

Performance Summaries by Departmental Objective

The following sections of the report describe VA's accomplishments associated with each of the objectives identified in the Department's strategic plan. This information complements and provides additional detail beyond the summaries of performance associated with each strategic goal (refer to the Performance Overview on pages 16–39).

For each objective, we include the following:

- **Bar charts** that show:
 - FY 2005 actual level of performance.
 - FY 2005 performance target.
 - Preliminary FY 2006 performance target (final FY 2006 targets will be shown in VA's FY 2007 Congressional budget justifications).
 - Long-range strategic target.
 - Up to 5 years of historical data.
- **Impact statements** describing the impact on the veteran of the 2005 performance result.
- A list of any **major management challenges** identified by VA's Office of Inspector General or the Government Accountability Office that have an impact on this objective.
- A description of **program evaluations** that have been completed or are ongoing.
- A list of any related **Program Assessment Rating Tool** reviews conducted.

- Any **new policies and procedures** that have been or are being implemented to improve VA's ability to achieve the strategic objective.
- Any **other important performance results** in support of the strategic objective.

Taken together, the performance summaries at both the strategic goal and objective levels provide a comprehensive picture of VA's achievements in support of its mission.

Finally, in 2005 there were six measures for which performance results were significantly below expectations and as a consequence, had a significant impact on program performance. For each of these measures, we have provided explanations of why the shortfall occurred and descriptions of resolution strategies being employed to improve performance. Please see the Performance Shortfalls table beginning on page 60 for this information. In the measures tables beginning on page 173, these results are color-coded in red.

Measures where the target was not met but the result did not significantly impact program performance do not appear in the Performance Shortfalls table. These results are color-coded in yellow in the measures tables.

Please note: In this report, with the exception of table and chart titles, references to years (e.g., 2002, 2003) are fiscal years unless stated otherwise.

Strategic Goal One

Restoration and Improved Quality of Life for Disabled Veterans

Strategic Objective 1.1

Specialized Health Care Services

Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.

Making a Difference for the Veteran



A veteran playing wheelchair softball

25th National Veterans Wheelchair Games

More than 500 disabled veterans, including veterans of current conflicts in Iraq and Afghanistan, gathered in Minneapolis to compete in the largest annual wheelchair sports event in the world, the 25th National Veterans Wheelchair Games. The Wheelchair Games, presented by VA and the Paralyzed Veterans of America (PVA), were open to all U.S. military veterans with spinal cord injuries, neurological conditions, amputations, or other mobility impairments. Sports are important in the therapy used to treat many disabilities. For many injured veterans, the Wheelchair Games provide their first exposure to wheelchair athletics. The Minneapolis VA Medical Center and the PVA Minnesota Chapter hosted the 2005 Games. Veterans competed in track and field, swimming, basketball, weightlifting, softball, air guns, quad-rugby, 9-ball, bowling, table tennis, archery, hand cycling, a motorized rally, wheelchair slalom, and power soccer. Trap shooting, golf, and a power wheelchair relay were exhibition events. A special first-time wheelchair sports demonstration was held at the Mall of America in Bloomington, Minnesota.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																
<p style="text-align: center;">Supporting Measure Prevention Index II (Special Populations)</p> <table border="1"> <caption>Prevention Index II (Special Populations) Performance Data</caption> <thead> <tr> <th>Year/Target</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>80%</td> </tr> <tr> <td>2004</td> <td>86%</td> </tr> <tr> <td>2005 Result</td> <td>86%*</td> </tr> <tr> <td>2005 Plan</td> <td>86%</td> </tr> <tr> <td>2006 Plan</td> <td>86%</td> </tr> <tr> <td>Strategic Target</td> <td>86%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data are not yet available.</p>	Year/Target	Performance (%)	2003	80%	2004	86%	2005 Result	86%*	2005 Plan	86%	2006 Plan	86%	Strategic Target	86%	<p>Meeting the 2005 performance target has resulted in improved health of America's veterans with special needs, including those with disabilities. This index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes.</p>		
Year/Target	Performance (%)																
2003	80%																
2004	86%																
2005 Result	86%*																
2005 Plan	86%																
2006 Plan	86%																
Strategic Target	86%																
<p style="text-align: center;">Supporting Measure Percent of veterans discharged from a Homeless Veterans Program, or Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement</p> <table border="1"> <caption>Percent of veterans discharged from a Homeless Veterans Program, or Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement Performance Data</caption> <thead> <tr> <th>Year/Target</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>65%</td> </tr> <tr> <td>2003</td> <td>72%</td> </tr> <tr> <td>2004</td> <td>79%</td> </tr> <tr> <td>2005 Result</td> <td>82%*</td> </tr> <tr> <td>2005 Plan</td> <td>79%</td> </tr> <tr> <td>2006 Plan</td> <td>80%</td> </tr> <tr> <td>Strategic Target</td> <td>80%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data are not yet available.</p>	Year/Target	Performance (%)	2002	65%	2003	72%	2004	79%	2005 Result	82%*	2005 Plan	79%	2006 Plan	80%	Strategic Target	80%	<p>The 2005 performance result of 82 percent exceeded the target of 79 percent to place veterans in the least restrictive setting that improves their mental and social well-being and restores their ability to begin functioning independently. The extent to which VA maintains a high placement rate of veterans to such settings enhances their quality of life.</p>
Year/Target	Performance (%)																
2002	65%																
2003	72%																
2004	79%																
2005 Result	82%*																
2005 Plan	79%																
2006 Plan	80%																
Strategic Target	80%																

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- Part-Time Physician Time and Attendance (see page 206 for more details)
- Staffing Guidelines (see page 206 for more details)
- Quality Management (see page 207 for more details)
- Long-Term Health Care (see page 207 for more details)
- Security and Safety (see page 208 for more details)

GAO

- Access to Acute Care, Long-term Care, and Specialized Health Care Services (see page 218 for more details)
- Patient Safety Financial Management Control (see page 219 for more details)
- Resources and Workload Management Financial Management Control (see page 222 for more details)

Program Evaluations

A contract has been awarded to begin a program evaluation of the services for severely mentally ill patients. Four patient populations have been defined for study: schizophrenia, bipolar, post-traumatic stress disorder, and major depressive disorder. These patients represent high-volume, high-cost patients. Patient-centered outcomes have been developed for each of the patient populations along a continuum of care from diagnosis and assessment, treatment, and chronic disease management through rehabilitation. In addition to the evaluation of outcomes for each diagnosis group, research questions will address other aspects of mental health treatment. These will include such areas as variations in availability of services, receipt of care for non-mental health diagnoses, barriers to access for care, and comparison of services and outcomes for non-VA patients. The study will take approximately 2 years to complete.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care program during 2003, which resulted in a rating of "Adequate." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

A new directive was issued for *Physical Medicine and Rehabilitation Outcomes for Stroke, Traumatic Brain Injury, and Lower-Extremity Amputation Patients* that does the following:

- Provides a mechanism for the recording and tracking of medical rehabilitation outcomes for stroke patients and the special patient populations of traumatic brain injury (TBI) and lower-extremity amputations.
- Utilizes Functional Status Outcomes Database to measure and track rehabilitative outcomes in all new stroke, lower-extremity amputations, and TBI.
- Ensures that a functional assessment is administered to determine rehabilitation needs following the onset of the impairment.
- Creates a database for the development of a new Supportive Indicator entitled: *Percent of Applicable Inpatients with a Comprehensive Integrated Inpatient Rehabilitation Program (CIIRP) Admission*.

A new directive was issued for *Polytrauma Rehabilitation Centers* that does the following:

- Establishes the policy for the four regionally established Polytrauma Rehabilitation Centers (PRC).
- Defines the role of the PRC in providing a full range of care to patients with a sustained and varied pattern of severe and disabling injuries including TBI, amputation, visual and hearing impairment, spinal cord injury, musculoskeletal injuries, wounds, and psychological trauma.

- Defines a seamless transition and facilitates communication among military treatment facilities, PRC, servicemembers, and family members.
- Defines the linkage to the larger VHA system of care.
- Defines a dedicated interdisciplinary core rehabilitation team and dedicated consultative services.
- Defines the responsibilities necessary to provide comprehensive rehabilitation services for individuals with complex cognitive, physical, and mental health conditions of severe and disabling trauma and to provide support to their families.

Other Important Results

Although data are not yet available, VHA has developed two new performance measures to enable VA to monitor the degree to which veterans returning from a combat zone with or without an injury or illness have access to a primary or specialty care appointment within 30 days of the desired date.

Strategic Objective 1.2

Decisions on Disability Compensation Claims

Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.

