

STRATEGIC GOAL 1

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

Objective 1.1

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

Objective 1.2

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

Objective 1.3

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

Objective 1.4

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

To achieve this strategic goal, VA needs to maximize the ability of disabled veterans, special veteran populations (e.g., veterans with spinal cord injuries or traumatic brain injuries, blinded veterans), and their dependents and survivors to become full and productive members of society through a system of health care, compensation, vocational rehabilitation, life insurance, dependency and indemnity compensation, and dependents' and survivors' education. This system of benefits and services is aimed toward the broad outcome of restoring the individual capabilities of our Nation's disabled veterans.

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

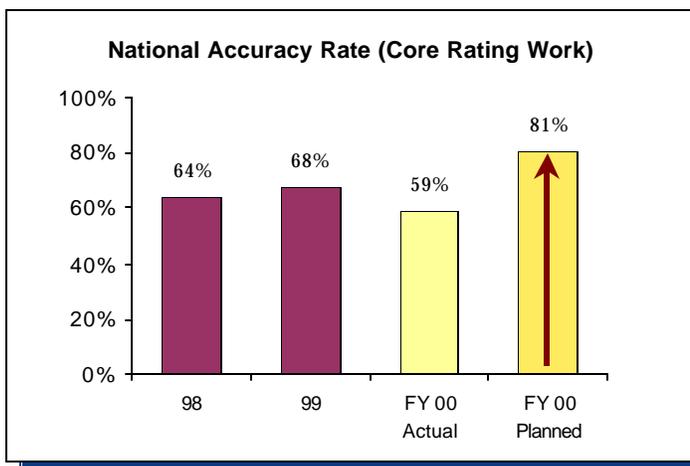
➤ National accuracy rate for core rating work

- Percent of compensation and pension (C&P) claimants who are satisfied with the handling of their claim
- Average days to process rating-related actions on compensation and pension claims
- Abandoned call rate for compensation and pension
- Blocked call rate for compensation and pension
- Appeals resolution time
- Vocational rehabilitation and employment rehabilitation rate
- Compensation and dependency and indemnity compensation (DIC) program outcomes

**Obtain an 81 Percent National Accuracy Rate for
Core Rating Work**

(This measure supports our objective to improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.)

Our top priority in claims processing is to improve technical accuracy. However, in spite of our best efforts and many initiatives, we have been unable to achieve this key performance goal.



Our 59 percent accuracy rate represents a significant decline from FY 1999 and is well below the target level of 81 percent. We have yet to realize the expected benefits from increased staffing, improved quality reviews, and training directed at specific quality deficiencies. Some of the performance shortfall is due to our underestimating how long it takes for our initiatives to begin having an impact. In addition, we are confronting changes in our operating environment because of new legislation and complex regulatory changes affecting the manner in which compensation and pension claims are processed.

Our current quality review methodology, Statistical Technical Accuracy Review (STAR), is a zero defect system. Each claim is reviewed for five different types of possible errors: was all

information from the claimant well grounded; were all issues addressed; was the claim properly developed; was the decision to grant or deny the claim made properly, and if granted, was the payment correct; was the claimant properly notified of the decision. Any claim reviewed and found to have an error of any of these five types is considered a case in error, regardless of which component of the review contains the error. This rigorous standard helps explain why the accuracy rate is no higher than it is. The overall accuracy rate masks positive performance among the individual review areas. For example, STAR results for FY 2000 show an accuracy rate of 92 percent concerning proper grant or denial of benefits, assignment of correct evaluations and effective dates, and correct dates and rates of payment. This represents an improvement over FY 1999's benefit payment accuracy rate of 85 percent.

Means and Strategies

Throughout FY 2000, we continued to implement the STAR system that began in 1999 on both a national and local level. Although the STAR system allows us to gain an understanding of the kinds of errors that occur most frequently, it will not by itself improve performance. The information from our reviews assists management in identifying improvement opportunities and training needs, as well as areas requiring additional management intervention.

In FY 2000, we established a workgroup comprised of field and headquarters managers to develop an implementation plan for the

Systematic Individual Performance Assessment (SIPA) initiative. SIPA complements STAR, and brings performance assessment and accountability to individual employees. This tool will assist local managers in identifying individual deficiencies, ensuring maintenance of skills, promoting accuracy and consistency of claims adjudication, and restoring credibility to the system.

