or exceeds community standards, a performance contract system was initiated in 1996.

Individual performance agreements are negotiated between the Under Secretary for Health and all senior executives in VHA. To be effective, these performance agreements are designed to focus on a small number of items (under 15). In addition to quantifiable performance targets, executives are held accountable for achieving goals pertaining to research, continuing education for VHA employees, patient safety, and areas of organizational emphasis such as reducing risk and improving workplace safety.

Additionally, VHA has developed a High Performance Development Model (HPDM) for employees. The model is centered around the mission of providing health care for veterans. It aligns VHA around a set of eight core competencies which would be used to develop training, select new employees and serve as a basis for promotion decisions. The competencies could change as strategic objectives change. The model facilitates career development through continuous learning, coaching/mentoring, and continuous assessment throughout a career span. High performance, the keystone of the model, is the consistent, dominant criterion for hiring and promotion at all levels and is measured by demonstration of the strategically important core competencies, the organizational glue that aligns VHA.

Additionally, VHA executives will be evaluated on the set of core competencies through use of a management tool called Multi-source Assessment Feedback System (MAFS), a 360-degree feedback instrument. VHA, through HPDM and MAFS, will develop and reward leaders who can create new organizations and facilitate rapid change, who are customer-focused, who can create learning organizations, who coach and mentor, and who are accountable for their leadership decisions, performance, and behavior as well as for the performance and behavior of their senior managers.

Veterans Benefits Administration

VBA implemented a balanced scorecard of performance measures in FY 1999. This balanced scorecard contains the major service delivery performance

measures: the speed of claims processing, accuracy, customer satisfaction, unit cost and employee development; those measures that mean the most to the veterans we serve, our stakeholders and our employees. Scorecards have been developed for each VBA business line (Compensation and Pension, Education, Loan Guaranty, Vocational Rehabilitation and Employment, and Insurance) to track national performance. In addition, scorecards have been developed for each of the Service Delivery Networks (SDN) and regional offices (RO) to track performance. VBA is integrating scorecard performance into the executive appraisal system.

To support the performance measurement process, VBA has established an automated Balanced Scorecard, available to all employees via the Intranet. VBA deploys its Balanced Scorecard as its strategic management system and reports results at both the operational and strategic levels.

National Cemetery Administration

The National Cemetery Administration (NCA) employs a strategic planning model that ensures strategic goals are linked throughout the organization. Strategic goals are consistent at the national, area, and cemetery levels. Measurable progress toward meeting NCA's strategic objectives is reported on a regular basis and communicated to all top-level managers. In addition, NCA has developed and is using consistent performance standards for all cemetery directors that are linked to NCA's strategic goals. These performance standards address specific accountability in the areas of customer service and stewardship, employee and self-development, and cemetery operations.

NCA is participating as a pilot organization in the VA Workforce Planning Project. In conjunction with the Office of Human Resources Management, NCA is working to develop a plan that will ensure NCA has a cadre of fully trained and competent cemetery directors ready to lead the organization into the 21st century. A part of this project will be to build a bank of professional and operational competencies for cemetery directors.

Communication

VA is committed to open, accurate, and timely communication with veterans, employees, and external stakeholders. We listen to their concerns to bring about improvements in the benefits and services we provide. The FY 2001 Performance Plan represents the roadmap that will guide the day-to-day operations and activities of VA staff around the country. This plan identifies strategic goals, objectives, and performance goals specifically focusing on VA's key organizational performance goals. For this to be an effective management

tool, however, the plan must be communicated to, and understood by, veterans, VA employees, and stakeholders.

After the FY 2001 Performance Plan is published, we will use a combination of techniques to ensure it is communicated. Specifically, staff will be informed through our electronic mail system; through a short flyer; in VA's publication, Vanguard; and, in the Office of Financial Management Bulletin. A press release will be issued to the general public informing them of the Performance Plan's availability. Upon publication, access to the Performance Plan will be made available through VA's Internet website.

Achievement of goals and levels of performance will partly hinge on the awareness and understanding of what is expected of employees in FY 2001. The purpose of the One VA Conferences is to expose participants to successful experiences in improving customer service through inter-organizational initiatives and then have the teams develop action plans to implement One VA initiatives at the local level. The conferences will bring senior leaders, middle managers and first-line employees together with union representatives and veterans service organization members in an effort to accelerate development of a One VA corporate culture.

Tax Expenditure and Regulation

The Department of Veterans Affairs does not rely on tax expenditures or regulations to achieve program or policy goals.

Preparation of the Departmental Performance Plan

This plan was prepared entirely by employees of the Department of Veterans Affairs. This plan was developed by VA's Office of Financial Management in partnership with the Veterans Health Administration, the Veterans Benefit Administration, the National Cemetery Administration, and selected staff offices. No contractor support was involved in the preparation of the plan.

Resource Requirements by Strategic Goal

The following table shows the approximate cost (obligations) of achieving the Department's five strategic goals, by program. Because we do not yet have sophisticated financial tools, we cannot precisely state the cost of each goal. As each of our administrations develops activity based costing tools, we will be able to provide better information to key executives and stakeholders so they can use the information as part of the decision-making process. The table is included in

the FY 2001 Performance Plan to show the potential for capturing and presenting this information.

We use obligations as our budget measure to get a better picture of all the budgetary resources required by law and provided to veterans including funds from other than VA sources. Funds from other than VA sources include reimbursements from federal grants and other federal agencies, offsetting collections, and investments in U.S. Treasury securities. These funds are not captured using budget authority or outlays as a budget measure.

