

At the management and operational levels, we will continue to emphasize the importance of delinquent loan servicing.

Achievement of this performance goal is not directly dependent on other agencies; however, there is close interaction with the real estate industry.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 3.1

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 3 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.1 Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.	<ul style="list-style-type: none"> Increased to 77 percent the score on the Clinical Practice Guidelines Index (goal was 70 percent) Increased to 88 percent the score on the Prevention Index II (goal was 82 percent) Increased the percent of primary care appointments scheduled within 30 days of the desired date to 94 percent (goal was 93 percent) Increased the percent of specialist appointments scheduled within 30 days of the desired date to 93 percent (goal was 90 percent) Maintained a score of 74 percent of patients rating VA health care service as "very good" or "excellent" for inpatients (goal was 70 percent); achieved a score of 72 percent for outpatients (goal was 72 percent) Increased to 29,631 the non-institutional long-term care average daily census (goal was 29,631) 	\$17,568	25.1%

Performance

In FY 2004 the Department made good progress toward meeting Objective 3.1 by improving the quality of VA health care and making this high-quality care more easily accessible to veterans. Our two most important measures (Clinical Practice Guidelines Index and Prevention Index II) of health care quality focus on the degree to which we follow nationally recognized guidelines and standards of care that the medical literature has proven to be directly linked to improved health outcomes for patients. Both the Clinical Practice Guidelines Index score of 77 percent and the Prevention Index II score of 88 percent represent performance levels in excess of our performance goals. At the same time that the quality of VA health care continued to reach new heights, the Department made excellent progress in making this care more readily accessible to veterans. For both primary care (94 percent of appointments scheduled within 30 days of the desired date) and specialty care appointments (93 percent of appointments scheduled within 30 days of the desired date), we exceeded our performance goals and moved closer to our ultimate performance level of an average waiting time of 30 days for appointments. Our improvements in quality and timeliness of health care delivery contributed to high percentages of the share of patients who rated VA health care as very good or excellent. In the face of a declining, but aging veteran population, VA is expanding access to non-institutional forms of long-term care with an emphasis on community-based and in-home care. During FY 2004, the Department increased access to non-institutional long-term care (as expressed by the average daily census). All of these performance achievements were accomplished while treating 2.4 percent more patients (5.1 million) in FY 2004 than in FY 2003.

Program Assessment Rating Tool (PART) Evaluation

During the development of the FY 2005 budget, the Administration conducted a PART evaluation of the medical care program that relates to the

accomplishment of Objective 3.1. This assessment reviewed the combined effectiveness of the legislative and executive branches in designing and implementing the many aspects of the medical care program. The PART evaluation for the medical care program resulted in a rating of “Adequate,” an improvement from the FY 2004 budget year PART rating of “Results Not Demonstrated.” The improvement in the PART evaluation of the medical care program resulted from several factors, including VA’s sharpening its focus on providing timely, high-quality health care to our highest priority veterans—those with service-connected disabled conditions, veterans with lower incomes, and those with special health care needs.

Major Management Challenges

The major management challenges related to this objective are the same as those for Objective 1.1. Please refer to page 58 for more information.

Program Evaluations

An independent evaluation of VA’s cardiac care program was completed in 2003. The study found that heart patients treated at VA hospitals have consistently higher mortality rates than patients of similar age and in roughly similar health who are treated at non-VA institutions. A larger proportion of the veterans die in the first month after suffering a heart attack, and a larger proportion of the survivors die over the next 3 years. The program evaluation also found that VA patients undergo cardiac catheterization—a key step in assessing the seriousness of a person’s heart disease—less often than patients treated in non-VA hospitals. In addition, VA patients have only about one-half the likelihood of undergoing angioplasty or bypass surgery, two procedures that can often extend life.

A blue ribbon panel of national experts was commissioned to oversee the quality improvements for VA’s cardiac care program. Among the expected changes are the following: stricter adherence to national clinical guidelines, hiring more cardiologists, upgrading

catheterization lab equipment, reconfiguring access to cardiac care (including expansion of community services), providing reimbursements for emergency care provided in non-VA settings, and conducting additional clinical research to discover the causal effects of VA's higher mortality statistics. All VA hospitals were required to provide detailed plans on how they intended to improve the quality of care at their facility.

The Department has started an independent evaluation of VA's oncology program, and a contract has been awarded. The program evaluation will focus on lung, colorectal, prostate, hematologic, and breast cancers. The results of the program evaluation will help VA determine how well it is meeting the oncology program goals and objectives and will provide a comparison of how VA is performing compared to the private sector. Patient-centered outcomes have been developed for each of the patient populations along a continuum of care from prevention — through screening, diagnosis, treatment, and palliative care. Additional research questions will focus on utilization, availability of services, access, pain management, quality of contracted care, costs, and enrollment in clinical trials. This evaluation is expected to be contracted to a firm in partnership with a university school of public health or medicine. The study will take approximately 2 years to complete.