Making a Difference for the Veteran

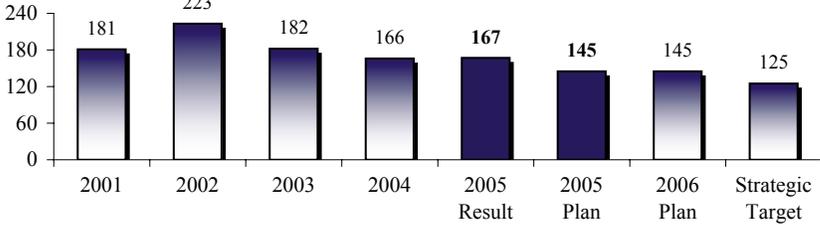
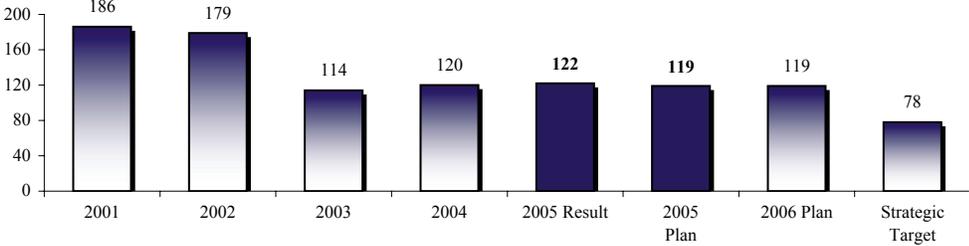
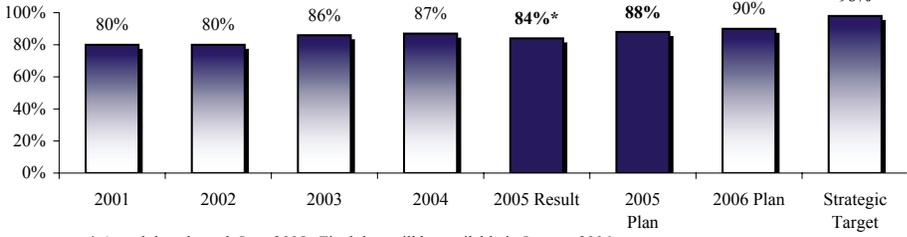


Walter Reed Army Medical Center
outreach

Just Doing Her Job

The wife of a New Orleans World War II veteran called it a “Christmas Miracle.” New Orleans VA Regional Office decision review officer Marlene Pittari called it just doing her job. Pittari read a newspaper article about the couple’s intention to publicly renew their wedding vows to show that love conquers all, including their financial and health problems. The wife’s wedding ring had been stolen at gunpoint earlier in the year and financial difficulties arose after her husband’s stroke in 2001. The article mentioned that the husband’s military records had been lost in the fire at the federal records center in St. Louis years ago and that he was having trouble establishing service-connected disability with VA. After reading the article, Pittari found the veteran’s case file which was pending review and got a rating started right away. On December 30, the VA Regional Office notified the veteran and his wife that he will receive monthly payments at the 100 percent disability rate as well as a sizeable retroactive payment.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Average Days to Process Compensation and Pension Rating-Related Actions</p>  <table border="1" data-bbox="248 541 1068 766"> <thead> <tr> <th>Year</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>181</td> </tr> <tr> <td>2002</td> <td>223</td> </tr> <tr> <td>2003</td> <td>182</td> </tr> <tr> <td>2004</td> <td>166</td> </tr> <tr> <td>2005 Result</td> <td>167</td> </tr> <tr> <td>2005 Plan</td> <td>145</td> </tr> <tr> <td>2006 Plan</td> <td>145</td> </tr> <tr> <td>Strategic Target</td> <td>125</td> </tr> </tbody> </table>	Year	Average Days	2001	181	2002	223	2003	182	2004	166	2005 Result	167	2005 Plan	145	2006 Plan	145	Strategic Target	125	<p>On average, the veteran had to wait an additional day for a rating decision when compared to last year (167 vs. 166 days). While negligible, this processing time is too long, does not meet the needs of the veteran, and is significantly higher than the 145-day target. The continuing increase in the number of claims received did appreciably affect VA's ability to meet its 2005 target.</p>
Year	Average Days																		
2001	181																		
2002	223																		
2003	182																		
2004	166																		
2005 Result	167																		
2005 Plan	145																		
2006 Plan	145																		
Strategic Target	125																		
<p style="text-align: center;">Key Measure Average Days Pending for Rating-Related Compensation Actions</p>  <table border="1" data-bbox="175 1045 1144 1291"> <thead> <tr> <th>Year</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>186</td> </tr> <tr> <td>2002</td> <td>179</td> </tr> <tr> <td>2003</td> <td>114</td> </tr> <tr> <td>2004</td> <td>120</td> </tr> <tr> <td>2005 Result</td> <td>122</td> </tr> <tr> <td>2005 Plan</td> <td>119</td> </tr> <tr> <td>2006 Plan</td> <td>119</td> </tr> <tr> <td>Strategic Target</td> <td>78</td> </tr> </tbody> </table>	Year	Average Days	2001	186	2002	179	2003	114	2004	120	2005 Result	122	2005 Plan	119	2006 Plan	119	Strategic Target	78	<p>Slightly above the 2005 target, this timeliness measure has remained fairly constant over the last several years. This has a direct positive impact on veterans because decisions were made faster this year compared to a few years ago.</p>
Year	Average Days																		
2001	186																		
2002	179																		
2003	114																		
2004	120																		
2005 Result	122																		
2005 Plan	119																		
2006 Plan	119																		
Strategic Target	78																		
<p style="text-align: center;">Key Measure National Accuracy Rate for Compensation Core Rating Work</p>  <table border="1" data-bbox="194 1537 1101 1774"> <thead> <tr> <th>Year</th> <th>Accuracy Rate</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>80%</td> </tr> <tr> <td>2002</td> <td>80%</td> </tr> <tr> <td>2003</td> <td>86%</td> </tr> <tr> <td>2004</td> <td>87%</td> </tr> <tr> <td>2005 Result</td> <td>84%*</td> </tr> <tr> <td>2005 Plan</td> <td>88%</td> </tr> <tr> <td>2006 Plan</td> <td>90%</td> </tr> <tr> <td>Strategic Target</td> <td>98%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data will be available in January 2006.</p>	Year	Accuracy Rate	2001	80%	2002	80%	2003	86%	2004	87%	2005 Result	84%*	2005 Plan	88%	2006 Plan	90%	Strategic Target	98%	<p>The veteran is entitled to an accurate decision on his or her compensation claim. While only 4 percentage points below the 2005 target, VA continues to strive to improve in this important area by providing enhanced training to help employees deal with increasingly complex compensation-related decisions.</p>
Year	Accuracy Rate																		
2001	80%																		
2002	80%																		
2003	86%																		
2004	87%																		
2005 Result	84%*																		
2005 Plan	88%																		
2006 Plan	90%																		
Strategic Target	98%																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- State Variances in VA Disability Compensation Payments (see page 202 for more details)
- Compensation and Pension Timeliness (see page 203 for more details)
- Compensation and Pension Program's Internal Controls (see page 204 for more details)
- Fugitive Felon Program (see page 205 for more details)

GAO

- Timeliness and Accuracy (see page 220 for more details)
- Consistency of Claims Decisions (see page 221 for more details)
- Staffing Level Justification (see page 221 for more details)
- Program Transformation and Modernization (see page 221 for more details)

Program Evaluations

The Veterans' Disability Benefits Commission, established under Public Law 108-136, is conducting a comprehensive evaluation and assessment of benefits provided under current federal laws to compensate veterans and their survivors for disability or death attributable to military service. The Commission will make recommendations concerning the appropriateness of such benefits under existing laws, the appropriateness of the level of such benefits, and the appropriate standards for determining whether a veteran's disability or death should be compensated. The Commission began the study in May 2005 and expects to issue its report within 15 months.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during 2002, which resulted in a rating of "Results Not Demonstrated." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

The Veterans Claims Assistance Act of 2000 has significantly increased both the length and complexity of claims development. VA's notification and development duties increased, adding more steps to the claims process and lengthening the time it takes to develop and decide a claim.

VA expects increased workload due to pending requirements to expand outreach efforts. These requirements would involve additional efforts to identify and inform veterans who are not enrolled or registered with VA about their potential eligibility for benefits or services, including eligibility for medical and nursing care.

Two new benefits, Combat Related Special Compensation (CRSC) and Concurrent Retired and Disability Pay (CRDP), are expected to contribute to increased workload. CRSC is a benefit available from DoD for certain military retirees with qualifying combat or combat-like disabilities. It became effective July 1, 2003, and was expanded effective January 1, 2004. CRDP is another DoD program that permits partial to total restoration of retired pay previously waived to receive VA compensation.

Other Important Results

Despite the increased workload, the overall customer satisfaction rate for compensation has increased each year, from 52 percent in 2001 to 59 percent in 2004. In addition, the national accuracy rate for compensation authorization work, which increased from 69 percent in 2001 to 90 percent in 2004, remains steady at 91 percent through June 2005.

The Board of Veterans' Appeals (BVA) introduced a number of employee incentives and training programs to increase productivity while maintaining high decisional quality. BVA trains Veterans Law Judges and staff counsel to write clear, correct, and concise decisions and employs a quality review process that translates "lessons learned" into directed training through quarterly "Grand Rounds" training sessions. BVA has a full-time training coordinator who oversees training sessions on specific legal issues, writing skills, and other matters. Grand Rounds and other training keep the legal staff current with continuing changes in the law. The ultimate benefit to our Nation's veterans is improved decisional quality, reduced remands, and quicker resolution of appeals as manifested by a cycle time of 104 days -- 46 days faster than the target of 150 days.