The following table shows the approximate cost (obligations) of achieving the Department's five strategic goals, by program. Because we do not yet have sophisticated financial tools, we cannot precisely state the cost of each goal. The table is included in the FY 2001 Performance Plan to show the potential for capturing and presenting this information.

Program Account	Total Obligations (\$ in millions)	Restore Disabled Veterans	Assure a Smooth Transistio	Honor and Serve Veterans	Support National Goals	Provide World Class
Medical Care	\$21,261.3	\$10,715.5	\$76.7	\$10,396.9		\$72.2
Medical Education	\$969.7	\$524.4			\$445.3	
Medical Research	\$802.7	\$179.1			\$623.6	
Compensation	\$20,594.7	\$20,044.4				\$550.3
Pension	\$3,191.1			\$3,053.6		\$137.6
Education	\$1,526.5	\$161.6	\$1,294.8			\$70.1
Vocational Rehabilitation & Housing	\$510.9	\$391.9				\$119.0
Housing	\$697.9			\$530.9		\$167.0
Insurance	\$2,611.3	\$67.8		\$2,502.2		\$41.3
Burial	\$316.4			\$247.6	\$61.9	\$6.9
Departmental Management:						
Board of Veterans' Appeals	\$45.9					\$45.9
Office of Inspector General	\$49.1					\$49.1
Staff Offices	\$370.2					\$370.2
Total (\$ in millions)	\$52,947.7	\$32,084.7	\$1,371.5	\$16,731.1	\$1,130.9	\$1,629.5
	100.0%	60.6%	2.6%	31.6%	2.1%	3.1%

Performance Measures by Departmental Goals and Objectives and Performance Measures by Program

The following two tables present the full set of performance measures by which VA evaluates its success. The first table identifies performance measures and associated target levels of performance according to the revised strategic goal and objective they support. The second table shows the same set of measures and targets grouped by program. The performance targets presented in these tables represent the basis upon which our Accountability Report will be prepared.

VA uses the balanced measures concept to monitor program and organizational performance. Rather than focusing attention solely on one or two types of performance measures, we examine and regularly monitor several different types of measures to provide a more comprehensive and balanced view of how well we are performing. While each of our major program elements uses the balanced scorecard approach, the specific measures comprising the scorecard vary somewhat from organization to organization, and thus, from program to program. The components of the scorecard for each organization have been tailored to fit the strategic goals of the programs for which each organization is responsible.

For example, VHA has developed performance measures around five domains of value—technical quality, customer satisfaction, improved patient functional status, access, and cost/price. VBA's balanced scorecard also consists of five types of performance measures—accuracy, speed (timeliness), customer satisfaction, cost, and employee development and satisfaction.

The following tables demonstrate the balanced view of performance the Department uses to establish performance targets and to assess how well we are doing in meeting our strategic goals, objectives, and performance targets.

Strategic Goals, Objectives, and Performance Measures

Strategic Target

1997 1998 1999 2000 2001

Strategic Goal: Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.

Objective: Maximize the physical, mental, and social functioning of disabled veterans and special populations of veterans by assessing their needs and coordinating the delivery of health care, benefits, and services.

Percent of veterans who acquired independent living arrangements at discharge from a Domiciliary Care for Homeless Veterans (DCHV) Program or a community-based contract residential care program (FY 1997 baseline = 8,502 veterans)	N/A	52.0%	50.0%	53.4%	54.0%	56.0%
Percent of veterans who obtained employment upon discharge from a DCHV Program or a community-based contract residential care program (FY 1997 baseline = 8,502 veterans)	N/A	54.0%	55.0%	57.0%	58.5%	64.0%
Number of homeless veterans treated in the VA health care system	N/A	82,900	87,900	92,900	97,850	111,100
Proportion of discharges from SCI center bed sections to non-institutional settings	N/A	N/A	93.0%	94.0%	95.0%	95.0%
Percent of hospitalized first admission traumatic brain injury (TBI) patients discharged to the community setting (FY 1997 baseline = 305 patients)	60.0%	63.0%	65.8%	66.0%	67.0%	69.0%
Percent of patients seen in specialized substance abuse treatment settings who have an initial Addiction Severity Index (ASI) and six month follow-up (FY 1997 baseline = 38,000 patients)	N/A	N/A	56.0%	60.0%	65.0%	75.0%

Objective: Enable service disabled veterans to become employable, and obtain and maintain suitable employment.

Rehabilitation rate	N/A	42.0%	53.0%	60.0%	65.0%	70.0%
SEH rehabilitation rate	N/A	N/A	49.2%	55.0%	60.0%	65.0%

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
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Strategic Goal: Ensure a smooth transition for veterans from active military service to civilian life.

Objective: Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of benefits and services during transition.

Percent of veterans using Vet Centers who report being satisfied with services and saying they would recommend the Vet Center to other veterans	N/A	N/A	95.0%	95.0%	95.0%	95.0%
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Objective: Assist veterans in readjusting to civilian life by restoring lost educational opportunities and enhancing their ability to achieve educational and career goals.

Montgomery GI Bill usage rate	52.8%	54.0%	55.6%	57.0%	60.0%	70.0%
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Objective: Improve the ability of veterans to purchase and retain a home through a loan guarantee program.

Loan guaranties issued	239,000	369,000	396,000	280,000	250,000	N/A
Foreclosure avoidance through servicing (FATS) ratio	41.0%	37.0%	37.6%	39.0%	40.0%	45.0%

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

Objective: Improve the overall health of enrolled veterans including special populations of veterans through high quality, safe, and reliable health services.