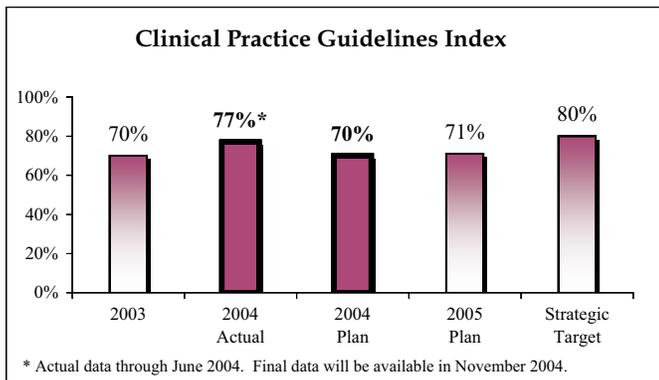
New Policies and Procedures

Several new policies and procedures have been recently implemented that are related to Objective 3.1. Many others are either currently ongoing or are planned for the near future. For example, VA is:

- Continuing to lead the practice of patient safety initiatives through the establishment of an environment of non-punitive reporting and by aggregating and disseminating information for improved safety performance.
- Implementing technology strategies to provide care in the least restrictive environments in order to allow patients and families maximum participation in disease management and health maintenance.
- Applying information technology and other technologies such as telehealth to streamline administrative, business, and care delivery processes in order to improve care provider and patient interface, minimize wait times, and reduce the incidence of errors.
- Implementing pay policies and human resource management practices to facilitate hiring and retaining sufficient health care workers to meet capacity demands across the full continuum of care.
- Creating the appropriate balance between demand and capacity through health care enrollment policies.
- Improving and enhancing home care services and developing an assisted living strategy, including partnering with community organizations.
- Continuing to work closely with DoD and other Federal agencies in such areas as interoperable computerized patient health data, improved data on insurance coverage, and enrollment and eligibility information in order to further the use of resources.

Objective 3.1 — Key Performance Goal

Achieve 70 percent on the Clinical Practice Guidelines Index



Description, Importance, and Results

One of VHA's primary quality measures is the Clinical Practice Guidelines Index, a composite measure comprised of the evidence and outcomes-based measures for high-prevalence and high-risk diseases that have significant impact on overall health status. The index is comprised of various indicators from several clinical practice guidelines including: ischemic heart disease, pneumonia, hypertension, heart failure, diabetes mellitus, major depressive disorder, substance abuse, and tobacco use cessation. The percent compliance is an average of the separate indicators. To ensure the highest quality of care possible, VHA systematically measures and communicates the outcomes and quality of care. This index reflects a change from those individual indicators that have shown sustained improvement over time and adds new indicators that allow VHA to be transformative in its drive to

continuously improve care. We have achieved a score of 77 percent on the index as of June 2004. VA has continued to improve compliance on the index each year.

Management and Policy Issues

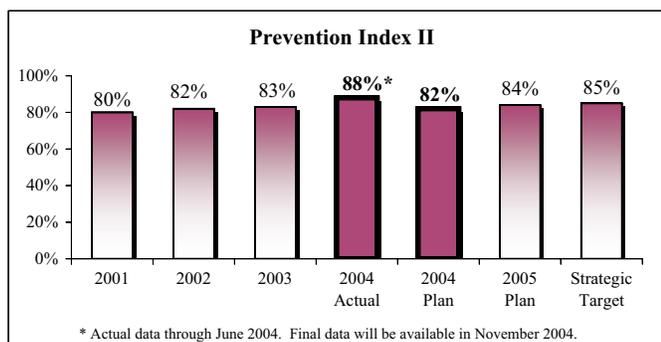
VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. We will identify high-quality evidence-based medical care and will use interactive technology strategies to provide care in the least restrictive environments to allow patients and families maximum participation in disease management and health maintenance. VA will continue to implement the Health_eVet initiative with automated practice guidelines, clinical reminders, and care management tools to support shared decision-making and patient empowerment. Finally, VA will continue working with DoD to implement and refine clinical practice guidelines.

Data Quality

Please refer to the Key Measures Data Table on page 134.

Objective 3.1 — Key Performance Goal

Achieve 82 percent on the Prevention Index II.



Description, Importance, and Results

One of VHA's primary quality measures is the Prevention Index (PI) II, a composite measure comprised of the interventions that help to improve the overall health status of veterans through early detection of certain common diseases or health factors. The PI II Index includes nationally recognized primary prevention and early detection recommendations for nine diseases or health factors that significantly determine health outcomes including: rate of immunizations for influenza and pneumococcal pneumonia and screening for tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, prostate cancer education, and cholesterol levels. To ensure the highest quality of care possible, VHA systematically measures and communicates the outcomes and quality of care. This index reflects a change from those individual indicators that have shown sustained improvement over time and adds new indicators that allow VHA to be transformative in its drive to continuously improve care.

We have achieved a score of 88 percent on the Prevention Index II as of June 2004. VA has continued to improve compliance on the index each year.

Management and Policy Issues

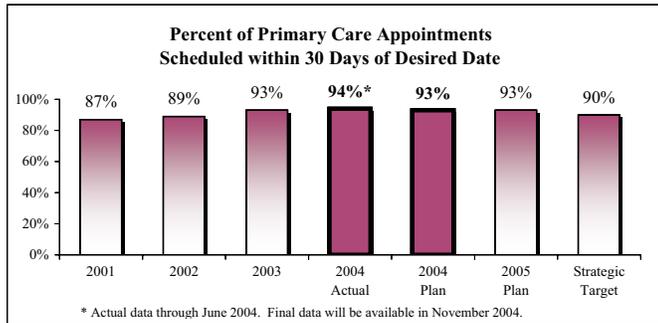
VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. We will identify high-quality evidence-based medical care. We will lead the advancement of knowledge and the practice of patient safety initiatives through the establishment of an environment of non-punitive reporting and through aggregating and disseminating information for improved safety performance. VA ensures the consistent delivery of health care by implementing standard measures for the provision of preventive care. The prevention measure includes several indicators that allow comparison of VA and private health care outcomes.

Data Quality

Please refer to the Key Measures Data Table on page 134.

Objective 3.1 — Key Performance Goal

Achieve 93 percent of primary care appointments scheduled within 30 days of desired date.