In an effort to improve the rating process and enhance accuracy, a new rating decision format was tested at three regional offices. During its development, the new format was shared with rating specialists, veteran service officers, and veterans. Their feedback was positive. The rating redesign project has been endorsed and incorporated into VBA's Rating Board Automation (RBA) 2000, which was deployed nationally during the fall of 2000. This is the initial phase of a process redesign that will restore a thorough analytical approach to the disability rating activity and, at the same time, provide plain language information on decisions to claimants. A stricter definition and control of data fields, and the addition of other data to capture special issues of interest, will remedy the shortcomings of the current system. By reducing the number of keystrokes needed to enter rating data, RBA 2000 will improve the accuracy of rating decisions. With the collection of more accurate rating data, decisions will be edited as they are made (i.e., inconsistent data will not be accepted by the system). Likewise, with available data regarding the profiles of pending and completed decisions, RBA 2000 will simplify the process of managing the workload.

In FY 2000, monthly quality review results identified error trends and provided information for regional offices to use in selecting areas for improvement and training. A Quality Improvement Task Team was formed in July 2000 to choose areas with the greatest potential for positive impact on overall quality. The team

developed a short-term corrective measures plan for these categories of errors in an effort to cut the error rate in half for specific problem areas.

The Development and Case Management (now called MAP-D) and the C&P Benefits Replacement System will also contribute to improved accuracy in the claims process. MAP-D will provide a single processing capability that addresses complete claims development, claim status, and case management. Our systems experts are currently validating MAP-D, prior to deployment. The C&P Benefits Replacement System provides for a sequential application development effort, specifically, the incremental development and integration of functional modules pertaining to the claims process, from establishment through payment and accounting.

Other significant steps we have taken to improve our accuracy include the rewriting of 10 chapters of our claims processing manuals in plain English.

The C&P Service has recommended 12 manual changes and 2 regulatory changes based upon STAR review experience. The staff has also produced several training reports identifying areas of particular concern.

As part of our succession planning strategy to maintain an effective workforce during times of high attrition, we expanded our nationwide recruitment program to fill critical professional and technical positions at regional offices throughout the country. We recruited over 450 new employees during FY 2000. In FY 2001, we will redirect nearly 200 additional staff from other benefits programs into the compensation and pension programs, and hire nearly 250 new veterans service representatives (VSR). With full implementation, we anticipate an improvement in accuracy for core rating work and authorization work. However, the impact of these additional resources will not be felt until the staff members are fully trained—about a 3-year process.

On the basis of our experience during FY 2000, we revised our FY 2001 target downward from 85 percent to 72 percent, which we think is a more realistic short-term goal. The FY 2001 performance goal is based on targeting specific improvement opportunities that should result in higher quality.

Major Management Challenges

The General Accounting Office (GAO) has identified the quality and timeliness of claims processing as a major performance and accountability challenge. There are at least two parts to this challenge: increased complexity of the workload, and loss of highly experienced decision-makers.

The increasing complexity issue takes several forms. First, there are changes in claims processing that result from new legislative requirements. These changes improve our decision-making in the long run because veteran claimants are better served, but the process is more time-consuming. Second, VA's quality assurance program is more rigorous. Since we are holding ourselves to a higher standard, we are discovering more errors. Third, the appellate process has been changed. The concept is to

provide a dynamic and highly interactive appeal process, with a focus on identifying issues and areas of disagreement for resolution at the earliest possible point. Finally, veterans are presenting more issues per claim, each of which must be adjudicated separately; this increases the time for completion and the potential for error.

Over the next 5 years, we anticipate losing over 1,100 experienced VSRs due to retirement. To avoid a skill gap, we have added a significant number of new employees and will continue to do so for the next few years. We expect our quality and timeliness will be affected as we recruit and train new employees. It takes 2 to 3 years for VSRs to achieve a full level of decision-making expertise.