Chronic disease care index	76.0%	85.0%	89.0%	89.0%	95.0%	95.0%
Prevention index	67.0%	79.0%	81.0%	89.0%	90.0%	90.0%
Percent of patients who use tobacco products	32.0%	29.0%	27.0%	24.0%	22.0%	16.0%
Percent of patients with terminal diagnoses or advanced, progressive, incurable illnesses receiving ongoing care through VHA who have a documented individualized plan for palliative care services	N/A	91.0%	96.0%	97.0%	98.0%	99.0%
Percent of patients who know there is one provider or team in charge of their care	77.0%	78.2%	76.0%	80.0%	85.0%	96.0%

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Rate of prophylaxis for HIV-related, opportunistic infections	N/A	N/A	65.0%	70.0%	75.0%	95.0%
Percent of medical centers with at least one clinician trained in problems, diseases, and experiences prevalent in former prisoners of war	N/A	40.0%	66.0%	80.0%	100.0%	100.0%
Percent of medical facilities that have at least one clinician trained in primary care for Gulf War veterans	N/A	N/A	92.0%	95.0%	100.0%	100.0%
Percent of homeless patients with mental illness who receive a follow-up mental health outpatient visit, admission to a CWT/TR or admission to a PR RTP within 30 days of discharge	N/A	64.0%	64.5%	65.0%	66.5%	68.0%
Percent of diabetic patients, at risk for foot amputations, who are referred to a foot care specialist	N/A	81.0%	86.0%	88.0%	90.0%	93.0%
Mammography examination rate among appropriate and consenting women veterans	87.0%	89.0%	91.0%	92.0%	93.0%	96.0%
Cervical cancer screening examination rate among appropriate and consenting women veterans	90.0%	93.0%	94.0%	94.0%	95.0%	95.0%
Percent of veterans currently enrolled in the National PTSD Outcomes Monitoring System who were successfully followed-up by the fourth month after discharge (FY 1998 baseline = 2,275 veterans)	N/A	N/A	51.0%	52.0%	53.0%	58.0%
Number of months in which the veteran received VA mental health services during the six months after the first PTSD visit	N/A	4.3	4.3	4.4	4.4	4.6

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

Percent of veteran population served by a burial option within a reasonable distance (75 miles) of their residence	65.7%	65.5%	66.8%	75.1%	76.2%	82.0%
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Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Number of veterans served by a burial option in a state veterans cemetery (veterans served in thousands)	2,474	2,601	2,596	2,695	2,971	3,564

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

Percent of headstones and markers that are undamaged and correctly inscribed	95.0%	94.5%	94.7%	96.6%	97.0%	98.0%
Percent of monuments ordered on-line by other federal and state veterans cemeteries using AMAS-R	N/A	N/A	65.0%	75.0%	80.0%	95.0%
Percent of individual headstone and marker orders transmitted electronically to contractors	68.0%	85.0%	88.0%	90.0%	92.0%	95.0%
Percent of Presidential Memorial Certificates that are accurately inscribed	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%

Strategic Goal: Contribute to the public health, socio-economic well being and history of the Nation.

Objective: Advance VA medical research and development programs to better address the needs of the veteran population and to contribute to the nation's knowledge of disease and disability.

Percent of funded research projects reviewed by appropriate peers and selected through a merit-based competitive process	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Percent of funded research projects in Designated Research Areas (DRA) relevant to VA's health care mission	97.0%	99.0%	99.0%	99.0%	99.0%	100.0%

Objective: Ensure an appropriate supply of health care providers for veterans and the Nation through sustained partnerships with the medical education community.

Percent of residents trained in primary care (Category I)	39.3%	41.3%	46.0%	47.0%	48.0%	48.0%
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Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Objective: Improve the Nation's response in the event of a national emergency or natural disaster by providing timely and effective contingency medical support and other services.						
Percent of VA managed Federal Coordinating Centers that complete at least one NDMS casualty reception exercise every three years	N/A	N/A	50.0%	65.0%	80.0%	100.0%

Objective: Ensure that National Cemeteries are shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.						
Percent of survey respondents who rate national cemetery appearance as excellent	78.0%	77.0%	79.0%	82.0%	88.0%	100.0%

Strategic Goal: Provide One VA world-class service to veterans and their families through the effective management of people, technology, processes and financial resources.

Objective: Improve communications with veterans, employees and stakeholders to share the department's mission, goals and results, and to increase awareness of benefits and services for veterans and their families.						
Telephone activities - abandoned call rate (C&P)	9.0%	13.0%	9.0%	10.0%	7.0%	5.0%
Telephone activities - blocked call rate (C&P)	45.0%	52.0%	27.0%	15.0%	12.0%	10.0%
Blocked call rate (Education)	45.0%	60.0%	15.5%	23.0%	20.0%	10.0%
Abandoned call rate (Education)	N/A	N/A	N/A	18.0%	15.0%	5.0%
Percentage of blocked calls (Insurance)	44.0%	17.0%	6.0%	6.0%	5.0%	1.0%
Average hold time in seconds (Insurance)	70	35	20	21	20	20

Objective: Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.						
Job satisfaction (Education)	56.0%	N/A	56.0%	58.0%	60.0%	75.0%
Cumulative number of computer based training modules completed (Insurance)	N/A	1	1	4	5	5
Employee satisfaction (Insurance)	N/A	N/A	N/A	3.5	3.7	4.0
Percentage of decisions without quality deficiencies (BVA)	N/A	88.8%	83.5%	88.0%	90.0%	95.0%

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Remand rate from CAVC to BVA	64.4%	57.7%	65.0%	60.0%	55.0%	33.0%

Objective: Improve VA's overall governance, operational management, and access to benefits and services to meet or exceed the expectations of veterans and their families, while ensuring full compliance with applicable laws, regulations, and financial commitments.