Description, Importance, and Results

VHA is working to improve access to clinic appointments and timeliness of service. Through the Advanced Clinic Access initiative, we continue efforts to develop ways to reduce waiting times for appointments in primary care and key specialty clinics nationwide. Past experience in measuring access has led to the development of a number of new access measures including this one that will provide even more detail regarding waiting times for new patients and for specialty clinic appointments. This measure tracks the time between when the primary care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. The percent is calculated using the numerator — appointments scheduled within 30 days of desired date (includes both new and established patient experiences) — and the denominator — all appointments in primary care clinics posted in the scheduling software during the review period. We have achieved a score of 94 percent of primary care appointments scheduled within 30 days of desired date

as of June 2004. VA has continued to improve access to primary care each year.

Management and Policy Issues

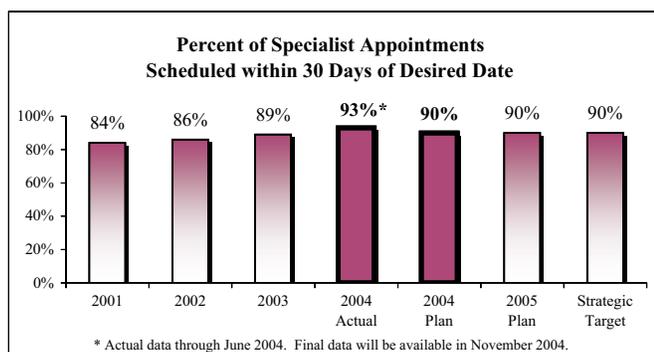
VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. VHA will continue to redesign health care systems to streamline work and promulgate improved health care practices. Strategies similar to those developed by the Institute for Health Care Improvement, such as open access and group visits, with workload management in all specialties will be implemented. VA will implement pay policies and HR practices to facilitate hiring and retaining a sufficient number of health care workers to meet capacity demands across the full continuum of care. Balance between demand and capacity will be achieved through enrollment policies. VA will work with state agencies, especially in long-term care services, to reduce the redundancies and gaps in veterans' services.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 3.1 — Key Performance Goal

Achieve 90 percent of specialty care appointments scheduled within 30 days of desired date.



Description, Importance, and Results

VHA is working to improve access to clinic appointments and timeliness of service. Through the Advanced Clinic Access initiative, we continue efforts to develop ways to reduce waiting times for appointments in primary care and key specialty clinics nationwide. Past experience in measuring access has led to the development of a number of new access measures including this one that will provide even more detail regarding waiting times for new and established patients for specialty clinic appointments. This measure tracks the number of days between when the specialty appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. This includes both new and established specialty care patients. The percent is calculated using the numerator — all appointments scheduled within 30 days of desired date — and the denominator — all appointments posted in the scheduling software during the review period in selected high volume/key specialty clinics. We have achieved a score of 93 percent of selected specialty care appointments scheduled within 30 days of desired

date as of June 2004. VA has continued to improve access to specialty care each year.

Management and Policy Issues

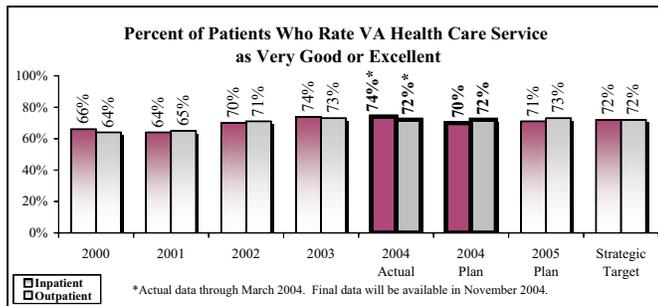
VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. VHA will continue to redesign health care systems to streamline work and promulgate improved health care practices. Strategies similar to those developed by the Institute for Health Care Improvement, such as open access and group visits, with workload management in all specialties will be implemented. VA will implement pay policies and HR practices to facilitate hiring and retaining a sufficient number of health care workers to meet capacity demands across the full continuum of care. Balance between demand and capacity will be achieved through enrollment policies. VA will work with state agencies, especially in long-term care services, to reduce the redundancies and gaps in veterans' services.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 3.1 — Key Performance Goal

Achieve patient satisfaction rating of 70 percent for inpatient and 72 percent for outpatient



Description, Importance, and Results

VA relies on periodic feedback obtained through surveys as to the level of veterans' satisfaction with service. VHA's Office of Quality and Performance, Performance Analysis Center for Excellence, conducts national satisfaction surveys that allow VHA to better understand and meet patient expectations. The monthly surveys target the dimensions of care that concern veterans the most. The survey consists of a sample of inpatients and outpatients who respond to the question, "Overall, how would you rate your quality of care?" The satisfaction rating includes those patients who respond "very good" or "excellent." We have achieved a score of 74 percent for inpatient satisfaction and 72 percent for outpatient satisfaction through March.

Management and Policy Issues

VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health

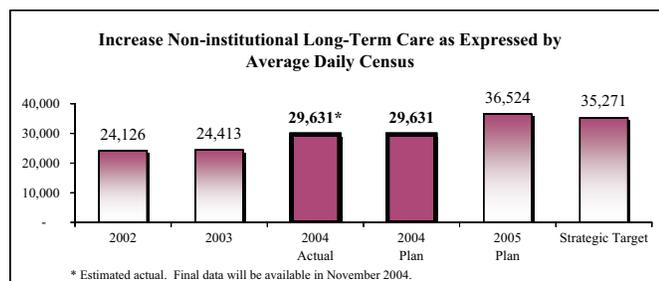
care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. VA has implemented "service-recovery" with standardized patient satisfaction surveys with real-time results and data aggregation and reporting. VHA will continue to strive to improve patient satisfaction in all areas of service. Surveys are sent to patients who have received care in both inpatient and outpatient settings. Veteran satisfaction will continue to be benchmarked to other large organizations. The inpatient and outpatient survey, the Survey of Health Expectations of Patients, incorporates a sample methodology that allows for monthly data collection with quarterly (outpatient) and semi-annually (inpatient) reporting functions. The VA health care environment will be characterized by courteous and coordinated patient-focused services. VHA will continually assess and improve patients' perceptions of their health care.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 3.1 — Key Performance Goal

Increase to 29,631 the average daily census in long-term care in non-institutional settings.