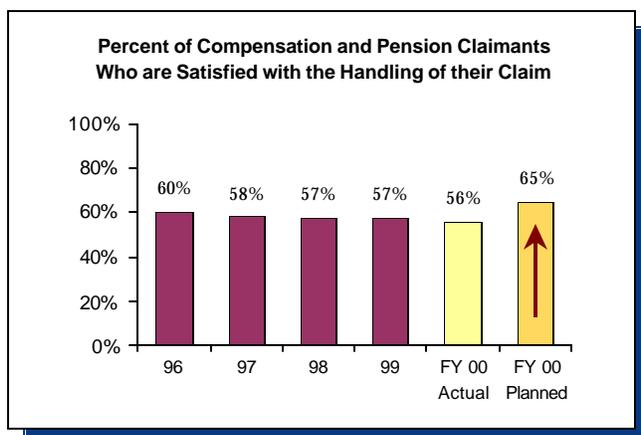
Data Source and Validation

To determine rating accuracy, the C&P Service established an independent review staff to assess a sample of completed work for each service delivery network (SDN). During FY 2000, the service reviewed 354 core rating-related cases, 325 authorization-related cases, and 140 fiduciary cases from each SDN. The sample size for rating and authorization cases allows for a 95 percent confidence factor and +/-5 percent margin of error.

Increase the Number of C&P Claimants Satisfied With the Handling of Their Claims to 65 Percent

(This measure supports our objective to improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.)

Overall satisfaction with the compensation and pension (C&P) claims process is measured by the percentage of respondents who indicate they are "somewhat satisfied" or "very satisfied" with the way VA handled their claim, regardless of the outcome of the claim decision. These data come from a single question from the annual *Survey of Veterans' Satisfaction with the Compensation and Pension Claims Process*.



Actual performance in FY 2000 fell short of the performance target. After reviewing recent survey results, we determined that customer satisfaction depended on our responsiveness to four key questions:

- ◆ Was the amount of time the Department took to make the decision on a claim reasonable?
- ◆ Was VA's evaluation of the claim fair?
- ◆ Was the claimant satisfied with the Department's decision regarding the claim?
- ◆ Did VA fully address all questions, concerns, and complaints?

Clearly, the quality and the timeliness of the decision-making process are the drivers of veterans' satisfaction. We did not achieve our performance goal for this key measure because we have not made improvements in the quality and timeliness of claims processing, as reported on pages 24-26.

Means and Strategies

The reengineered claims processing environment for C&P uses case management, which includes more frequent, personal, and proactive contact among VA employees and claimants and their service representatives. As claimants interact more directly with VA personnel processing their claims, we will be able to improve the quality of service and information that claimants routinely expect.

The initiatives that are being implemented should yield improvements in customer service. Case managers have the authority to interact with veterans, identify and resolve issues, and make decisions at the earliest opportunity. The full impact of case management will not be seen until FY 2002 because of the extended training schedule.

Data Source and Validation

The percent of C&P customers satisfied with the handling of their claim is determined through the annual *Survey of Veterans' Satisfaction with the Compensation and Pension Claims Process*. VBA's Surveys and Research staff oversees the survey process to make sure professional standards are met and reliable results are obtained.

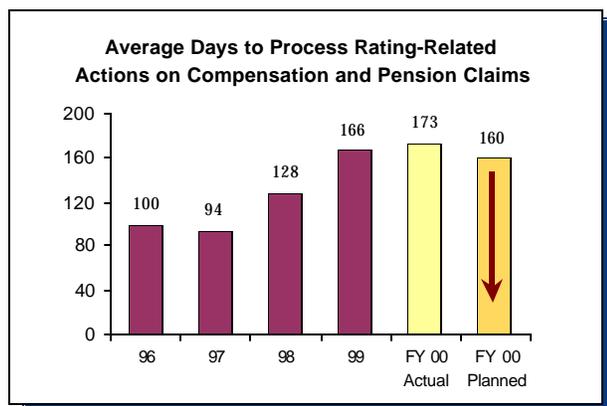
Complete Rating-Related Actions on C&P Claims in an Average of 160 Days

(This measure supports our objective to improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.)

Timeliness of claims processing continues to be a major problem, and we acknowledge that current performance is unacceptable. Several initiatives underway to help us improve our performance are discussed under “Means and Strategies.”