Percent reduction (before the impact of inflation) from FY 1997 in average cost (obligations) per patient (FY 1997 baseline = \$5,458)	N/A	-10%	-16%	-16%	-16%	-30%
Percent increase from FY 1997 in unique patients in the health care system (FY 1997 baseline = 3,142,000)	N/A	9%	15%	21%	24%	20%
Medical care cost recoveries, Medicare, and other sharing revenues as a percentage of the medical care operating budget	<1%	4%	4%	4%	3%	10%
Percent of customers rating VA health care service as very good or excellent - Inpatient	65.0%	65.3%	65.0%	67.0%	68.0%	72.0%
Percent of customers rating VA health care service as very good or excellent - Outpatient	63.0%	64.8%	65.0%	67.0%	68.0%	72.0%
Percent of outpatients who rate the quality of VA health care as equivalent to or better than any other health care provider	78.4%	79.3%	84.0%	89.0%	89.5%	90.0%
Percent of patients reporting coordination of care problems in the outpatient customer feedback survey	19.0%	17.0%	16.0%	15.0%	14.0%	12.0%
Percent of patients reporting problems on courtesy questions in the annual outpatient customer feedback survey	9.0%	9.0%	7.0%	7.0%	6.0%	4.0%
Percent of patients seen within 20 minutes of scheduled appointment at VA health care facilities	55.0%	66.0%	68.0%	75.0%	79.0%	90.0%
Number of VISNs ensuring all veterans have access to telephone care 7 days a week, 24 hours a day	N/A	N/A	N/A	N/A	8	22

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Number of community based outpatient clinics (CBOC)	267	362	519	622	635	659
Percent of patients queried on the National Blind Rehabilitation Customer Satisfaction Survey who are satisfied or completely satisfied	N/A	97.7%	98.0%	98.0%	98.0%	98.0%
Percent of spinal cord injury (SCI) respondents to the National Customer Feedback Center Survey who rate their care as very good or excellent - Inpatient	55.0%	55.2%	55.0%	57.0%	58.0%	62.0%
Percent of SCI respondents to the National Customer Feedback Center Survey who rate their care as very good or excellent - Outpatient	57.0%	55.2%	55.0%	57.0%	58.0%	62.0%
National accuracy rate (core rating work)	N/A	64.0%	68.0%	81.0%	85.0%	96.0%
National accuracy rate (authorization work)	N/A	70.0%	63.0%	85.0%	88.0%	93.0%
National accuracy rate (fiduciary work)	N/A	51.0%	48.0%	75.0%	80.0%	93.0%
Overall satisfaction (C&P)	58.0%	57.0%	57.0%	65.0%	70.0%	90.0%
Rating-related actions - average days to process	94	128	166	160	142	74
Rating-related actions - average days pending	94	119	144	150	120	78
Non-rating actions - average days to process	23	32	44	33	40	17
Non-rating actions - average days pending	56	74	94	59	75	44
Fiduciary activities - initial appointment > 45 days	20.0%	21.0%	12.0%	8.0%	6.0%	1.0%
Compliance survey completion rate	81.8%	79.8%	98.1%	88.0%	90.0%	90.0%
Customer satisfaction-high ratings (Education)	76.0%	76.0%	78.0%	79.0%	80.0%	95.0%
Payment accuracy rate (Education)	92.9%	94.0%	94.4%	95.0%	95.0%	97.0%
FMFIA compliance rate	75.0%	75.0%	75.0%	75.0%	100.0%	100.0%
Average days to complete original education claims	19	25	26	26	20	10
Average days to complete supplemental education claims	11	15	16	17	13	7

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Administrative cost per trainee (Education)	N/A	\$156	\$175	\$166	\$163	\$150
Speed of entitlement decisions in average days (VR&E)	N/A	88	88	79	60	60
Employment timeliness in average days (VR&E)	N/A	83	53	52	50	50
Accuracy of decisions (Entitlement) (VR&E)	N/A	N/A	86.0%	94.0%	96.0%	96.0%
Accuracy of decisions (Services) (VR&E)	N/A	85.0%	87.0%	88.0%	96.0%	96.0%
Accuracy of decisions (Fiscal) (VR&E)	N/A	N/A	94.0%	95.0%	99.0%	99.0%
Customer satisfaction (VR&E)	N/A	86.0%	N/A	80.0%	92.0%	92.0%
Administrative cost per loan (Housing)	\$291	\$233	\$111	\$120	\$125	\$125
Administrative cost per default (Housing)	\$212	\$304	\$338	\$340	\$335	\$320
Return on investment (Housing)	97.2%	99.0%	100.6%	98.0%	100.0%	100.0%
Property holding time (months)	N/A	N/A	6.7	9.0	8.5	8.0
Statistical quality index (Housing)	N/A	N/A	TBD	97.0%	97.0%	98.0%
Average days to issue certificates of reasonable value	N/A	N/A	19	19	17	15
High customer ratings (Insurance)	90.0%	95.0%	96.4%	95.0%	95.0%	95.0%
Low customer ratings (Insurance)	5.0%	2.0%	1.3%	2.0%	2.0%	2.0%
Percentage of insurance disbursements paid accurately	98.0%	99.0%	99.1%	99.0%	99.0%	99.0%
Average days to process insurance disbursements	4.4	3.2	3.2	3.0	2.9	2.5
Cost per policy maintained (Insurance)	\$9.96	\$10.34	\$11.25	\$11.87	\$12.07	\$13.00
Cost per death award (Insurance)	\$87.55	\$88.15	\$78.18	\$85.65	\$81.81	\$85.00
Percent of survey respondents who rate the quality of service provided by the national cemeteries as excellent	86.0%	85.0%	84.0%	88.0%	90.0%	100.0%
Cumulative number of kiosks installed at national cemeteries	2	6	14	24	32	64
Appeals resolution time (in days)	628	686	745	670	650	365
BVA response time (in days)	334	197	195	237	229	175
Appeals decided per FTE	88.1	80.5	78.2	70.5	71.1	71.1
Cost per appeals case	\$839	\$965	\$1,062	\$1,235	\$1,292	\$1,511