Strategic Objective 1.3

Suitable Employment and Special Support

Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps

Making a Difference for the Veteran



A VR&E counselor from the Waco, Texas, VA Regional Office, meets with a veteran

VET IT Provides Bridge to New Careers

In June 2005, "VET IT," a VA effort to introduce disabled Iraqi and Enduring Freedom veterans to new careers and possible employment within the Department, became official with the signing of a memorandum of understanding between the VA Office of Information and Technology and Walter Reed Army Medical Center. The new program encourages young men and women -- most in their early to mid-twenties and severely injured in battle -- to start new careers. VET IT enables them to gain work experience and become familiar with VA as volunteers while awaiting their military disability rating and discharge. The volunteers are paired with VA mentors who guide them through work at skill levels determined by their interest, experience, and competency testing. Disabled servicemembers have joined VET IT as volunteers. Ten have been discharged from the military and hired by VA, and more hires are expected in the near future. VA IT mentors agree that these young veterans share an eagerness to restart their lives, a willingness to learn a new profession, dedication to the United States, and a strong, disciplined work ethic from their military service.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Vocational Rehabilitation and Employment Rehabilitation Rate</p> <table border="1"> <caption>Vocational Rehabilitation and Employment Rehabilitation Rate Data</caption> <thead> <tr> <th>Year/Target</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>65%</td> </tr> <tr> <td>2002</td> <td>62%</td> </tr> <tr> <td>2003</td> <td>59%</td> </tr> <tr> <td>2004</td> <td>62%</td> </tr> <tr> <td>2005 Result</td> <td>63%</td> </tr> <tr> <td>2005 Plan</td> <td>66%</td> </tr> <tr> <td>2006 Plan</td> <td>66%</td> </tr> <tr> <td>Strategic Target</td> <td>70%</td> </tr> </tbody> </table>	Year/Target	Rate (%)	2001	65%	2002	62%	2003	59%	2004	62%	2005 Result	63%	2005 Plan	66%	2006 Plan	66%	Strategic Target	70%	<p>A primary goal of the VR&E program is to assist service-disabled veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success as it illustrates the number of veterans successfully reentering the workforce following completion of the VR&E program. An increase in the rehabilitation rate means that a higher percentage of veterans are exiting the program successfully and have attained suitable employment or maximum independence in daily living. While slightly below the 2005 target, the rehabilitation rate has steadily increased since 2003.</p>
Year/Target	Rate (%)																		
2001	65%																		
2002	62%																		
2003	59%																		
2004	62%																		
2005 Result	63%																		
2005 Plan	66%																		
2006 Plan	66%																		
Strategic Target	70%																		

Related Information

Major Management Challenges

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

Program Evaluations

In May 2003 the Secretary of Veterans Affairs approved a charter to create a Vocational Rehabilitation and Employment (VR&E) Task Force. In March 2004 the VR&E Task Force completed its work and released its findings including more than 100 recommendations. The Task Force's recommendations largely focused on increasing efforts to aid veterans in finding suitable employment. A key recommendation was that VR&E adopt a 5-Track Employment Model to move veterans quickly into a program of services. Information on the implementation of some of the major recommendations is provided below.

Program Assessment Rating Tool (PART) Evaluation

The PART review of the VR&E program is scheduled for 2006.

New Policies and Procedures

In response to the VR&E Task Force's recommendations, several new policies and procedures were implemented in support of Objective 1.3 during 2005. These included:

- Established four pilot sites for the new Job Resource Labs. These self-service job resource labs will aid veterans in their job search process through the use of an on-line employment preparation and job-seeking tool.
- Increased training for VR&E officers and counselors, including training sessions on Corporate WINRS and the new Evaluation & Planning Standards of Practice.
- Introduced the Managerial Enhancement Program for VR&E counselors as a means of succession planning and developing future leaders.
- Continued focus on outreach efforts to veterans transitioning from military careers to civilian careers

through the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). VR&E has issued a video and presentation materials to all regional offices so that DTAP presentations are standardized across the Nation.

- Signed various memoranda of understanding to develop partnerships with potential veteran employers. VR&E has signed agreements with the Council of State Administrators of Vocational Rehabilitation programs, United States Army Materiel Command, Home Depot, and Helmets to Hardhats.

Other Important Results

Performance results related to two VR&E performance measures, Accuracy of Decisions (Services) and Accuracy of Program Outcomes, have shown significant improvements over the past year. This is due to quality assurance reviews and site visits to regional offices, which have assisted VR&E officers and counselors in identifying best practices as well as areas needing more focused attention.

Strategic Objective 1.4

Improved Standard of Living for Eligible Survivors

Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

Making a Difference for the Veteran

Going the Extra Mile

An article in a local newspaper spurred Manchester, New Hampshire VA Regional Office employees to go the “extra mile” for a veteran’s surviving son. The article featured Stephen DiFabio, a star quarterback at a Derry, New Hampshire, high school. Stephen lost both of his parents to cancer, his father most recently. The article explained how Stephen used football to deal with the tragedy and mentioned that his father, Paul DiFabio, had been a Vietnam-era Navy veteran. Derwood Haskell, staff attorney for the Regional Counsel, brought it to the attention of Veterans Service Center (VCS) Manager Sandra Hill, asking if the young man might be entitled to benefits. Marie Brochu, VSC coach, contacted Stephen’s guardian, an uncle in Salem, New Hampshire, and a claim for Dependency and Indemnity Compensation was filed. Once service records and other medical evidence were received, service connection for cause of death was established based on Mr. DiFabio’s exposure to asbestos in service, and benefits were awarded to Stephen. Though Mr. DiFabio had not filed for disability benefits before his death, Manchester VA employees ensured that his son received benefits to which he is entitled as a surviving dependent.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Average Days to Process Dependency and Indemnity Compensation (DIC) actions</p> <table border="1"> <caption>Average Days to Process DIC actions</caption> <thead> <tr> <th>Year/Target</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>133</td> </tr> <tr> <td>2002</td> <td>172</td> </tr> <tr> <td>2003</td> <td>153</td> </tr> <tr> <td>2004</td> <td>125</td> </tr> <tr> <td>2005 Result</td> <td>124</td> </tr> <tr> <td>2005 Plan</td> <td>120</td> </tr> <tr> <td>2006 Plan</td> <td>100</td> </tr> <tr> <td>Strategic Target</td> <td>90</td> </tr> </tbody> </table>	Year/Target	Average Days	2001	133	2002	172	2003	153	2004	125	2005 Result	124	2005 Plan	120	2006 Plan	100	Strategic Target	90	<p>The 2005 result was slightly above target for 2005 (124 average days vs. a target of 120 average days). However, the dramatic progress made since 2002 when actions took 172 days to process means that veterans’ dependents are receiving payments more quickly.</p>
Year/Target	Average Days																		
2001	133																		
2002	172																		
2003	153																		
2004	125																		
2005 Result	124																		
2005 Plan	120																		
2006 Plan	100																		
Strategic Target	90																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- State Variances in VA Disability Compensation Payments (see page 202 for more details)
- Compensation and Pension Timeliness (see page 203 for more details)
- Compensation and Pension Program's Internal Controls (see page 204 for more details)
- Fugitive Felon Program (see page 205 for more details)

GAO

- Timeliness and Accuracy (see page 220 for more details)
- Consistency of Claims Decisions (see page 221 for more details)
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Program Evaluations

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Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Compensation program during 2002, which resulted in a rating of "Results Not Demonstrated." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

The Veterans Claims Assistance Act of 2000 has significantly increased both the length and complexity of claims development. VA's notification and development duties increased, adding more steps to the claims process and lengthening the time it takes to develop and decide a claim.

Other Important Results

The total number of DIC claims completed during 2005 is 27,740, which is 2 percent more than the 27,191 completed in 2004.

Strategic Goal Two

Smooth Transition to Civilian Life

Strategic Objective 2.1

Reentry into Civilian Life

Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.

Making a Difference for the Veteran

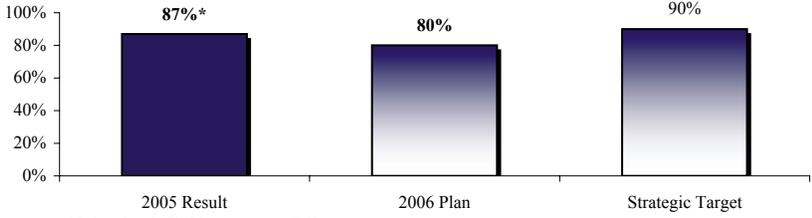
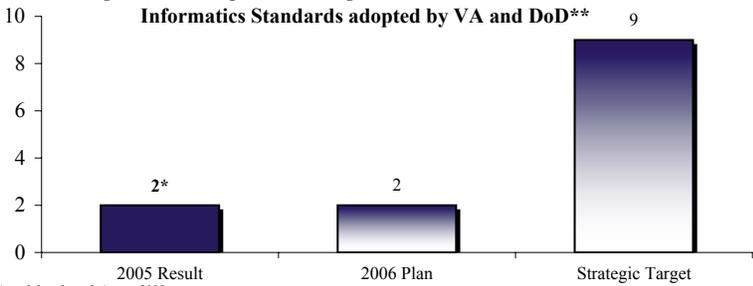


*Walter Reed Army Medical Center
outreach*

Seamless Transition Program

VA's Seamless Transition program sent social workers and benefits counselors to military hospitals across the Nation. Their job was to meet with recovering servicemembers, introduce them to VA benefits, help them file claims, and facilitate their transfer to VA medical facilities where they could be closer to their families. The program has made a huge difference, according to Brian Austin, assistant national service director with the Disabled American Veterans in Washington, DC, who works with wounded soldiers. He said the troops "are ecstatic and overwhelmed that someone is there to take care of them and help them submit their benefits packets."