Rating-related actions include the following types of claims: original compensation, original pension, original dependency and indemnity compensation, reopened compensation, reopened pension, routine examinations, and reviews due to hospitalization. These claims represent the most complicated and time-consuming work confronting regional office staffs. For more information on the timeliness of processing the individual types of rating-related claims, refer to the table on page 111.

We expect a significant increase in workload due to (1) the Veterans Claims Assistance Act of 2000 (P.L. 106-475, also referred to as the Duty to Assist), which requires additional duties in assisting claimants; and (2) a recent regulatory change, which makes diabetes a presumptively service-connected disability for Vietnam veterans who served in Southeast Asia. As a result, we amended our FY 2001 performance target upward from 142 days to 195 days.



During the fiscal year, we completed rating-related actions in an average of 173 days, 13 days off the performance target. There are several reasons for this shortfall:

- During the last 10 years, claims processing has become a more complex activity. Our decision-makers are faced with significant changes in the body of law governing claims processing, and this has resulted in a more complicated and time-consuming process. In addition, we did not fully anticipate the impact of decisions by the U.S. Court of Appeals for Veterans Claims or changes in the nature of veterans' disabilities. The number of disability issues per claim has increased by 30 percent.
- We experienced more performance slippage than we expected as we implemented our initiatives.
- As part of our succession planning and our continuing effort to improve service delivery for veterans and dependents, we added over 450 new employees during FY 2000 to handle C&P claims processing. Many of these employees were hired during the last quarter of the year. We underestimated the magnitude of the training hours required to teach new staff the full range of duties and skills needed to process claims. While the additional staff will assist in improving timeliness in the future, we experienced performance shortfalls last fiscal year because their training had not been completed.

Although performance over the fiscal year was short of our goal, there are some positive signs. Timeliness improved during the second half of the fiscal year, from a high of 183 days in February to 168 days in September. In addition, we added 38 pre-discharge sites, bringing the total to 88. At these sites, claims development, disability examinations, and the preparation of rating decisions are conducted for service persons awaiting discharge from active duty. Because we had all the information on hand to process these cases, we were able to complete our decision-making for over 15,100 veterans' claims in an average of 28 days from the date of their separation from active duty. This average does not include the claims processing time that occurred while the veterans were still on active duty.

Means and Strategies

This past year brought about the advent of VBA's first on-line application for benefits. The Veterans' On-line Applications (VONAPP) initiative was fully tested and went live for all regional offices in October 2000. VONAPP allows veterans to apply for compensation, pension, vocational rehabilitation, and health benefits via the Internet. Original rating claims filed this way are processed more quickly than claims filed the traditional way. We anticipate that improvements in claims processing timeliness will result from this initiative.

We are in the midst of the Manual Rewrite project. By rewriting our manuals in an easy-to-understand format, which enables readers to find information quickly, we expect that claims processors will be able to handle claims more rapidly. We have completed the rewrite of 10 chapters to date.

The Compensation and Pension Record Interchange (CAPRI) initiative was developed and has undergone pre-production testing. Developed jointly by VHA and VBA, the CAPRI software

acts as a bridge between the two Administrations' systems and provides on-line access to VA medical data. On-line access to data will improve the timeliness of rating-related actions by providing decision-makers with immediate information necessary to make decisions on claims.

VBA and VHA are working together to improve the timeliness and quality of medical examinations to evaluate disabilities. VBA and VHA have jointly designed improved worksheets to guide physicians in performing examinations that meet VBA's needs. In addition, VBA has provided training to VHA physicians on the requirements associated with processing disability claims.

The Veterans' Benefits Improvement Act of 1996, Public Law 104-275, authorized VA to conduct a pilot project to measure the effectiveness of contracting with a non-VA medical source for medical exams associated with disability claims processing, and its potential impact on veterans. The pilot provided a comparison of VHA and non-VA performance in timeliness, quality, cost, and customer satisfaction of medical exams. Results show that a vendor can conduct VA disability examinations at performance levels equivalent to that provided by VHA. The second year of the pilot began in May 2000.

In FY 2000, we completed the merging of veterans' service functions with adjudication functions in Veterans Service Centers, where VSRs now use a case manager approach to complete claims for veterans' benefits. Initially, the merging of functions has adversely affected our ability to complete claims in a timely manner, but in the long term, we will be able to provide more timely and accurate service.