Strategic Goals, Objectives, and Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Cumulative number of program evaluations initiated	N/A	1	4	10	14	30
Number of national standardized contracts for medical and other related products and services	48	99	151	120	120	120
Percent increase in purchases made using EDI from FY 1997 baseline	N/A	16.0%	48.0%	50.0%	50.0%	100.0%
Percent of contract disputes electing ADR	9.9%	10.7%	12.0%	13.0%	14.0%	15.0%
Indictments, convictions and administrative sanctions	395	366	696	765	816	1,000
Reports issued	181	171	162	161	173	190
Value of monetary benefits (\$ in millions) from:						
IG investigations	\$18	\$17	\$24	\$28	\$29	\$33
IG audit and health care inspection reviews	\$104	\$468	\$610	\$615	\$630	\$640
IG contract reviews	\$99	\$250	\$47	\$48	\$50	\$65

Performance Measures by Program

The following tables present resources, performance measures and performance data for each of VA's ten programs. This GPRA program activity structure is somewhat different from the program activity structure shown in the program and financing (P&F) schedules of the President's Budget. However, all of the P&F schedules (budget accounts) have been aligned with one or more of our ten programs to ensure that all of VA's program activities have been covered in the Departmental Performance Plan. The program costs represent the total resource requirements for each of the programs, regardless of which organizational element has operational control of the resources. The performance measures and associated data for each major program apply to the entire group of schedules listed for that program. The other volumes of this budget submission contain additional explanations of performance goals presented in the plan as well as more detailed performance goals and performance data for each program.

Veterans Health Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
<i>Medical Care</i>						
	P&F ID Codes: 36-0160-0-1-703; 36-0160-0-2-703; 36-5287-0-1-703; 36-5287-0-2-703; 36-5014-0-2-703; 36-2431-0-1-703; 36-5014-0-1-703; 36-0152-0-1-703; 36-0163-0-1-703; 36-4014-0-3-705; 36-4048-0-3-703; 36-4138-0-3-703; 36-8180-0-7-705; 36-0110-0-1-703; 36-0111-0-1-703; 36-0181-0-1-703; 36-4538-0-3-703; 36-4018-0-3-705; 36-0144-0-1-703; 36-4537-0-4-705; 36-4258-0-1-704					

Resources

FTE	192,347	188,705	186,595	184,591	183,330
Medical care costs (\$ in millions)	\$16,775	\$17,623	\$17,859	\$19,929	\$21,261

Performance Measures

Percent reduction (before the impact of inflation) from FY 1997 in average cost (obligations) per patient (FY 1997 baseline = \$5,458)	N/A	-10%	-16%	-16%	-16%	-30%
Percent increase from FY 1997 in unique patients in the health care system (FY 1997 baseline = 3,142,000)	N/A	9%	15%	21%	24%	20%
Medical care cost recoveries, Medicare, and other sharing revenues as a percentage of the medical care operating budget	<1%	4%	4%	4%	3%	10%
Chronic disease care index	76.0%	85.0%	89.0%	89.0%	95.0%	95.0%
Prevention index	67.0%	79.0%	81.0%	89.0%	90.0%	90.0%
Percent of patients who use tobacco products	32.0%	29.0%	27.0%	24.0%	22.0%	16.0%
Percent of patients with terminal diagnoses or advanced, progressive, incurable illnesses receiving ongoing care through VHA who have a documented individualized plan for palliative care services	N/A	91.0%	96.0%	97.0%	98.0%	99.0%
Percent of patients who know there is one provider or team in charge of their care	77.0%	78.2%	76.0%	80.0%	85.0%	96.0%

Veterans Health Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Percent of customers rating VA health care service as very good or excellent - Inpatient	65.0%	65.3%	65.0%	67.0%	68.0%	72.0%
Percent of customers rating VA health care service as very good or excellent - Outpatient	63.0%	64.8%	65.0%	67.0%	68.0%	72.0%
Percent of outpatients who rate the quality of VA health care as equivalent to or better than any other health care provider	78.4%	79.3%	84.0%	89.0%	89.5%	90.0%
Percent of patients reporting coordination of care problems in the outpatient customer feedback survey	19.0%	17.0%	16.0%	15.0%	14.0%	12.0%
Percent of patients reporting problems on courtesy questions in the annual outpatient customer feedback survey	9.0%	9.0%	7.0%	7.0%	6.0%	4.0%
Percent of patients seen within 20 minutes of scheduled appointment at VA health care facilities	55.0%	66.0%	68.0%	75.0%	79.0%	90.0%
Number of VISNs ensuring all veterans have access to telephone care 7 days a week, 24 hours a day	N/A	N/A	N/A	N/A	8	22
Number of community based outpatient clinics (CBOC)	267	362	519	622	635	659
Percent of VA managed Federal Coordinating Centers that complete at least one NDMS casualty reception exercise every three years	N/A	N/A	50.0%	65.0%	80.0%	100.0%