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact								
<p style="text-align: center;">Supporting Measure Percentage of VAMCs contracted to serve as TRICARE network providers**</p>  <table border="1" data-bbox="175 491 987 709"> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2005 Result</td> <td>87%*</td> </tr> <tr> <td>2006 Plan</td> <td>80%</td> </tr> <tr> <td>Strategic Target</td> <td>90%</td> </tr> </tbody> </table> <p>* Estimated result. Final data are not yet available. **FY 2005 was the baseline year; thus no target had been identified.</p>	Year/Target	Percentage	2005 Result	87%*	2006 Plan	80%	Strategic Target	90%	<p>The 87 percent result for 2005 means that more active duty patients are being transferred to VA prior to discharge. This not only facilitates servicemembers' transition to veteran status but also provides continuity of medical care during the discharge process.</p>
Year/Target	Percentage								
2005 Result	87%*								
2006 Plan	80%								
Strategic Target	90%								
<p style="text-align: center;">Supporting Measure Implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD**</p>  <table border="1" data-bbox="201 919 954 1205"> <thead> <tr> <th>Year/Target</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>2005 Result</td> <td>2*</td> </tr> <tr> <td>2006 Plan</td> <td>2</td> </tr> <tr> <td>Strategic Target</td> <td>9</td> </tr> </tbody> </table> <p>*Actual data through August 2005. **FY 2005 was the baseline year; thus no target had been identified.</p>	Year/Target	Count	2005 Result	2*	2006 Plan	2	Strategic Target	9	<p>The development of two implementation guides benefits the transition of veterans to civilian life by implementing a uniform medical record for both DoD and VA, thus facilitating transfer of medical records between the two agencies.</p>
Year/Target	Count								
2005 Result	2*								
2006 Plan	2								
Strategic Target	9								

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

GAO

- VA/DoD Efficiencies (see page 222 for more details)
- VA/DoD Information Sharing (see page 226 for more details)

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

VA expanded the scope of care at the four regional Traumatic Brain Injury (TBI) Lead Rehabilitation Centers (located in Minneapolis, Palo Alto, Richmond, and Tampa) to create Polytrauma Rehabilitation Centers (PRCs). The PRCs are designed to treat catastrophically injured veterans returning from Iraq and Afghanistan. Patients treated at these facilities may have serious TBI alone or in combination with amputation, blindness, or other visual impairment, complex orthopedic injuries, auditory and vestibular disorders, and mental health concerns. The PRCs will specialize in coordinating the multifaceted treatment of these complex-injury patients.

In January 2005 VA established a permanent Office of Seamless Transition (OST). The OST reports to the Principal Deputy Under Secretary for Health and is composed of representatives from VBA and VHA as well as two active duty Marine Corps officers. The OST coordinates all VA activities related to the provision of benefits and health care for seriously injured Operation Enduring Freedom (OEF) and

Operation Iraqi Freedom (OIF) servicemembers transitioning directly from the military to VA facilities.

The OST works closely with DoD to ensure that these servicemembers are transitioned from the military to VA smoothly and efficiently. Uniformed Army officers are stationed at each of the four Polytrauma Rehabilitation Centers to serve as liaisons for active duty servicemembers receiving treatment at these sites. The OST is working with the military organizations providing support to injured servicemembers and their families such as Marine for Life, the Disabled Soldier Support System, and the Military Severely Injured Support Center.

Other Important Results

The Department's Vet Centers hired and trained a cadre of up to 50 new outreach workers from among the ranks of recently separated Global War on Terrorism (GWOT) veterans at targeted Vet Centers. Augmented Vet Center outreach is primarily for the purpose of providing information that facilitates the early provision of VA services to new returning veterans and their family members immediately upon their separation from the military. Due to the success of the initial GWOT veteran outreach program, the Under Secretary for Health authorized the hiring of additional OEF/OIF veteran outreach workers. The Vet Centers are now engaged in hiring 50 more GWOT veteran outreach workers to welcome home and inform their colleagues returning from Afghanistan and Iraq.

Strategic Objective 2.2

Decisions on Education Claims

Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.

Making a Difference for the Veteran



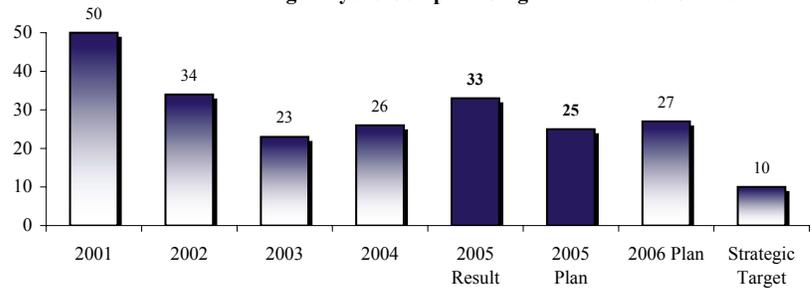
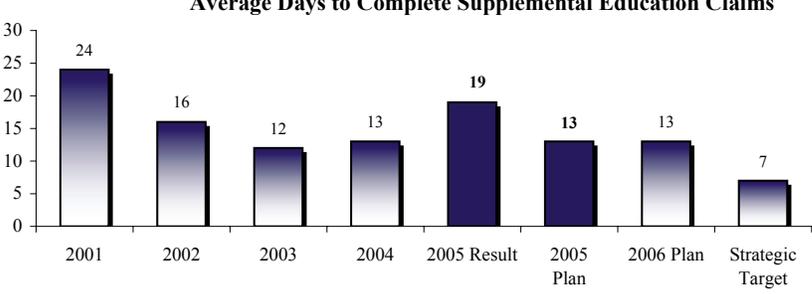
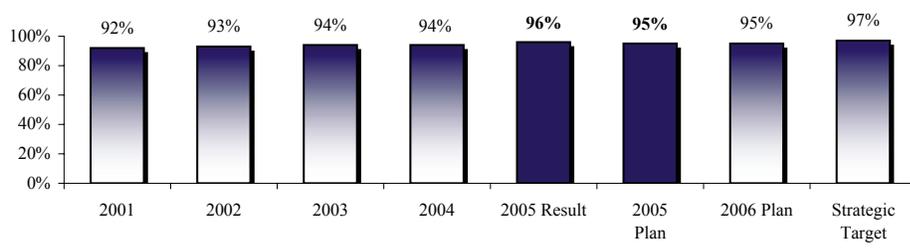
Graduation day

Helping in a Time of Need

Caring and timely help of VA staff at the Detroit VA Regional Office eased the ordeal of a veteran and her husband who had just lost their son in Iraq. The couple had just moved from Colorado to Detroit, and the veteran, accompanied by her husband, came to the regional office to discuss her VA benefits. The counselor discovered they were distraught after learning that their son had been killed in an accident while on active duty in Iraq. Asked why she had come to the meeting under such circumstances, the woman said she wanted to make sure she would not lose her education benefits in her move to Michigan.