Crosscutting Activities

In FY 2000, the Department increased to 31 the number of employees placed at the National Personnel Records Center (NPRC) to process

claims for service records. During the first 9 months of this change, the time to process requests averaged 103 days, an improvement of 19 days. Due to the additional staff, we were able to process 74,304 requests, compared to the 49,385 completed in the 9 months before this change.

Training, Responsibility, Involvement and Preparation (TRIP) of claims is a joint initiative establishing a working partnership between VBA and VSRs to enhance claims processing. This partnership will provide service organization representatives with additional training on VA benefits and access to VBA systems. In return, VBA will receive assistance in the gathering of evidence needed for timely and accurate decisions. Level one of the TRIP training package was deployed to all regional offices in May 2000. Most stations completed level one training by the end of calendar year 2000. Currently, the level one training package is being revised to reflect new legislative requirements.

Major Management Challenges

GAO and VA's Office of Inspector General (OIG) report that timeliness of adjudication decisions and slow appellate decisions continue to be major challenges in VA's compensation and pension

programs. We have taken several steps to address these challenges, but so far have met with little success. VBA continues to pursue the redefined claims processing concepts outlined in its *Roadmap to Excellence*. For more discussion of this management challenge, see pages 89-91.

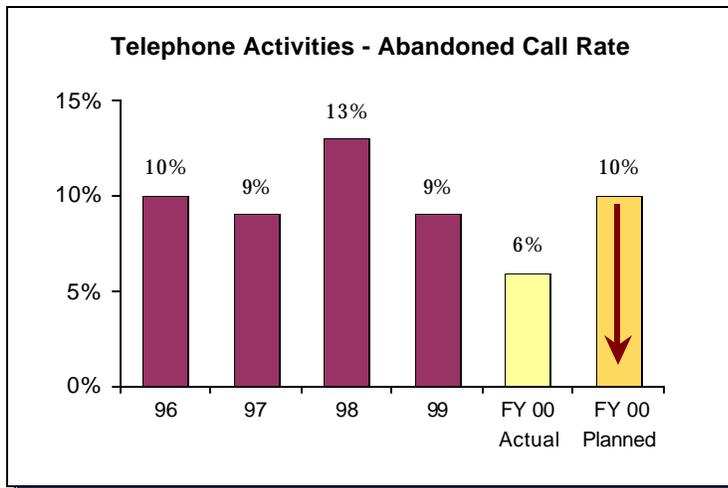
Data Source and Validation

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 OIG 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. As a result of VA's aggressive steps to address these problems, our data are now more accurate and reliable. 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.

**Reduce the Abandoned Call Rate to 10 Percent and
Reduce the Blocked Call Rate to 15 Percent**

(This measure supports our objective to improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.)



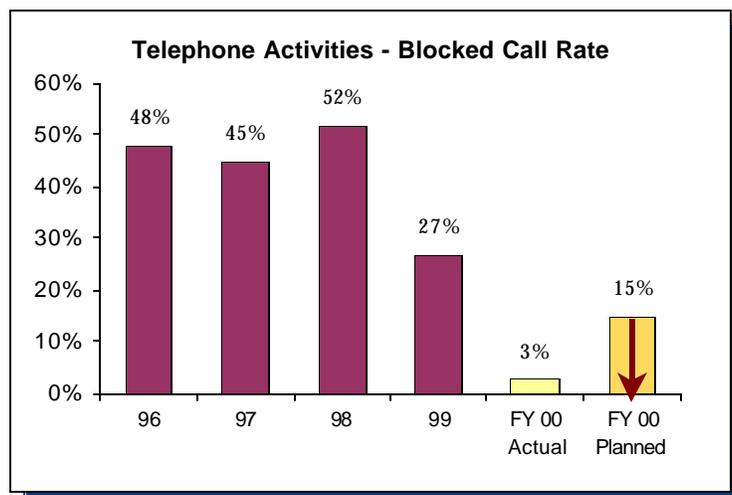
capability. In FY 2000, over two million telephone calls were answered using interactive voice response.