Description, Importance, and Results

This measure concerns the average daily census (ADC) of veterans enrolled in home and community-based care programs (Home-Based Primary Care, Contract Home Health Care, Adult Day Health Care (VA and Contract), Care Coordination and Homemaker/Home Health Aide Services). In June 2002, VHA published a comprehensive policy document on oversight of Community Nursing Homes (CNHs) that established a national standard for annual reviews of CNHs and monthly visits by VA staff to patients in these homes. This is being certified at a national level. VHA implemented a 25-point plan to further refine its oversight efforts of the community nursing home programs in FY 2004. VA has continued to increase the number of long-term care patients in non-institutional settings each year.

Management and Policy Issues

VA's primary strategies to achieve this performance goal include promoting timely and equitable access to health

care; continuously improving the quality and safety of health care; emphasizing patient-centered care, especially for our most vulnerable patients; proactively inviting and acting on complaints and suggestions; and equipping patients and staff with practical health information. VHA will improve and enhance home care services and continue to refine an assisted living strategy including partnering with community organizations. We will promote the use of care management to facilitate care in the least restrictive and most efficient setting possible. In the face of a declining, but aging veteran population, VA will expand access to long-term care alternatives to institutional care with an emphasis on community-based and in-home care. VA is in the process of establishing a Care Coordination program in every VISN that will allow many veterans to be monitored in their home. The success of achieving this performance goal will partially depend on the availability of community resources that can provide long-term care.

Data Quality

Please refer to the Key Measures Data Table on page 134.

Objective 3.2

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 3 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.2 Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity.	<ul style="list-style-type: none"> Improved to an average of 166 days the timeliness for completing rating-related actions on C&P claims (goal was 145 days) Average days pending for C&P rating-related actions increased to 118 days (goal was to decrease to 80 days) Improved to 87 percent the national accuracy rate for C&P core rating work (goal was 90 percent) 	\$3,501	5.0%

Performance

VA's top priority related to the many benefits programs the Department administers is to process claims in a timely and accurate manner. There are many measures that indicate how well we are doing in meeting Objective 3.2, but the three most important indicators of success are the average number of days to process rating-related compensation and pension (C&P) claims, the average number of days pending for rating-related C&P claims, and the national accuracy rate for C&P claims. While the Department did not meet the FY 2004 performance goal for any of these three measures, we reduced the time required to process claims for compensation and pension benefits, while at the same time improved the high degree of accuracy with which these claims were processed. Entering FY 2004, VA was well positioned to meet our performance goals pertaining to the timeliness of processing claims. However, a September 2003 decision by the Federal

Circuit Court in the case of the *Paralyzed Veterans of America et al. v. the Secretary of Veterans Affairs* required VA to keep veterans' claims open for 1 year before making a decision. As a result, decisions on over 62,000 claims were deferred, many for as much as 90 days or longer. While the President signed correcting legislation in December 2003, the impact of the court decision in the early portion of FY 2004 was substantial. The number of claims pending grew dramatically and the timeliness of claims processing deteriorated rapidly. VA made significant progress during the last half of the year, but we were not able to fully overcome the negative effects from this court decision on our claims processing timeliness.

The Survey of Veterans Satisfaction with the VA Compensation and Pension Claims Process is administered on an annual basis in order to measure veteran satisfaction at the national and regional office levels. In FY 2003 (the most recent annual data

available), 39 percent of all survey respondents receiving pension benefits felt they were informed of the full range of their available benefits. This figure is 1 percentage point higher than the previous year's value. When looking at compensation and pension recipients together, the survey revealed that 59 percent were very or somewhat satisfied with the way their claims were handled. This was 3 percentage points higher than the satisfaction level 2 years earlier. The contract for the next survey was signed in September 2004. Data for FY 2004 will be available in January 2005.

Program Assessment Rating Tool (PART) Evaluation

The PART review of the pension program that relates to the accomplishment of Objective 3.2 is scheduled to be conducted during FY 2005 as part of the formulation of the FY 2007 budget. The results of this upcoming PART review will be presented in future reports.

Major Management Challenges

The major management challenges related to this objective are the same as those for Objective 1.2. Please refer to page 61 for more information.

Program Evaluations

There have not been any recent independent evaluations of VA's pension program that are related to Objective 3.2.

New Policies and Procedures

New policies and procedures have been implemented recently in support of Objective 3.2. For example, VA has:

- Expanded the use of the Benefits Delivery at Discharge (BDD) program at military installations around the country. Conducted in close collaboration with the Department of Defense, the BDD program assists active duty military personnel in filing claims for benefits at or near their time of discharge in order to expedite the processing of these claims.
- Identified service center teams within distinct functional areas to allow for greater workload control, development of expertise by the staff, higher quality decisions, and more efficient and timely processing of claims.

Beginning in FY 2005, VA will track a variety of performance measures relating to the timeliness, accuracy, and quality of pension claims processing. This will be the first year the Department will collect and report on claims processing data separately for the pension program. Prior to this, data on the pension program were combined with claims processing information on the disability compensation program.