Although the woman's records had not yet been transferred to Detroit, the VA counselor worked with a local VA outpatient clinic manager and the eligibility clerk and arranged counseling and support for the veteran and her husband. Her educational benefits were secured for the following semester, VA's actions eased the burden on the veteran and her husband.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Average Days to Complete Original Education Claims</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Average Days to Complete Original Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>50</td> </tr> <tr> <td>2002</td> <td>34</td> </tr> <tr> <td>2003</td> <td>23</td> </tr> <tr> <td>2004</td> <td>26</td> </tr> <tr> <td>2005 Result</td> <td>33</td> </tr> <tr> <td>2005 Plan</td> <td>25</td> </tr> <tr> <td>2006 Plan</td> <td>27</td> </tr> <tr> <td>Strategic Target</td> <td>10</td> </tr> </tbody> </table>	Year/Target	Days	2001	50	2002	34	2003	23	2004	26	2005 Result	33	2005 Plan	25	2006 Plan	27	Strategic Target	10	<p>The average number of days to process original claims increased 7 days during 2005. On average, beneficiaries waited these additional days to receive their initial award notification and payment. The importance of making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p>
Year/Target	Days																		
2001	50																		
2002	34																		
2003	23																		
2004	26																		
2005 Result	33																		
2005 Plan	25																		
2006 Plan	27																		
Strategic Target	10																		
<p style="text-align: center;">Key Measure Average Days to Complete Supplemental Education Claims</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Average Days to Complete Supplemental Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>24</td> </tr> <tr> <td>2002</td> <td>16</td> </tr> <tr> <td>2003</td> <td>12</td> </tr> <tr> <td>2004</td> <td>13</td> </tr> <tr> <td>2005 Result</td> <td>19</td> </tr> <tr> <td>2005 Plan</td> <td>13</td> </tr> <tr> <td>2006 Plan</td> <td>13</td> </tr> <tr> <td>Strategic Target</td> <td>7</td> </tr> </tbody> </table>	Year/Target	Days	2001	24	2002	16	2003	12	2004	13	2005 Result	19	2005 Plan	13	2006 Plan	13	Strategic Target	7	<p>The average number of days to process supplemental claims increased 6 days during 2005. On average, beneficiaries waited these additional days to receive their award notification and payment. The importance of making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p>
Year/Target	Days																		
2001	24																		
2002	16																		
2003	12																		
2004	13																		
2005 Result	19																		
2005 Plan	13																		
2006 Plan	13																		
Strategic Target	7																		
<p style="text-align: center;">Supporting Measure Payment accuracy rate (Education)</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Payment accuracy rate (Education)</caption> <thead> <tr> <th>Year/Target</th> <th>Accuracy Rate</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>92%</td> </tr> <tr> <td>2002</td> <td>93%</td> </tr> <tr> <td>2003</td> <td>94%</td> </tr> <tr> <td>2004</td> <td>94%</td> </tr> <tr> <td>2005 Result</td> <td>96%</td> </tr> <tr> <td>2005 Plan</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>95%</td> </tr> <tr> <td>Strategic Target</td> <td>97%</td> </tr> </tbody> </table>	Year/Target	Accuracy Rate	2001	92%	2002	93%	2003	94%	2004	94%	2005 Result	96%	2005 Plan	95%	2006 Plan	95%	Strategic Target	97%	<p>The payment accuracy rate for claims processing improved by more than 2 percentage points in 2005. This means more beneficiaries are receiving the correct payment for their educational assistance benefit award.</p>
Year/Target	Accuracy Rate																		
2001	92%																		
2002	93%																		
2003	94%																		
2004	94%																		
2005 Result	96%																		
2005 Plan	95%																		
2006 Plan	95%																		
Strategic Target	97%																		

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Education program during 2003, which resulted in a rating of "Results Not Demonstrated." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

During the next year, VA will work to develop a method to measure the percentage of Montgomery GI Bill participants who successfully completed an education or training program. In addition, the Education Service has been working with the National Association of State Approving Agencies to develop an outcome measure for the VA education assistance programs. VA will continue to develop the methodology to collect required data and determine targets.

Following the development of strong outcome measures, the necessary information will be available to develop and recommend changes to the educational assistance programs and thereby improve education benefits for veterans, reservists, servicemembers, and dependents.

Strategic Objective 2.3

Home Purchase and Retention

Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

Making a Difference for the Veteran



VA helps veterans to buy and retain a home

Veteran Expresses Appreciation

From a veteran's letter to the Phoenix VA Regional Office: "I am writing to express my heartfelt thanks and the thanks of my entire family for your help in our time of need. In January 2001, I was diagnosed with cancer. After successful surgery to remove the cancer, I underwent intense radiation treatments; these, along with the surgery, left me unable to work. I was not released by my doctor to return to work for nearly six months. During this time, my family and I lived on my disability insurance and were unable to pay our mortgage. We would have lost our home if not for VA. I cannot adequately convey to you the feeling of relief that I received from the straightforward advice and the hopeful words that Mr. Bill Bertrand of the Phoenix Regional Office gave me during these dark times. The stress, worry, and sleepless nights were nearly unbearable before talking to Mr. Bertrand. I have no doubt that my rapid recovery is due in no small part to the stress load taken off my shoulders by VA. VA gave my loan to a different lender and put the payments that I could not make at the end of a new loan and dropped the interest a full point. It is true -- VA takes care of their veterans!"

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Foreclosure Avoidance Through Servicing Ratio</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year/Category</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>40%</td> </tr> <tr> <td>2002</td> <td>43%</td> </tr> <tr> <td>2003</td> <td>45%</td> </tr> <tr> <td>2004</td> <td>44%</td> </tr> <tr> <td>2005 Result</td> <td>48%</td> </tr> <tr> <td>2005 Plan</td> <td>47%</td> </tr> <tr> <td>2006 Plan</td> <td>47%</td> </tr> <tr> <td>Strategic Target</td> <td>47%</td> </tr> </tbody> </table>	Year/Category	Ratio (%)	2001	40%	2002	43%	2003	45%	2004	44%	2005 Result	48%	2005 Plan	47%	2006 Plan	47%	Strategic Target	47%	<p>This result, which measures the success of VA's intervention efforts to prevent foreclosure, means that veteran homeowners were in a better position to avoid foreclosures.</p>
Year/Category	Ratio (%)																		
2001	40%																		
2002	43%																		
2003	45%																		
2004	44%																		
2005 Result	48%																		
2005 Plan	47%																		
2006 Plan	47%																		
Strategic Target	47%																		

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Loan Guaranty program during 2004, which resulted in a rating of "Results Not Demonstrated." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

VA will be implementing significant improvements in the management of defaults with emphasis on loan holders being compensated for foreclosure avoidance through loss mitigation.

Strategic Goal Three

Honoring, Serving, and Memorializing Veterans

Strategic Objective 3.1

Delivering Health Care

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.

Making a Difference for the Veteran



A VA health care provider meeting with a patient

VA Health Care – “A Bright Star”

The prestigious Journal of the American Medical Association (JAMA) labels VA “a bright star” of health care safety. The glowing comments came in the May 18, 2005, edition of the Journal, which examined the progress – or, too often, lack of progress – among private-sector health care systems during the last 5 years on issues affecting patient safety. VA’s health care system “quickly emerged as a bright star in the constellation of safety practice, with system-wide implementation of safe practices, training programs and the establishment of four patient-safety research centers,” according to the Journal’s editorial. The statement has much to back it. In December 2004, the Annals of Internal Medicine examined seven specific measurements of quality care for diabetes, and found VA ahead of its private-sector counterparts in all seven categories. That same month, the independent National Committee for Quality Assurance, which ranks health care plans according to 17 performance criteria, found VA out-performing America’s best private sector hospitals in all 17.

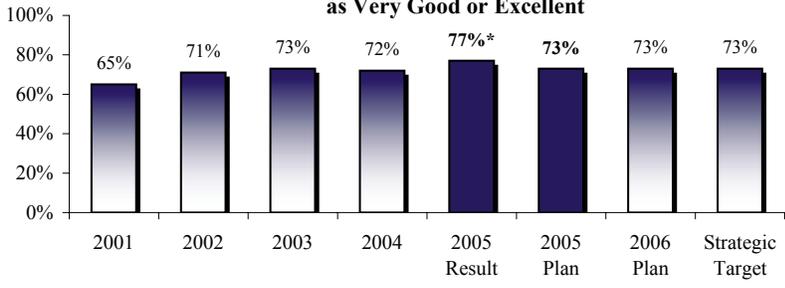
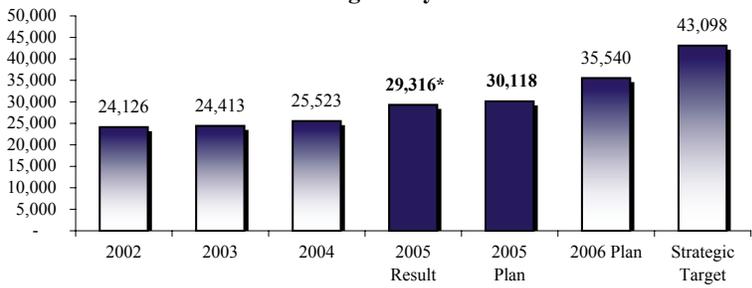
Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Clinical Practice Guidelines Index</p> <table border="1"> <caption>Clinical Practice Guidelines Index Performance</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>70%</td> </tr> <tr> <td>2004</td> <td>77%</td> </tr> <tr> <td>2005 Result</td> <td>87%*</td> </tr> <tr> <td>2005 Plan</td> <td>77%</td> </tr> <tr> <td>2006 Plan</td> <td>77%</td> </tr> <tr> <td>Strategic Target</td> <td>80%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data are not yet available.</p>	Year/Target	Percentage	2003	70%	2004	77%	2005 Result	87%*	2005 Plan	77%	2006 Plan	77%	Strategic Target	80%	<p>The 2005 score of 87 percent significantly exceeded the target of 77 percent. The Clinical Practice Guidelines Index demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking care in VA. The measure covers elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses. Providing these interventions has improved the overall health of these veterans.</p>				
Year/Target	Percentage																		
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<p style="text-align: center;">Key Measure Prevention Index II</p> <table border="1"> <caption>Prevention Index II Performance</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>80%</td> </tr> <tr> <td>2002</td> <td>82%</td> </tr> <tr> <td>2003</td> <td>83%</td> </tr> <tr> <td>2004</td> <td>88%</td> </tr> <tr> <td>2005 Result</td> <td>90%*</td> </tr> <tr> <td>2005 Plan</td> <td>88%</td> </tr> <tr> <td>2006 Plan</td> <td>88%</td> </tr> <tr> <td>Strategic Target</td> <td>88%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data are not yet available.</p>	Year/Target	Percentage	2001	80%	2002	82%	2003	83%	2004	88%	2005 Result	90%*	2005 Plan	88%	2006 Plan	88%	Strategic Target	88%	<p>The 2005 score of 90 percent exceeded the target of 88 percent. The Prevention Index II demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients. Providing these interventions has improved the overall health of veterans by preventing conditions from developing.</p>
Year/Target	Percentage																		
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<p style="text-align: center;">Key Measure Percent of Primary Care Appointments Scheduled within 30 Days of Desired Date</p> <table border="1"> <caption>Percent of Primary Care Appointments Scheduled within 30 Days of Desired Date</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>87%</td> </tr> <tr> <td>2002</td> <td>89%</td> </tr> <tr> <td>2003</td> <td>93%</td> </tr> <tr> <td>2004</td> <td>94%</td> </tr> <tr> <td>2005 Result</td> <td>97%*</td> </tr> <tr> <td>2005 Plan</td> <td>94%</td> </tr> <tr> <td>2006 Plan</td> <td>94%</td> </tr> <tr> <td>Strategic Target</td> <td>94%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data are not yet available.</p>	Year/Target	Percentage	2001	87%	2002	89%	2003	93%	2004	94%	2005 Result	97%*	2005 Plan	94%	2006 Plan	94%	Strategic Target	94%	<p>The 2005 attainment of 97 percent exceeded the target of 94 percent. This measure assesses the degree to which primary care appointments are scheduled in a timely manner. It takes into account the timeline that the patient has identified as meeting his or her need. It serves as a measure of timeliness as well as responsiveness to the patient's stated needs. Providing timely care has improved the overall health of veterans by quickly treating existing conditions and preventing conditions from developing.</p>
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Strategic Target	94%																		