Special Emphasis Programs

Rate of prophylaxis for HIV-related, opportunistic infections	N/A	N/A	65.0%	70.0%	75.0%	95.0%
Percent of patients queried on the National Blind Rehabilitation Customer Satisfaction Survey who are satisfied or completely satisfied	N/A	97.7%	98.0%	98.0%	98.0%	98.0%
Percent of medical centers with at least one clinician trained in problems, diseases, and experiences prevalent in former prisoners of war	N/A	40.0%	66.0%	80.0%	100.0%	100.0%
Percent of medical facilities that have at least one clinician trained in primary care for Gulf War veterans	N/A	N/A	92.0%	95.0%	100.0%	100.0%

Veterans Health Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Percent of medical facilities that have at least one clinician trained in primary care for Gulf War veterans	N/A	N/A	92.0%	95.0%	100.0%	100.0%
Percent of veterans who acquired independent living arrangements at discharge from a Domiciliary Care for Homeless Veterans (DCHV) Program or a community-based contract residential care program (FY 1997 baseline = 8,502 veterans)	N/A	52.0%	50.0%	53.4%	54.0%	56.0%
Percent of veterans who obtained employment upon discharge from a DCHV Program or a community-based contract residential care program (FY 1997 baseline = 8,502 veterans)	N/A	54.0%	55.0%	57.0%	58.5%	64.0%
Number of homeless veterans treated in the VA health care system	N/A	82,900	87,900	92,900	97,850	111,100
Percent of homeless patients with mental illness who receive a follow up mental health outpatient visit, admission to a CWT/TR or admission to a PR RTP within 30 days of discharge	N/A	64.0%	64.5%	65.0%	66.5%	68.0%
Percent of veterans using Vet Centers who report being satisfied with services and saying they would recommend the Vet Center to other veterans	N/A	N/A	95.0%	95.0%	95.0%	95.0%
Percent of diabetic patients, at risk for foot amputations, who are referred to a foot care specialist	N/A	81.0%	86.0%	88.0%	90.0%	93.0%
Percent of spinal cord injury (SCI) respondents to the National Customer Feedback Center Survey who rate their care as very good or excellent - Inpatient	55.0%	55.2%	55.0%	57.0%	58.0%	62.0%
Percent of SCI respondents to the National Customer Feedback Center Survey who rate their care as very good or excellent - Outpatient	57.0%	55.2%	55.0%	57.0%	58.0%	62.0%
Proportion of discharges from SCI center bed sections to non-institutional settings	N/A	N/A	93.0%	94.0%	95.0%	95.0%

Veterans Health Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Percent of hospitalized first admission traumatic brain injury (TBI) patients discharged to the community setting (FY 1997 baseline = 305 patients)	60.0%	63.0%	65.8%	66.0%	67.0%	69.0%
Percent of patients seen in specialized substance abuse treatment settings who have an initial Addiction Severity Index (ASI) and six month follow-up (FY 1997 baseline = 38,000 patients)	N/A	N/A	56.0%	60.0%	65.0%	75.0%
Mammography examination rate among appropriate and consenting women veterans	87.0%	89.0%	91.0%	92.0%	93.0%	96.0%
Cervical cancer screening examination rate among appropriate and consenting women veterans	90.0%	93.0%	94.0%	94.0%	95.0%	95.0%
Percent of veterans currently enrolled in the National PTSD Outcomes Monitoring System who were successfully followed-up by the fourth month after discharge (FY 1998 baseline = 2,275 veterans)	N/A	N/A	51.0%	52.0%	53.0%	58.0%
Number of months in which the veteran received VA mental health services during the six months after the first PTSD visit	N/A	4.28	4.32	4.36	4.40	4.56

Veterans Health Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
<i>Medical Education</i> P&F ID Code: 36-0160-0-1-703						
Resources						
Education costs (\$ in millions)	\$919	\$933	\$902	\$939	\$970	
Performance Measures						
Percent of residents trained in primary care (Category I)	39.3%	41.3%	46.0%	47.0%	48.0%	48.0%

<i>Medical Research</i> P&F ID Codes: 36-0160-0-1-703; 36-0161-0-1-703; 36-406-0-3-703						
Resources						
FTE	2,957	2,758	2,974	2,990	2,883	
Research costs (\$ in millions)	\$648	\$725	\$779	\$806	\$803	
Performance Measures						
Percent of funded research projects reviewed by appropriate peers and selected through a merit-based competitive process	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Percent of funded research projects in Designated Research Areas (DRA) relevant to VA's health care mission	97.0%	99.0%	99.0%	99.0%	99.0%	100.0%

Veterans Benefits Administration Performance Measures

Compensation and Pension P&F ID Codes: 36-0153-0-1-701; 36-0153-2-1-701; 36-0153-4-1-701;
36-0154-0-1-701; 36-0155-0-1-701; 36-0151-0-1-705; 36-0111-0-1-703

Resources

	1997	1998	1999	2000	2001	Strategic Target
FTE	6,931	6,770	6,841	7,263	7,791	
Benefits costs (\$ in millions)	\$19,352	\$20,242	\$21,112	\$22,081	\$23,098	
Administrative costs (\$ in millions)	\$495	\$491	\$549	\$602	\$688	