Objective 3.3

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 3 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.3 Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.	Reduced to 1.8 days the average days to process insurance disbursements (goal was 2.7 days)	\$1,912	2.7%

Performance

VA made excellent progress during FY 2004 in meeting Objective 3.3 by continuing to improve upon the already high level of service provided to insurance policy holders. The insurance programs administered and supervised by the Department offer benefits to veterans and servicemembers who may not be able to obtain insurance coverage from the commercial insurance industry due to lost or impaired insurability resulting from military service. The most important measure of success is the timeliness of processing insurance disbursements. Last year the Department processed these payments in an average of 2.4 days, a figure much better than the performance goal for the year. The timeliness with which insurance disbursements were processed was 25 percent better in FY 2004 than it was during the previous year. In addition, VA paid 100 percent of claims arising from Operation Enduring Freedom and Operation Iraqi Freedom within 2 days of receipt of the necessary documents. Using several other measures of the efficiency and effectiveness of the Department's insurance program, VA continued to sustain its long-standing record of providing high-quality service to policy holders and their beneficiaries. In response to the Department's ongoing survey concerning policy holders'

and beneficiaries' satisfaction with service delivery, 96 percent gave the program high customer ratings while only 2 percent gave low ratings.

Program Assessment Rating Tool (PART) Evaluation

The PART review of the insurance program that relates to the accomplishment of Objective 3.3 is scheduled to be conducted during FY 2005 as part of the formulation of the FY 2007 budget. The results of this upcoming PART review will be presented in future reports.

Major Management Challenges

Neither VA's Office of Inspector General nor the Government Accountability Office identified any major management challenges related to Objective 3.3.

Program Evaluations

In support of Objective 3.3, VA contracted to have an independent evaluation of four of the insurance programs administered by the Department; the final report was issued in 2001. This evaluation focused on the extent to which the insurance programs were available and affordable to servicemembers and

veterans, regardless of health or disability status. Much of the analysis was based on comparisons to insurance in the private sector. This program evaluation found that VA insurance is generally available when compared to the non-VA sector, regardless of the hazardous nature of certain work in the military or disability status. The VA-administered programs offer coverage that exceeds that typically provided by employers in the private sector. However, the program evaluation concluded that the insurance program for service-disabled veterans is too expensive, that it needs to use a more modern mortality table, and that the maximum basic amount of insurance should be raised substantially. This program evaluation included a variety of other recommendations concerning program and technical changes that the contractors felt VA should consider. The Department has thoroughly evaluated each of these recommendations and continues to work on implementing those that would best improve the effectiveness of this program.

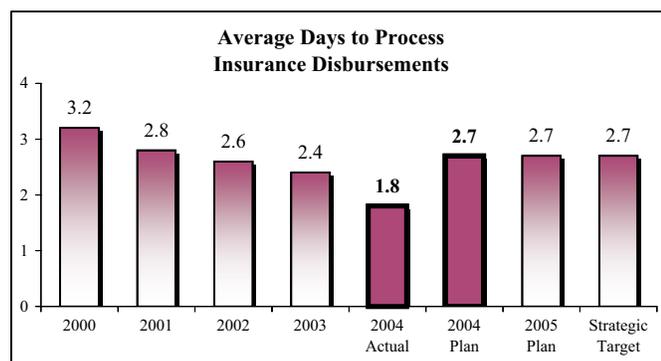
New Policies and Procedures

Several new procedures have been implemented that are improving the efficiency and effectiveness of the insurance program in support of Objective 3.3. For example, VA has:

- Installed a paperless processing system that provides employees with online access to policyholder information; the imaging capabilities of this system have reduced the time required for processing death claims.
- Enhanced access to insurance services through use of an interactive voice response system and a self-service insurance Web site.
- Conducted a special program of telephone and mail outreach to recently separated, severely disabled veterans resulting in about \$84 million in life insurance coverage that would not otherwise have been granted.

Objective 3.3 — Key Performance Goal

Maintain average processing time for insurance disbursements at 2.7 days.



Description, Importance, and Results

A disbursement is an electronic funds transfer (EFT) to veterans or their beneficiaries arising from a death payment, policy loan, or cash surrender of the policy's value. The importance in meeting this goal extends from

the import of providing financial security to a veteran seeking quick access to funds, or to a beneficiary dealing with expenses associated with the loss of a family member, the policy holder.

The insurance program met its performance goal by maintaining an average processing time of 1.8 days for disbursements.

Management and Policy Issues

The single most significant factor impacting this strategic target is the Electronic Workflow (previously called Paperless Processing) initiative. The imaging and workflow capabilities of this initiative reduce the time required for processing disbursements and other services. This workflow automatically routes work to

appropriate staff, thus decreasing processing time. Electronic Workflow for processing death claims is fully operational. In FY 2005, we will add the remaining categories of disbursements, policy loans, and cash surrenders to the system. This should further improve our average processing time.

In addition to the above, we continue to enhance our paperless workflow procedures. Modifications made in FY 2004 included:

- Instantaneous screening of disbursement inputs for adherence to programming specifications.
- The matching of Social Security Administration and Westlaw pro records to obtain current addresses on returned mail.

The achievement of the key measure is not dependent upon any major external factors or major crosscutting activities.

Data Quality

Please refer to the Key Measures Data Table on page 134.

Objective 3.4

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 4 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.4 Ensure that the burial needs of veterans and eligible family members are met.	<ul style="list-style-type: none"> • Increased the percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence to 75.3 percent (goal was 75.3 percent) • Maintained the percent of respondents who rated the quality of service provided by the national cemeteries as excellent at 94 percent (goal was 95 percent) 	\$247	0.4%

Performance

The percent of the veteran population served by a burial option and the quality of service provided by the national cemeteries are the primary performance measures relating to Objective 3.4. In FY 2004 VA met its goal to increase to 75.3 percent the proportion of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance of their residence. Ninety-four percent of survey respondents rated the quality of service provided by the national cemeteries as excellent in FY 2004, the same high level as in FY 2003, but falling short of VA's goal by 1 percent.