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Percent of Specialty Care Appointments Scheduled within 30 Days of Desired Date</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>84%</td> </tr> <tr> <td>2002</td> <td>86%</td> </tr> <tr> <td>2003</td> <td>89%</td> </tr> <tr> <td>2004</td> <td>93%</td> </tr> <tr> <td>2005 Result</td> <td>95%*</td> </tr> <tr> <td>2005 Plan</td> <td>93%</td> </tr> <tr> <td>2006 Plan</td> <td>93%</td> </tr> <tr> <td>Strategic Target</td> <td>93%</td> </tr> </tbody> </table> <p style="font-size: small;">* Actual data through June 2005. Final data are not yet available.</p>	Year	Percentage	2001	84%	2002	86%	2003	89%	2004	93%	2005 Result	95%*	2005 Plan	93%	2006 Plan	93%	Strategic Target	93%	<p>The 2005 attainment of 95 percent exceeded the target of 93 percent. This measure was designed to assess the degree to which specialty care appointments are scheduled in a timely manner. It takes into account the timeline that the patient has identified as meeting his or her need. It serves as a measure of timeliness as well as responsiveness to the patient's stated needs. Providing timely care has improved the overall health of veterans by quickly treating existing conditions and preventing conditions from developing.</p>
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<p style="text-align: center;">Key Measure Percent of Patients Rating VA Inpatient Service as Very Good or Excellent</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>64%</td> </tr> <tr> <td>2002</td> <td>70%</td> </tr> <tr> <td>2003</td> <td>74%</td> </tr> <tr> <td>2004</td> <td>74%</td> </tr> <tr> <td>2005 Result</td> <td>77%*</td> </tr> <tr> <td>2005 Plan</td> <td>74%</td> </tr> <tr> <td>2006 Plan</td> <td>74%</td> </tr> <tr> <td>Strategic Target</td> <td>74%</td> </tr> </tbody> </table> <p style="font-size: small;">* Actual data through June 2005. Final data are not yet available.</p>	Year	Percentage	2001	64%	2002	70%	2003	74%	2004	74%	2005 Result	77%*	2005 Plan	74%	2006 Plan	74%	Strategic Target	74%	<p>The 2005 achievement of 77 percent exceeded the target of 74 percent. VHA's continual assessment of patient satisfaction with inpatient treatment provides a valuable feedback mechanism on patient expectations and what dimensions of care concern veterans the most. This also enables VHA to identify its strengths and quickly address areas where patients are less satisfied.</p>
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Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Percent of Patients Rating VA Outpatient Service as Very Good or Excellent</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Percent of Patients Rating VA Outpatient Service as Very Good or Excellent</caption> <thead> <tr> <th>Year/Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>65%</td> </tr> <tr> <td>2002</td> <td>71%</td> </tr> <tr> <td>2003</td> <td>73%</td> </tr> <tr> <td>2004</td> <td>72%</td> </tr> <tr> <td>2005 Result</td> <td>77%*</td> </tr> <tr> <td>2005 Plan</td> <td>73%</td> </tr> <tr> <td>2006 Plan</td> <td>73%</td> </tr> <tr> <td>Strategic Target</td> <td>73%</td> </tr> </tbody> </table> <p style="font-size: small;">* Actual data through June 2005. Final data are not yet available.</p>	Year/Category	Percentage	2001	65%	2002	71%	2003	73%	2004	72%	2005 Result	77%*	2005 Plan	73%	2006 Plan	73%	Strategic Target	73%	<p>The 2005 achievement of 77 percent exceeded the target of 73 percent. VHA's continual assessment of patient satisfaction with outpatient treatment provides a valuable feedback mechanism on patient expectations and what dimensions of care concern veterans the most. This enables VHA to identify its strengths and quickly address areas where patients are less satisfied.</p>
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2006 Plan	73%																		
Strategic Target	73%																		
<p style="text-align: center;">Key Measure Non-institutional Long-Term Care as Expressed by Average Daily Census</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Non-institutional Long-Term Care as Expressed by Average Daily Census</caption> <thead> <tr> <th>Year/Category</th> <th>Average Daily Census</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>24,126</td> </tr> <tr> <td>2003</td> <td>24,413</td> </tr> <tr> <td>2004</td> <td>25,523</td> </tr> <tr> <td>2005 Result</td> <td>29,316*</td> </tr> <tr> <td>2005 Plan</td> <td>30,118</td> </tr> <tr> <td>2006 Plan</td> <td>35,540</td> </tr> <tr> <td>Strategic Target</td> <td>43,098</td> </tr> </tbody> </table> <p style="font-size: small;">* Actual data through June 2005. Final data are not yet available.</p>	Year/Category	Average Daily Census	2002	24,126	2003	24,413	2004	25,523	2005 Result	29,316*	2005 Plan	30,118	2006 Plan	35,540	Strategic Target	43,098	<p>The 2005 attainment of 29,316 was below the target of 30,118. This measure quantifies the degree to which veterans have access to non-institutional care within VHA programs and/or contracted services. Non-institutional care has been deemed to be more desirable and cost efficient for those veterans who need this level of care. The measure drives both expansion of the variety of services and of geographic access, which benefits the veteran who then is able to live in the least restrictive setting possible.</p>		
Year/Category	Average Daily Census																		
2002	24,126																		
2003	24,413																		
2004	25,523																		
2005 Result	29,316*																		
2005 Plan	30,118																		
2006 Plan	35,540																		
Strategic Target	43,098																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- Part-Time Physician Time and Attendance (see page 206 for more details)
- Staffing Guidelines (see page 206 for more details)
- Quality Management (see page 207 for more details)
- Long-Term Health Care (see page 207 for more details)
- Security and Safety (see page 208 for more details)

GAO

- Access to Acute Care, Long-term Care, and Specialized Health Care Services (see page 218 for more details)
- Patient Safety Financial Management Control (see page 219 for more details)
- Resources and Workload Management Financial Management Control (see page 222 for more details)

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, they 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. Changes that have been implemented include 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 with cardiac care programs have provided detailed plans on how they intend to improve the quality of care at their facilities. VA's Strategic Management Council is monitoring compliance with the national action plan.

In January 2005 VA initiated an independent evaluation of its oncology program. The program evaluation focuses 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.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care Program during 2003, which resulted in a rating of "Adequate." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

A new directive was issued for *Documentation of Kinesiotherapy Services in Department of Veterans Affairs (VA) Nursing Home Care Units* that does the following:

- Establishes policy for the documentation of Kinesiotherapy services including applicable treatment time and procedures within VA nursing home care units.
- Defines the interdisciplinary care process in short-term, goal-oriented rehabilitative care programs, formal restorative nursing programs, nursing home care units, and other long-term maintenance programs.

Other Important Results

- The 2005 attainment of 85 percent met the target for outpatient encounters that have electronic progress notes signed within 2 days.
- The 2005 achievement of 73 percent exceeded the target of 67 percent for patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities.