Performance Measures

National accuracy rate (core rating work)	N/A	64.0%	68.0%	81.0%	85.0%	96.0%
National accuracy rate (authorization work)	N/A	70.0%	63.0%	85.0%	88.0%	93.0%
National accuracy rate (fiduciary work)	N/A	51.0%	48.0%	75.0%	80.0%	93.0%
Overall satisfaction (C&P)	58.0%	57.0%	57.0%	65.0%	70.0%	90.0%
Telephone activities - abandoned call rate (C&P)	9.0%	13.0%	9.0%	10.0%	7.0%	5.0%
Telephone activities - blocked call rate (C&P)	45.0%	52.0%	27.0%	15.0%	12.0%	10.0%
Rating-related actions - average days to process	94	128	166	160	142	74
Rating-related actions - average days pending	94	119	144	150	120	78
Non-rating actions - average days to process	23	32	44	33	40	17
Non-rating actions - average days pending	56	74	94	59	75	44
Fiduciary activities - initial appointment > 45 days	20.0%	21.0%	12.0%	8.0%	6.0%	1.0%

Education P&F ID Codes: 36-0137-0-1-702; 36-0200-0-1-701; 36-8133-0-7-702;
36-2473-0-0-702; 36-0140-0-3-702; 36-4259-0-3-702 (Off Budget);
36-4260-0-3-702; 36-0151-0-1-705; 36-0111-0-1-703

Resources

FTE	1,051	927	849	816	774	
Benefits costs (\$ in millions)	\$914	\$891	\$1,209	\$1,218	\$1,456	
Administrative costs (\$ in millions)	\$72	\$66	\$70	\$67	\$70	

Performance Measures

Montgomery GI Bill usage rate	52.8%	54.0%	55.6%	57.0%	60.0%	70.0%
Compliance survey completion rate	81.8%	79.8%	98.1%	88.0%	90.0%	90.0%
Customer satisfaction-high ratings (Education)	76.0%	76.0%	78.0%	79.0%	80.0%	95.0%
Blocked call rate (Education)	45.0%	60.0%	15.5%	23.0%	20.0%	10.0%
Abandoned call rate (Education)	N/A	N/A	N/A	18.0%	15.0%	5.0%
Payment accuracy rate (Education)	92.9%	94.0%	94.4%	95.0%	95.0%	97.0%
FMFIA compliance rate	75.0%	75.0%	75.0%	75.0%	100.0%	100.0%
Average days to complete original education claims	19	25	26	26	20	10

Veterans Benefits Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Average days to complete supplemental education claims	11	15	16	17	13	7
Job satisfaction (Education)	56.0%	N/A	56.0%	58.0%	60.0%	75.0%
Administrative cost per trainee (Education)	N/A	\$156	\$175	\$166	\$163	\$150

Vocational Rehabilitation and Employment

P&F ID Codes: 36-0137-0-1-702; 36-0140-0-3-702; 36-4259-0-3-702 (Off Budget); 36-4260-0-3-702; 36-0151-0-1-705; 36-0111-0-1-703

Resources

FTE	1,099	919	972	946	971
Benefits costs (\$ in millions)	\$402	\$406	\$412	\$416	\$392
Administrative costs (\$ in millions)	\$78	\$68	\$72	\$83	\$119

Performance Measures

Speed of entitlement decisions in average days (VR&E)	N/A	88	88	79	60	60
Employment timeliness in average days (VR&E)	N/A	83	53	52	50	50
Accuracy of decisions (Entitlement) (VR&E)	N/A	N/A	86.0%	94.0%	96.0%	96.0%
Accuracy of decisions (Services) (VR&E)	N/A	85.0%	87.0%	88.0%	96.0%	96.0%
Accuracy of decisions (Fiscal) (VR&E)	N/A	N/A	94.0%	95.0%	99.0%	99.0%
Rehabilitation rate	N/A	42.0%	53.0%	60.0%	65.0%	70.0%
SEH rehabilitation rate	N/A	N/A	49.2%	55.0%	60.0%	65.0%
Customer satisfaction (VR&E)	N/A	86.0%	N/A	80.0%	92.0%	92.0%

Housing

P&F ID Codes: 36-0137-0-1-702; 36-1119-0-1-704; 36-1119-0-2-704; 36-4127-0-3-704 (Off Budget); 36-4129-0-3-704 (Off Budget); 36-4025-0-3-704; 36-0140-0-3-702; 36-4259-0-3-702 (Off Budget); 36-0151-0-1-705; 36-0111-0-1-703

Resources

FTE	2,254	2,075	2,108	2,058	1,828
Benefits costs (\$ in millions)	\$1,368	\$1,676	\$1,811	\$1,694	\$531
Administrative costs (\$ in millions)	\$139	\$161	\$160	\$157	\$167

Performance Measures

Loan guaranties issued	239,000	369,000	396,000	280,000	250,000	N/A
Foreclosure avoidance through servicing (FATS) ratio	41.0%	37.0%	37.6%	39.0%	40.0%	45.0%
Administrative cost per loan (Housing)	\$291	\$233	\$111	\$120	\$125	\$125
Administrative cost per default (Housing)	\$212	\$304	\$338	\$340	\$335	\$320
Return on investment (Housing)	97.2%	99.0%	100.6%	98.0%	100.0%	100.0%
Property holding time (months)	N/A	N/A	6.7	9.0	8.5	8.0
Statistical quality index (Housing)	N/A	N/A	TBD	97.0%	97.0%	98.0%

Veterans Benefits Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
Average days to issue certificates of reasonable value	N/A	N/A	19	19	17	15

Insurance P&F ID Codes: 36-0120-0-1-701; 36-4012-0-3-701; 36-4010-0-3-701;
36-4009-0-3-701; 36-8132-0-7-701; 36-8150-0-7-701; 36-8455-0-8-701;
36-0151-0-1-705; 36-0111-0-1-703