VA has successfully piloted a Virtual Information Center (VIC) in service delivery network (SDN) 2. Although calls are distributed through a Primary Equipment Location to several regional offices in the VIC, they are first routed to the office that serves the area from which the veteran is calling. If all veteran service representatives (VSR) at that location are busy, the call is routed to a VSR at another regional office. Case-specific calls are

VA made significant improvement in its telephone service from FY 1999 to FY 2000. Our abandoned call rate dropped from 9 percent to 6 percent; our blocked call rate fell even more dramatically, from 27 percent to 3 percent.

Means and Strategies

One reason for our overall improvement in telephone service during FY 2000 was the expanded implementation of the National Automated Response System (N-ARS) to additional regional offices. This system serves as the point of entry for veterans and their families seeking information or services from any VBA activity. The automated system is a menu-series of programmed messages that allow a caller to access general benefits information and includes an interactive voice response



routed directly to the regional office with claims jurisdiction and remain in the local queue until answered. A centralized control point monitors incoming calls and regional staffing levels. This monitoring allowed SDN 2 to balance telephone customer service workload and staffing and

eliminated blocked calls. Using VIC technology, SDN 2 also reduced abandoned calls to approximately 1 percent, compared to 6 percent nationally.

Some of the improvement in telephone service is due to shifting calls concerning education claims to education regional processing offices, thus relieving regional offices of this workload.

Data Source and Validation

The abandoned call rate is based on data collected at regional offices using automated call distribution equipment, which is then entered into a national database. There is no independent validation of these data.

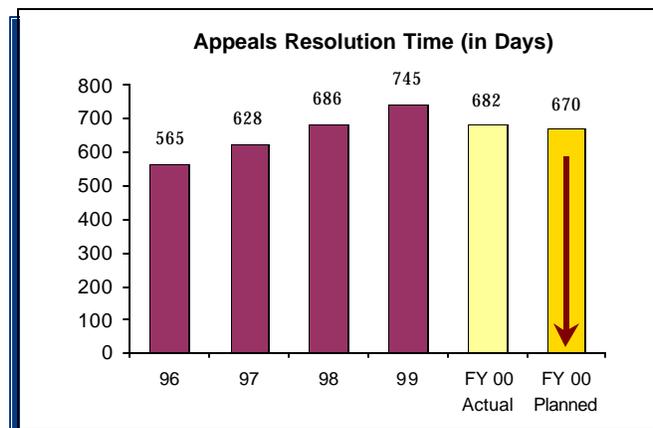
The blocked call rate is based on data collected by the carrier, Sprint, 24 hours a day, 7 days a week, and reported to VA every month. VA does not validate Sprint reports.

Reduce Appeals Resolution Time to 670 Days

(This measure supports our objective to improve the quality of life and economic status of service-disabled veterans, and recognize their contributions and sacrifices made in defense of the Nation.)

Appeals resolution time was adopted at the beginning of FY 1999 as a principal measure of the overall length of time it takes VA to handle all types of claims. Although compensation and pension cases make up the vast majority of appeals, this measure includes all appeals regardless of program. Adopted jointly by the Board of Veterans' Appeals (BVA) and the Veterans Benefits Administration (VBA), appeals resolution time takes into account cases resolved by either a final regional office decision or by Board determination. This measure, expressed in days, is a composite average of the time elapsed from receipt of a Notice of Disagreement filed by a claimant through resolution, whenever that may occur. Not included are cases returned to the Department as a result of a remand action by the United States Court of Appeals for Veterans Claims.

For FY 2000, the performance goal was to reverse the previous years' upward trend, and reduce the appeals resolution time to 670 days. We made



considerable progress in achieving that result, as the appeals resolution time was reduced to 682 days. Although we fell short of our target by 12 days, this performance reflects a reduction of 63 days, or 8.5 percent, from our FY 1999 performance. The FY 2001 target remains at 650 days.

Means and Strategies

Remand rate reduction is a central component of our strategy for reducing appeals resolution time.

Remands from BVA to regional offices represent a rework phase of the appellate cycle and typically add 2 years to the processing time for an appeal. Remands delay more than the individually affected cases. By law, we must process the oldest cases first; therefore, processing of newer appeals is delayed when remanded appeals are returned to the Board for readjudication. BVA issued over 34,000 decisions in FY 2000. The percentage of remand decisions was reduced from 36.3 percent in FY 1999 to 29.9 percent in FY 2000. This 6.4 percent reduction in the Board's remand rate contributed to the progress made in reducing the appeals resolution time for FY 2000.