By the end of FY 2004, 66.6 percent of veterans were served by a burial option in a national cemetery within a reasonable distance (75 miles) of their residence. In FY 2004, VA worked on establishing 11 new national cemeteries to provide service to veterans in the areas of greatest need. VA monitors gravesite usage and projects gravesite depletion dates at open national cemeteries that have land for future development, and ensures that construction to make additional gravesites or columbaria available for burial is completed. Last year, VA completed construction projects to extend burial operations at six national cemeteries. Appropriate land acquisition is also a key component to providing continued accessibility to burial options. For example, as part of the Capital Asset Realignment for Enhanced Services process, approximately 50 acres of land were transferred from the Mountain Home VA Medical Center to the National Cemetery Administration (NCA) for the expansion of Mountain Home National Cemetery. VA will continue to identify national cemeteries that are expected to close due to depletion of grave space and determine the feasibility of extending the service life of those cemeteries by acquiring adjacent or contiguous land or by constructing columbaria. These actions, which depend on such factors as the availability of suitable land and the cost of construction, are not possible in every case.

To complement our system of national cemeteries, 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. In FY 2004, 56 operating state veterans cemeteries performed more than 19,000 interments, and grants were obligated to establish, expand, or improve state veterans cemeteries in 8 states. By the end of FY 2004, 8.7 percent of veterans were served by a burial option only in a state veterans cemetery within a reasonable distance (75 miles) of their residence.

In some cases, veterans may be eligible for reimbursement of burial expenses through programs administered by the Veterans Benefits Administration. In FY 2004, the national accuracy rate for burial claims processed was 94 percent, exceeding our goal of 90 percent. The average number of days to process a claim for reimbursement of burial expenses was 48, which did not meet the goal of 40 days.

Veterans and their families have indicated that they need to know the interment schedule as soon as possible in order to finalize necessary arrangements. To meet this expectation, VA strives to schedule committal services at national cemeteries within 2 hours of the request. Seventy-three percent of funeral directors surveyed responded that national cemeteries confirm the scheduling of the committal service within 2 hours.

To further enhance service to veterans and their families, VA will continue to install kiosk information centers at national and state veterans cemeteries to assist visitors in finding the exact gravesite locations of individuals buried there and provide general information. By the end of FY 2004, 60 kiosk information centers had been installed at national and state veterans cemeteries.

The Survey of Satisfaction with National Cemeteries measures our success in delivering service with courtesy, compassion, and respect. We will continue to conduct focus groups to collect data on stakeholder expectations and their perceptions related to the quality of service provided by national cemeteries. The information obtained is analyzed to ensure that VA

addresses those issues most important to its customers. This approach provides data from the customer's perspective, which are critical to developing our objectives and associated measures.

Veterans and their families may experience feelings of dissatisfaction when their expectations concerning the committal service, including military funeral honors, are not met. Dissatisfaction with services provided by DoD (military funeral honors) or the funeral home can adversely affect the public's perceptions regarding the quality of service provided by the national cemetery. VA will continue 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 what information they need and the best way to ensure that they receive it.

Program Assessment Rating Tool (PART) Evaluation

During the development of the FY 2004 budget, the Administration conducted a PART evaluation of VA's burial program that relates to the accomplishment of Objective 3.4. Due to its clear mission and outcome goals, this program received a "Moderately Effective" rating.

The evaluation included findings that VA needed to adopt more performance measures to address all burial benefits and the National Shrine Commitment, and to strengthen methods to link performance, budget, and accountability. VA has addressed these findings by introducing two new burial claims measures and two new measures for the National Shrine Commitment in the President's FY 2005 budget. VA may add additional measures for the National Shrine Commitment in future budgets. During FY 2004, VA collected baseline data for the new measures. In addition, VA has established the Organizational Assessment and Improvement Program for the national cemeteries. The program will strengthen accountability at the national cemeteries by assessing cemetery performance against

operational standards and measures. This program will strengthen the link between budget and performance by identifying improvement opportunities for prioritizing resources and by providing a scorecard for performance reporting at each of the national cemeteries.

Major Management Challenges

Neither VA's Office of Inspector General nor the Government Accountability Office identified any major management challenges related to Objective 3.4.

Program Evaluations

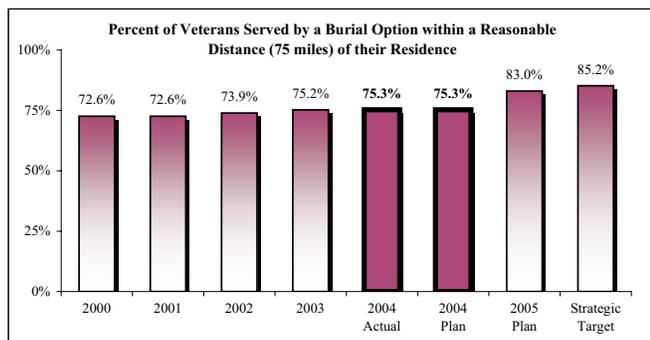
The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA to contract for an independent demographic study to identify those areas of the country where veterans will not have reasonable access to a burial option in a national or state veterans cemetery, and the number of additional cemeteries required through 2020. Volume 1: Future Burial Needs, published in May 2002, identified those areas having the greatest need for burial space for veterans. VA continues to use this report as a valuable tool for planning new national cemeteries.

New Policies and Procedures

By the end of FY 2006, VA will establish five new national cemeteries in the areas of Atlanta, Georgia; Detroit, Michigan; Pittsburgh, Pennsylvania; South Florida; and Sacramento, California. In addition, the National Cemetery Expansion Act of 2003, Public Law 108-109, directed VA to establish six new national cemeteries in the areas of Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Sarasota, Florida; and Southeastern Pennsylvania.