Resources

FTE	584	563	548	525	523
Benefits costs (\$ in millions)	\$2,778	\$2,724	\$2,595	\$2,608	\$2,570
Administrative costs (\$ in millions)	\$38	\$40	\$40	\$42	\$41

Performance Measures

High customer ratings (Insurance)	90.0%	95.0%	96.4%	95.0%	95.0%	95.0%
Low customer ratings (Insurance)	5.0%	2.0%	1.3%	2.0%	2.0%	2.0%
Percentage of blocked calls (Insurance)	44.0%	17.0%	6.0%	6.0%	5.0%	1.0%
Average hold time in seconds (Insurance)	70	35	20	21	20	20
Percentage of insurance disbursements paid accurately	98.0%	99.0%	99.1%	99.0%	99.0%	99.0%
Average days to process insurance disbursements	4.4	3.2	3.2	3.0	2.9	2.5
Cost per policy maintained (Insurance)	\$9.96	\$10.34	\$11.25	\$11.87	\$12.07	\$13.00
Cost per death award (Insurance)	\$87.55	\$88.15	\$78.18	\$85.65	\$81.81	\$85.00
Cumulative number of computer based training modules completed (Insurance)	N/A	1	1	4	5	5
Employee satisfaction (Insurance)	N/A	N/A	N/A	3.5	3.7	4.0

National Cemetery Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
<i>Burial</i>	P&F ID Code: 36-0155-0-1-701; 36-0129-0-1-705; 36-8129-0-7-705; 36-0183-0-1-705; 36-0110-0-1-703; 36-0111-0-1-703					

Resources

FTE	1,283	1,328	1,357	1,406	1,453
Benefits costs (\$ in millions)	\$113	\$114	\$106	\$126	\$130
Administrative costs (\$ in millions):					
Operating costs	\$77	\$84	\$92	\$97	\$117
State cemetery grants	\$5	\$6	\$5	\$34	\$25
Capital construction	\$19	\$79	\$21	\$43	\$45

Performance Measures

Percent of veteran population served by a burial option within a reasonable distance (75 miles) of their residence	65.7%	65.5%	66.8%	75.1%	76.2%	82.0%
Number of veterans served by a burial option in a state veterans cemetery (veterans served in thousands)	2,474	2,601	2,596	2,695	2,971	3,564
Percent of survey respondents who rate the quality of service provided by the national cemeteries as excellent	86.0%	85.0%	84.0%	88.0%	90.0%	100.0%
Cumulative number of kiosks installed at national cemeteries	2	6	14	24	32	64
Percent of survey respondents who rate national cemetery appearance as excellent	78.0%	77.0%	79.0%	82.0%	88.0%	100.0%
Percent of headstones and markers that are undamaged and correctly inscribed	95.0%	94.5%	94.7%	96.6%	97.0%	98.0%
Percent of monuments ordered on-line by other federal and state veterans cemeteries using AMAS-R	N/A	N/A	65.0%	75.0%	80.0%	95.0%
Percent of individual headstone and marker orders transmitted electronically to contractors	68.0%	85.0%	88.0%	90.0%	92.0%	95.0%
Percent of Presidential Memorial Certificates that are accurately inscribed	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%

National Cemetery Administration Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
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Board of Veterans' Appeals Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
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Resources P&F ID Code: 36-0151-0-1-705

FTE	492	483	478	476	500
Administrative costs (\$ in millions)	\$36	\$38	\$40	\$41	\$46

Performance Measures

Percentage of decisions without quality deficiencies (BVA)	N/A	88.8%	83.5%	88.0%	90.0%	95.0%
Remand rate from CAVC to BVA	64.4%	57.7%	65.0%	60.0%	55.0%	33.0%
Appeals resolution time (in days)	628	686	745	670	650	365
BVA response time (in days)	334	197	195	237	229	175
Appeals decided per FTE	88.1	80.5	78.2	70.5	71.1	71.1
Cost per appeals case	\$839	\$965	\$1,062	\$1,235	\$1,292	\$1,511

Departmental Management Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
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Resources P&F ID Codes: 36-0151-0-1-705; 36-4539-0-4-705; 36-0110-0-1-703; 36-0111-0-1-703

FTE	2,170	2,216	2,483	2,660	2,906
Administrative costs (\$ in millions)	\$281	\$327	\$357	\$377	\$370

Performance Measures

Cumulative number of program evaluations initiated	N/A	1	4	10	14	30
Number of national standardized contracts for medical and other related products and services	48	99	151	120	120	120
Percent increase in purchases made using EDI from FY 1997 baseline	N/A	16.0%	48.0%	50.0%	50.0%	100.0%
Percent of contract disputes electing ADR	9.9%	10.7%	12.0%	13.0%	14.0%	15.0%

Office of Inspector General Performance Measures

	1997	1998	1999	2000	2001	Strategic Target
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Resources P&F ID Code: 36-0170-0-1-705

FTE	339	322	342	384	393
Administrative costs (\$ in millions)	\$32	\$33	\$38	\$46	\$49

Performance Measures

Indictments, convictions and administrative sanctions	395	366	696	765	816	1,000
Reports issued	181	171	162	161	173	190
Value of monetary benefits (\$ in millions) from:						
IG investigations	\$18	\$17	\$24	\$28	\$29	\$33
IG audit and health care inspection reviews	\$104	\$468	\$610	\$615	\$630	\$640
IG contract reviews	\$99	\$250	\$47	\$48	\$50	\$65