A continued decline in the number of remands would further reduce the resolution time. However, as a result of the Veterans Claims Assistance Act of 2000 (Public Law 106-475), we expect the remand rate to increase for the current fiscal year, and possibly future years. Continually changing laws relating to veterans' claims result in increasingly complex cases. During FY 2000, the counsel time spent per decision increased by more than 12 percent. Case reviews are taking more time, decisions are longer, and court decisions often require that cases be reworked to comply with a new ruling.

One of the 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 the ongoing development and refinement of improved bases of information. We are now tracking and categorizing the types of issues appealed to the Board to better analyze trends concerning the types of cases remanded. Understanding why certain types of cases are remanded helps to improve current casework and avoid future remands.

In an effort to alleviate the need for BVA to remand cases for additional medical information, we established a VHA medical opinion program. The Board maintains a list of participating hospitals and their specialty, if any. When a case requires a medical opinion, a hospital is selected according to the particular need, and a specialist prepares an opinion answering the Board's questions. This program cuts the cost and time—sometimes six to nine months—to obtain an independent outside medical opinion.

Continued quality improvements in BVA's appellate decision-making process can systematically affect VA claims adjudication processes in a positive manner. For FY 2000, we obtained a deficiency-free decision rate of 85.8 percent, which is an improvement of 2.3 percent from our FY 1999 performance. However, due primarily to preventable errors, we fell short of our FY 2000 target. We are committed to ensuring that our attorneys and Board members recognize the need to devote sufficient attention to details, as well as to legal and factual content.

Although some improvements in timeliness can be achieved unilaterally by BVA, such as those realized from reductions in administrative overhead and initiatives involving internal procedural changes, others can result only 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. VA is committed to this approach; both VBA and BVA continue to work collaboratively to reduce appeals resolution time.

Data Source and Validation

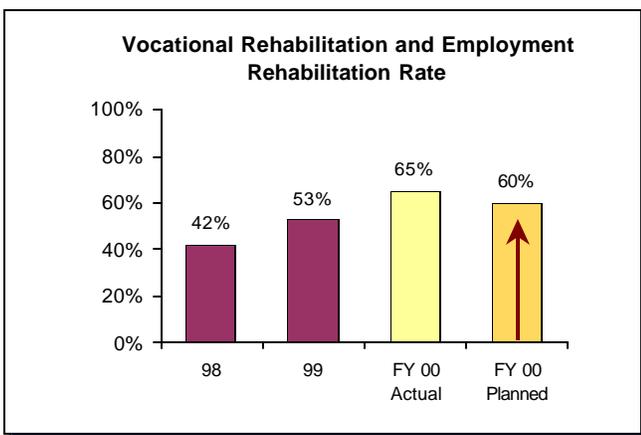
The Veterans' Appeals Control and Locator System, which serves as VA's appeals tracking system and BVA's main business system, was the exclusive source of all data used to compute

appeals resolution time. The system includes all of the information necessary to effectively and efficiently track, monitor, and report on appeals, regardless of their stage of development, and is sufficiently dynamic to allow the addition of enhancements and modifications, if and when they are needed.

Where feasible, edits have been built into the system to prevent data entry errors. There are checks and balances throughout the system to detect such errors, and procedures in place to correct them. We believe the system edits and continuous quality review of data entry provide reasonable assurance of data validity and reliability.

At Least 60 Percent of Veteran Participants Who Exit the Vocational Rehabilitation Program Will Be Rehabilitated
(This measure supports our objective to enable service-disabled veterans to become employable, and obtain and maintain suitable employment.)

For the second year in a row, VA exceeded its annual target for rehabilitating disabled veterans by returning to employment over 10,600 service-disabled veterans. The average annual income of these veterans prior to program participation was \$4,942. The average annual income of those veterans who were rehabilitated through suitable employment in FY 2000 was \$28,671.



Means and Strategies

The following initiatives or activities contributed to the performance improvement of the rehabilitation rate:

- Refocused the program to the primary goal of suitable employment.
- Developed the Employment Specialist Pilot Program, in which employment specialists worked directly with prospective employers and Vocational Rehabilitation and Employment (VR&E) case managers to cultivate partnerships and identify career opportunities.
- Improved communications for veterans and stakeholders to make sure they understand the employment focus.
- Improved assessment of work-related skills that can be transferred to the civilian labor market.