Strategic Objective 3.2

Decisions on Pension Claims

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

Making a Difference for the Veteran

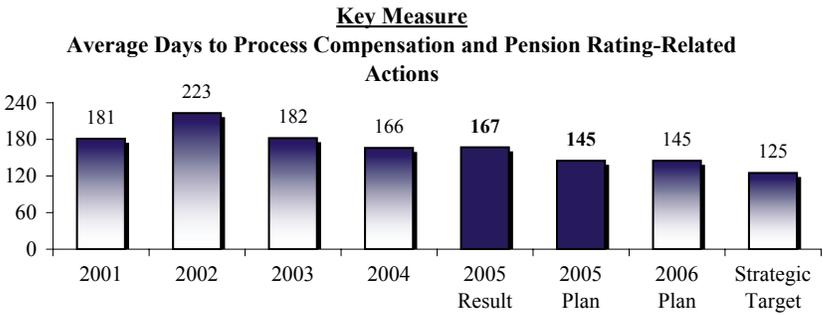
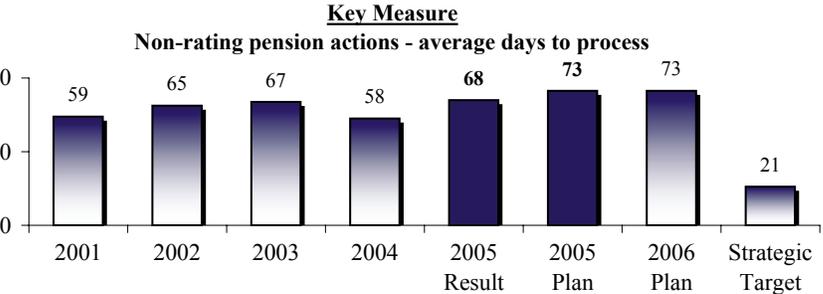
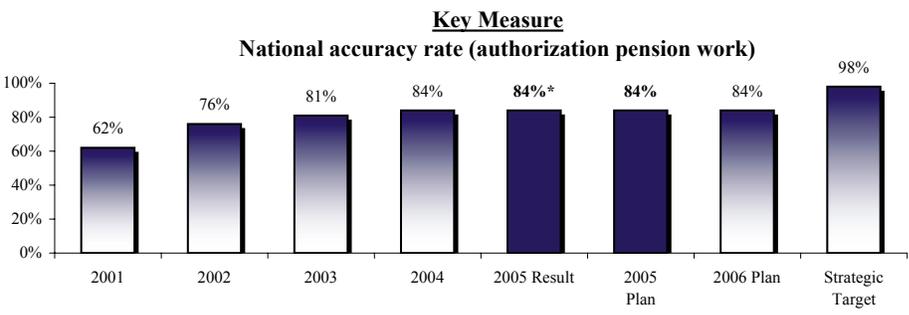


VA honors veterans

Getting the Correct Benefit to a Deserving Beneficiary

With a little investigative work, employees at the Huntington, West Virginia, Regional Office helped the widow of a former prisoner of war (POW) who was about to lose her VA pension. Veterans Service Representative Suzanne Heckenbach was discussing a former POW veteran's claim with Paul Lowe, a senior rating specialist. As they talked, she mentioned the widow of another former POW, who was about to lose her nonservice-connected death pension because her Social Security benefits pushed her slightly over the VA income limit. They looked into her case and Lowe determined that, due to legislation passed after the veteran's death, his death could be considered service-connected. The widow was awarded Dependency and Indemnity Compensation nearly double that of her old pension rate.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Average Days to Process Compensation and Pension Rating-Related Actions</p>  <table border="1" data-bbox="256 436 1079 751"> <thead> <tr> <th>Year</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>181</td> </tr> <tr> <td>2002</td> <td>223</td> </tr> <tr> <td>2003</td> <td>182</td> </tr> <tr> <td>2004</td> <td>166</td> </tr> <tr> <td>2005 Result</td> <td>167</td> </tr> <tr> <td>2005 Plan</td> <td>145</td> </tr> <tr> <td>2006 Plan</td> <td>145</td> </tr> <tr> <td>Strategic Target</td> <td>125</td> </tr> </tbody> </table>	Year	Average Days	2001	181	2002	223	2003	182	2004	166	2005 Result	167	2005 Plan	145	2006 Plan	145	Strategic Target	125	<p>On average, the veteran had to wait an additional day for a rating decision when compared to last year (167 vs. 166 days). While negligible, this processing time is too long, does not meet the needs of the veteran, and is significantly higher than the 145-day target. The continuing increase in the number of claims received did appreciably affect VA's ability to meet its 2005 target.</p>
Year	Average Days																		
2001	181																		
2002	223																		
2003	182																		
2004	166																		
2005 Result	167																		
2005 Plan	145																		
2006 Plan	145																		
Strategic Target	125																		
<p style="text-align: center;">Key Measure Non-rating pension actions - average days to process</p>  <table border="1" data-bbox="256 955 1079 1249"> <thead> <tr> <th>Year</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>59</td> </tr> <tr> <td>2002</td> <td>65</td> </tr> <tr> <td>2003</td> <td>67</td> </tr> <tr> <td>2004</td> <td>58</td> </tr> <tr> <td>2005 Result</td> <td>68</td> </tr> <tr> <td>2005 Plan</td> <td>73</td> </tr> <tr> <td>2006 Plan</td> <td>73</td> </tr> <tr> <td>Strategic Target</td> <td>21</td> </tr> </tbody> </table>	Year	Average Days	2001	59	2002	65	2003	67	2004	58	2005 Result	68	2005 Plan	73	2006 Plan	73	Strategic Target	21	<p>In 2005 VA met its target by 5 days, thus providing more timely responses to those veterans who are either waiting for decisions on claims or are waiting for VA to make adjustments to their awards.</p>
Year	Average Days																		
2001	59																		
2002	65																		
2003	67																		
2004	58																		
2005 Result	68																		
2005 Plan	73																		
2006 Plan	73																		
Strategic Target	21																		
<p style="text-align: center;">Key Measure National accuracy rate (authorization pension work)</p>  <table border="1" data-bbox="203 1354 1112 1669"> <thead> <tr> <th>Year</th> <th>Accuracy Rate</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>62%</td> </tr> <tr> <td>2002</td> <td>76%</td> </tr> <tr> <td>2003</td> <td>81%</td> </tr> <tr> <td>2004</td> <td>84%</td> </tr> <tr> <td>2005 Result</td> <td>84%*</td> </tr> <tr> <td>2005 Plan</td> <td>84%</td> </tr> <tr> <td>2006 Plan</td> <td>84%</td> </tr> <tr> <td>Strategic Target</td> <td>98%</td> </tr> </tbody> </table> <p>* Actual data through June 2005. Final data will be available in January 2006.</p>	Year	Accuracy Rate	2001	62%	2002	76%	2003	81%	2004	84%	2005 Result	84%*	2005 Plan	84%	2006 Plan	84%	Strategic Target	98%	<p>The veteran is entitled to an accurate decision on his or her pension claim. VA continues to strive to improve in this important area by providing enhanced training to help employees properly make increasingly complex pension-related decisions.</p>
Year	Accuracy Rate																		
2001	62%																		
2002	76%																		
2003	81%																		
2004	84%																		
2005 Result	84%*																		
2005 Plan	84%																		
2006 Plan	84%																		
Strategic Target	98%																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- State Variances in VA Disability Compensation Payments (see page 202 for more details)
- Compensation and Pension Timeliness (see page 203 for more details)
- Compensation and Pension Program's Internal Controls (see page 204 for more details)
- Fugitive Felon Program (see page 205 for more details)

GAO

- Timeliness and Accuracy (see page 220 for more details)
- Consistency of Claims Decisions (see page 221 for more details)
- Staffing Level Justification (see page 221 for more details)
- Program Transformation and Modernization (see page 221 for more details)

Program Evaluations

An evaluation of the Pension program was completed by ORC Macro; Economic Systems, Incorporated; and the Hay Group in 2004. They recommended that the pension benefit payable to veterans' survivors be more consistent with the benefit provided by the U.S. Department of Agriculture's food assistance programs. VA is reviewing the proposal.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Pension program during 2005. The rating has not yet been issued.

New Policies and Procedures

The Veterans Claims Assistance Act of 2000 has significantly increased both the length and complexity of claims development. VA's notification and development duties increased, adding more steps to the claims process and lengthening the time it takes to develop and decide a claim.

We expect increased workload due to pending requirements to expand outreach efforts. These requirements would involve additional efforts to identify and inform veterans who are not enrolled or registered with VA about their potential eligibility for benefits or services, including eligibility for medical and nursing care.

Other Important Results

Despite the increased workload, the overall customer satisfaction rate for pension has increased from 63 percent in 2001 to 66 percent in 2004.