Objective 3.4 — Key Performance Goal

Increase the percent of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance (75 miles) of their residence to 75.3 percent in 2004.



Description, Importance, and Results

One of VA's primary objectives is to ensure that the burial needs of veterans and eligible family members are met. For the key measure to increase the percent of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance of their residence, VA met its goal of 75.3 percent.

Management and Policy Issues

VA continued the development of five new national cemeteries to provide service to veterans in the areas of Atlanta, Detroit, Pittsburgh, Sacramento, and South Florida. By the end of the year, VA had acquired property, and the development process was underway. As directed by the National Cemetery Expansion Act of 2003, Public Law 108-109, action is underway to establish six new national cemeteries in the areas of Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Sarasota, Florida; and Southeastern Pennsylvania.

VA monitors gravesite usage and projects gravesite depletion dates at open national cemeteries that have land for future development. As cemeteries approach gravesite depletion dates, VA ensures that construction to make additional gravesites or columbaria available for burials is completed. In FY 2004, VA completed construction projects to maintain burial operations at six national cemeteries. VA will continue to identify national cemeteries that are expected to close because of depletion of grave space and determine the feasibility of extending the service life of those cemeteries by acquiring adjacent or contiguous land.

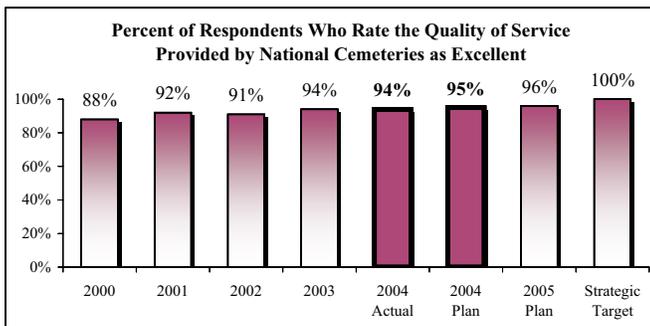
To complement our system of national cemeteries, VA administers the State Cemetery Grants Program, which provides grants to states of up to 100 percent of the cost of establishing, expanding, or improving veterans cemeteries that are owned and operated by the states. In FY 2004, new state veterans cemeteries at Hopkinsville, Kentucky, and WaKeeney, Kansas, began operations, which allowed VA to meet its performance goal. A total of 56 operating state veterans cemeteries performed more than 19,000 interments, and VA obligated grants to establish, expand, or improve state veterans cemeteries in 8 states.

Date Quality

Please refer to the Key Measures Data Table on page 136.

Objective 3.4 — Key Performance Goal

Increase the percent of respondents who rate the quality of service provided by national cemeteries as excellent to 95 percent in 2004.



Description, Importance, and Results

One of VA's primary objectives is to ensure that the burial needs of veterans and eligible family members are met. Cemetery service goals are set high in keeping with the expectations of all visitors. VA strives to provide high-quality, courteous, and responsive service in all of its contacts with veterans and their families. For this key measure, 94 percent of respondents rated the quality of service provided by the national cemeteries as excellent in FY 2004, falling short of VA's goal by 1 percent. NCA is reviewing information provided by survey respondents to identify opportunities for improvement.

Management and Policy Issues

VA will continue to obtain feedback from veterans, their families, and other cemetery visitors to ascertain how they perceive the quality of service provided by national cemeteries. The Survey of Satisfaction with National Cemeteries measures our success in delivering service with courtesy, compassion, and respect. VA will also continue to conduct focus groups to collect data on

stakeholder expectations and their perceptions related to the quality of service provided by national cemeteries. The information obtained is analyzed to ensure that VA addresses those issues most important to its customers. This approach provides data from the customer's perspective, which are critical to developing our objectives and associated measures.

Dissatisfaction with services provided by DoD (military funeral honors) or the funeral home is an external factor that can adversely affect the public's perceptions regarding the quality of service provided by the national cemetery. Veterans and their families have indicated that the provision of military funeral honors for the deceased veteran is important to them. While VA does not provide military funeral honors, VA works closely with components of DoD and veterans service organizations to provide such honors at national cemeteries. Veterans and their families may experience feelings of dissatisfaction when their expectations concerning the committal service, including military funeral honors, are not met.

VA continues to work with funeral homes and veterans service organizations to find new ways to increase awareness and improve delivery of benefits and services.

Data Quality

Please refer to the Key Measures Data Table on page 136.

Objective 3.5

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 3 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.5: Provide veterans and their families with timely and accurate symbolic expressions of remembrance.	Increased the percent of graves in national cemeteries marked within 60 days of interment to 87 percent (goal was 78 percent)	\$65	0.1%

Performance

The amount of time it takes to mark the grave after an interment is extremely important to veterans and their families. This is the Department's primary measure used to gauge progress toward achievement of Objective 3.5. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors, but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. In FY 2004 VA marked 87 percent of the graves in national cemeteries within 60 days of the interment, a proportion well above both the performance goal as well as the FY 2003 performance level of 72 percent.

VA provides headstones and markers for the graves of eligible persons in national, state, other public, and private cemeteries. VA also provides memorial headstones and markers bearing the inscription "In Memory of" to memorialize eligible veterans whose remains were not recovered or identified, were buried at sea, donated to science, or cremated and scattered. In FY 2004, VA processed nearly 351,000 applications for headstones and markers for placement in national, state, other public, or private 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. In FY 2004, 97 percent of headstones and markers were delivered undamaged and correctly inscribed. VA will continue to improve accuracy and operational processes in order to reduce the number of inaccurate or damaged headstones and markers delivered to the gravesite. VA also uses, to the maximum extent possible, automated operational processes to increase the efficiency of the headstone and marker ordering process. Other Federal and state veterans cemeteries ordered 91 percent of their headstones and markers online, and all individual headstone and marker orders are transmitted electronically to contractors.