- Increased the number of placements in suitable jobs through cooperative training and networking with the Department of Labor's (DOL) Disabled Veteran Outreach Program and local veterans' employment specialists.

Crosscutting Activities

VA's VR&E Service and DOL's Veterans' Employment and Training Service joined together to provide an annual training program for staff from both Departments involved in the placement of disabled veterans in interim and permanent employment. In the future, this training program will include the Small Business Administration.

Data Source and Validation

Data are from VBA's balanced scorecard and from VR&E workload and management reports. Data are validated by the quality assurance review conducted by each station, as well as by VR&E Service staff.

We have implemented a quality assurance process of casework in which a sample of cases is reviewed for quality and scored at the station level. VR&E Service conducts a validation review of a sample from each service delivery network. VR&E continually obtains extracts from the database and evaluates management data (including the balanced scorecard) for validity and reliability. Where discrepancies are found, action is taken to correct the data or clarify policy and procedures, as needed.

Compensation and Dependency and Indemnity

Compensation (DIC) Program Outcomes

(This measure supports our objective to ensure survivors of service-disabled veterans are able to maintain a minimum standard of living and income through compensation and education benefits.)

VA is in the process of developing outcomes and performance measures for the disability compensation and the dependency and indemnity compensation (DIC) programs. As a result, there were no performance targets for FY 2000.

Means and Strategies

Disability Compensation

For several years, VA officials have met regularly with our key stakeholders in Congress, OMB, and veterans service organizations to discuss a variety of issues related to our Strategic Plan, Annual Performance Plan, and Annual Performance Report. These "Four Corners" consultation

sessions are an extremely useful way of ensuring that our major planning and performance documents reflect the views of our stakeholders.

VA published a set of interim outcomes and associated outcome performance measures with the FY 2001 Budget sent to Congress in February 2000. Following a series of consultation sessions with Congressional staff, OMB representatives, veterans service organization officials, and VA representatives, the C&P Service modified the outcome statements to incorporate comments offered by our key stakeholders. The Under Secretary for Benefits approved these statements in April 2000.

VA Disability Compensation Program Mission

The mission of the disability compensation program is to provide monthly payments to veterans in recognition of the effects of disabilities, diseases, or injuries incurred or aggravated during active military service, and to provide access to other VA benefits.

VA Disability Compensation Program Outcomes

Outcome 1: The disability compensation program improves the security of disabled veterans by making payments that offset the average loss of earning capacity resulting from service-connected disability or disease.

Outcome 2: Service members and veterans understand and have easy access to all benefits for which they are eligible, based on service-connected disability or disease.

Outcome 3: Disability compensation recognizes veterans' loss of quality of life and supports pursuit of maximum individual potential.

Outcome 4: Service members and veterans are confident that VA will properly compensate them for service-related disability.

In September 2000, VA signed a contract to obtain expert technical assistance in developing program outcome performance measures that support each of the outcome statements. The final report was received in December 2000. This report will be used as the basis for designing specific measures. We anticipate that specific program outcome

performance measures will be available by the end of FY 2001. In addition, we are developing an initiative to begin collecting, analyzing, and reporting program outcome performance data.

DIC

As with the disability compensation program, VA published a set of interim outcomes and associated outcome performance measures for the DIC program, along with the FY 2001 Budget sent to Congress in February 2000. Using contractor assistance, the Department is conducting a detailed program evaluation of the DIC program. In collaboration with our key stakeholders, the C&P Service will use the results of this program evaluation to modify the interim outcomes and performance measures. This evaluation of the DIC program, which also studies the insurance programs and the way insurance and DIC benefits assist the survivors of disabled veterans, will be completed during FY 2001. The program outcomes, goals, and measures will then be finalized for approval by the Under Secretary for Benefits.

Data Source and Validation

While VA has data on veterans' satisfaction with the compensation and pension claims process, we do not yet have data on the impact the programs have on the quality of veterans' lives. Data validation procedures will be established at the time the data collection vehicles are developed.