In FY 2004 VA issued more than 435,000 Presidential Memorial Certificates (PMCs), bearing the President's signature, to convey to the family of the veteran the gratitude of the Nation for the veteran's service. To convey this gratitude, it is essential that the certificate

be accurately inscribed. The accuracy rate for PMCs provided by VA is consistently 98 percent or better.

VA furnishes headstones and markers for national cemeteries administered by the Department of the Army, the Department of the Interior, and the American Battle Monuments Commission; contracts for all columbaria niche inscriptions at Arlington National Cemetery; and furnishes headstones and markers to state veterans cemeteries.

Program Assessment Rating Tool (PART) Evaluation

During the development of the FY 2004 budget, the Administration conducted a PART evaluation of VA's burial program that relates to the accomplishment of Objective 3.5. Due to its clear mission and outcome goals, this program received a "Moderately Effective" rating.

The evaluation included findings that VA needed to adopt more performance measures to address all burial benefits and the National Shrine Commitment, and to strengthen methods to link performance, budget, and accountability. VA has addressed these findings by introducing two new burial claims measures and two new measures for the National Shrine Commitment in the President's FY 2005 budget. VA may add additional measures for the National Shrine Commitment in future budgets. During FY 2004, VA collected baseline data for the new measures. In addition, VA has established the Organizational Assessment and Improvement Program for the national cemeteries. The program will strengthen accountability at the national cemeteries by assessing cemetery performance against operational standards and measures. This program will strengthen the link between budget and performance by identifying improvement opportunities for prioritizing resources and by providing a scorecard for performance reporting at each of the national cemeteries.

Major Management Challenges

Neither VA's Office of Inspector General nor the Government Accountability Office identified any major management challenges related to Objective 3.5.

Program Evaluations

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, mandated that VA obtain an independent contractor to conduct a comprehensive study of veterans' burial benefits. [An Assessment of Burial Benefits Administered by the Department of Veterans Affairs](#), published in December 2000, assessed the adequacy and effectiveness of burial benefits administered under chapter 23 of title 38, United States Code, and evaluated options to better serve the burial needs of veterans and their families. VA and the Congress have used the information in this study to develop legislative initiatives to enhance services to veterans.

New Policies and Procedures

A new performance measure will help VA ensure timely and accurate symbolic expressions of remembrance are provided to veterans and their families. In FY 2004 (the baseline year), inscription data for 98 percent of headstones and markers ordered by national cemeteries were accurate and complete.

In FY 2004, VA contracted its headstone and marker application mail processing and document imaging functions. Anticipated benefits include improved customer service and timeliness, improved capability to track and measure performance, and improved operational efficiency.

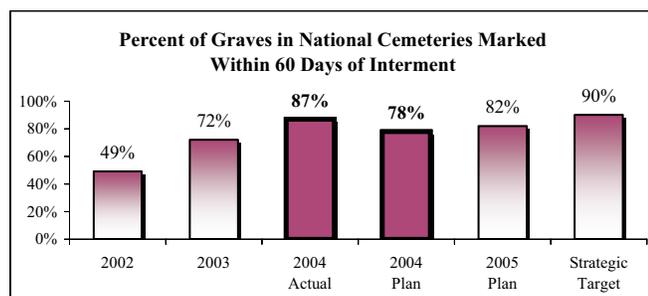
The Veterans Education and Benefits Expansion Act of 2001, Public Law 107-103, as amended by the Veterans Benefits Improvement Act of 2002, Public Law 107-330, allows VA to furnish an appropriate marker for the graves of eligible veterans buried in private cemeteries, whose deaths occur on or after September 11, 2001,

regardless of whether the grave is already marked with a non-government marker. This authority expires on December 31, 2006. However, not later than February 1, 2006, VA shall report to Congress the rate of use of this benefit, assess the extent to which these markers are being delivered to cemeteries and placed on gravesites

consistent with the provisions of law, and recommend an extension or repeal of the expiration date. Information contained in the study, [An Assessment of Burial Benefits Administered by the Department of Veterans Affairs](#), led to this change in the law.

Objective 3.5 — Key Performance Goal

Increase the percent of graves in national cemeteries marked within 60 days of interment to 78 percent in 2004.



Description, Importance, and Results

The amount of time it takes to mark the grave after an interment is extremely important to veterans and their families. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. For FY 2004, VA exceeded by 9 percentage points the planned goal of marking 78 percent of graves in national cemeteries within 60 days of the interment.

Management and Policy Issues

To achieve this high level of performance, VA focused on reengineering business processes, such as ordering and setting headstones and markers, and provided monthly and fiscal year-to-date tracking reports on timeliness of marking graves that were accessible online by NCA

employees. NCA also expanded a program for locally inscribing headstones and markers at national cemeteries in order to decrease the time it takes to mark graves after an interment. By performing inscriptions locally using blank headstones and markers stored at the cemetery, VA decreased the number of days between an interment and the subsequent marking of a grave by reducing headstone and marker manufacturing and shipping times. VA will continue to focus on business process reengineering, including improving accuracy and operational processes, in order to reduce delays in marking graves caused by inaccurate or damaged headstones and markers.

Two major external factors influence the timeliness of marking graves in national cemeteries. First, the national cemeteries are dependent upon contractors throughout the country for the manufacturing and shipping of headstones and markers. The performance of these contractors greatly affects the quality of service to veterans and their families. Second, extremes in weather, such as periods of excessive rain or snow, or extended periods of freezing temperatures that impact ground conditions, can cause delays in both the delivery and installation of headstones and markers.

Data Quality

Please refer to the Key Measures Data Table on page 136.