Strategic Objective 3.3

Providing Insurance Service

Maintain a high level of service to insurance policyholders and their beneficiaries to enhance the financial security for veterans' families

Making a Difference for the Veteran



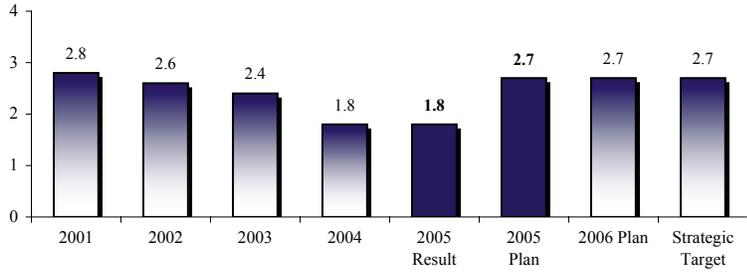
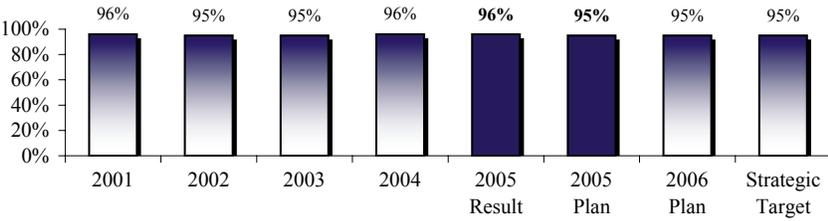
VA employees using the latest technologies to serve veterans

Insurance Services – Tops in Government

The VA Insurance Center, located in Philadelphia, Pennsylvania, administers six nationwide life insurance programs that provide \$18.7 billion in insurance protection to 1.4 million veterans. The center annually processes 141,000 death awards, 36,000 loans and cash surrenders, 21,000 new life insurance applications, and 2 million premium collections, and handles more than 730,000 telephone calls. The center also supervises the Servicemembers' Group Life Insurance and Veterans' Group Life Insurance programs that provide over \$1 trillion in coverage to 2.9 million servicemembers and veterans and 3 million spouses and children.

The Insurance Center received top honors for overall excellence in customer support from a group representing help desks, call centers, and other customer service operations in the government. The award came in 2004 from the Government Contract Center Community of Practice, which examined 32 entrants from federal, state, and local consumer assistance centers and Web portals in four categories. Winners were selected for their excellence in internal and external customer support. The operation requires 80 toll-free lines and about 100 employees. The center's "signature service" program means that insurance specialists are responsible for all aspects of the calls they receive including any issues that arise by letter.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Average Days to Process Insurance Disbursements</p>  <table border="1" data-bbox="191 468 938 741"> <caption>Average Days to Process Insurance Disbursements</caption> <thead> <tr> <th>Year/Category</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>2.8</td> </tr> <tr> <td>2002</td> <td>2.6</td> </tr> <tr> <td>2003</td> <td>2.4</td> </tr> <tr> <td>2004</td> <td>1.8</td> </tr> <tr> <td>2005 Result</td> <td>1.8</td> </tr> <tr> <td>2005 Plan</td> <td>2.7</td> </tr> <tr> <td>2006 Plan</td> <td>2.7</td> </tr> <tr> <td>Strategic Target</td> <td>2.7</td> </tr> </tbody> </table>	Year/Category	Average Days	2001	2.8	2002	2.6	2003	2.4	2004	1.8	2005 Result	1.8	2005 Plan	2.7	2006 Plan	2.7	Strategic Target	2.7	<p>By processing these disbursements in 1.8 days on average, VA ensures that death claim benefits, policy loans, or cash surrenders are paid in a timely manner so that veterans and their families receive cash proceeds when needed either at the time of the veteran's death or as a quick influx of cash in the form of a policy loan or cash surrender to the policyholder.</p>
Year/Category	Average Days																		
2001	2.8																		
2002	2.6																		
2003	2.4																		
2004	1.8																		
2005 Result	1.8																		
2005 Plan	2.7																		
2006 Plan	2.7																		
Strategic Target	2.7																		
<p style="text-align: center;">Supporting Measure High customer satisfaction ratings % (Insurance)</p>  <table border="1" data-bbox="167 961 995 1182"> <caption>High customer satisfaction ratings % (Insurance)</caption> <thead> <tr> <th>Year/Category</th> <th>Satisfaction Rating %</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>96%</td> </tr> <tr> <td>2002</td> <td>95%</td> </tr> <tr> <td>2003</td> <td>95%</td> </tr> <tr> <td>2004</td> <td>96%</td> </tr> <tr> <td>2005 Result</td> <td>96%</td> </tr> <tr> <td>2005 Plan</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>95%</td> </tr> <tr> <td>Strategic Target</td> <td>95%</td> </tr> </tbody> </table>	Year/Category	Satisfaction Rating %	2001	96%	2002	95%	2003	95%	2004	96%	2005 Result	96%	2005 Plan	95%	2006 Plan	95%	Strategic Target	95%	<p>Maintenance of high customer satisfaction levels with VA-provided life insurance services is an indicator that VA's efforts to honor and serve America's veterans and their beneficiaries are successful and that veterans and their families believe that VA is providing them with a high level of service.</p>
Year/Category	Satisfaction Rating %																		
2001	96%																		
2002	95%																		
2003	95%																		
2004	96%																		
2005 Result	96%																		
2005 Plan	95%																		
2006 Plan	95%																		
Strategic Target	95%																		

Related Information

Major Management Challenges

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

Program Evaluations

A program evaluation of the Insurance program was completed by ORC Macro; Economic Systems, Incorporated; the Hay Group; and Systems Flow, Incorporated in May 2001. While the evaluation concluded the program was effective in meeting its Congressional intent, there were several recommendations for improvements that have been implemented including the following:

- Servicemembers' Group Life Insurance (SGLI) dependent coverage is now available.
- Veterans' Group Life Insurance (VGLI) premium rates have been reduced, making them more comparable to commercial quotes.
- The "terminating age of 70" has been removed from the Veterans' Mortgage Life Insurance (VMLI) program.
- Measures have been taken to better publicize the SGLI conversion feature.

A number of recommendations have not yet been implemented. VA will continue to address the recommendations of the program evaluation. The program evaluation recommendations that were implemented have enhanced the financial security of veterans' families.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Insurance program during 2005. The rating has not yet been issued.

New Policies and Procedures

VA's Paperless Processing initiative will allow VA to image the Loan and Surrender applications as soon as they are received and immediately create a loan or surrender workflow task for employees of the Policyholders Services. Additionally there will be new internal controls reports and tools for monitoring Loan and Surrender disbursements and accounting actions. These improvements will decrease the processing time of disbursements.

The Insurance Service's major training initiative, "Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems," successfully implemented four new job aids that capture "best practices" for processing various work items. These improvements will result in more accurate processing with improved service to veterans and beneficiaries.

The Insurance Web site has several new enhancements including the VMLI premium calculator, frequently asked questions and facts, a bulletin board, and the VA life insurance handbook. All of these features provide visitors up-to-date information and improve veterans' access to insurance information.

Strategic Objective 3.4

Meeting Burial Needs

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

Making a Difference for the Veteran



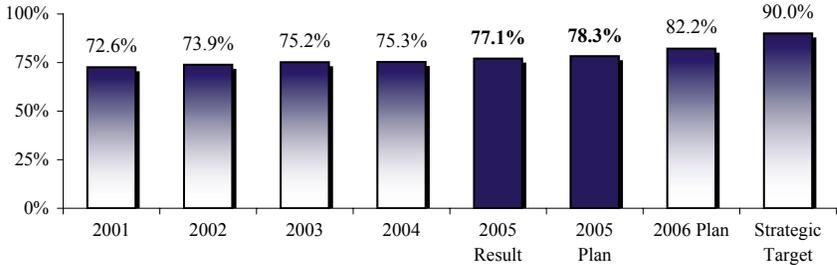
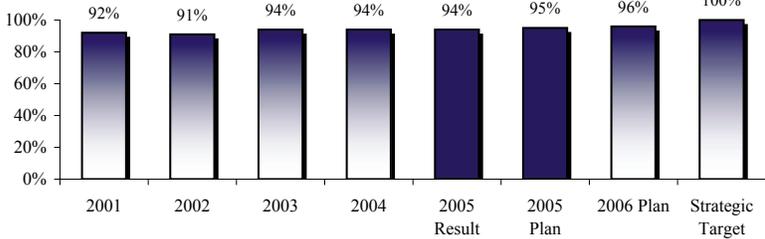
Fort Sam Houston National Cemetery

VA maintains 121 national cemeteries in 39 states and Puerto Rico, as well as 33 soldiers' lots and monument sites. More than 3 million Americans, including veterans of every war and conflict, from the Revolutionary War to the current war in Iraq, are buried in VA's national cemeteries.

VA also administers the State Cemetery Grants program, which provides aid to states to establish, expand, or improve state veterans cemeteries. The grants have helped establish, expand, or improve 61 state veterans cemeteries that performed more than 20,000 burials of veterans and eligible family members in 2005.

With the opening of the Idaho State Veterans Cemetery in 2005, there is now an operational national or state veterans cemetery in every state of the union as well as Puerto Rico and Guam.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Percent of Veterans Served by a Burial Option within a Reasonable Distance (75 miles) of their Residence</p>  <table border="1"> <caption>Percent of Veterans Served by a Burial Option within a Reasonable Distance (75 miles) of their Residence</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>72.6%</td> </tr> <tr> <td>2002</td> <td>73.9%</td> </tr> <tr> <td>2003</td> <td>75.2%</td> </tr> <tr> <td>2004</td> <td>75.3%</td> </tr> <tr> <td>2005 Result</td> <td>77.1%</td> </tr> <tr> <td>2005 Plan</td> <td>78.3%</td> </tr> <tr> <td>2006 Plan</td> <td>82.2%</td> </tr> <tr> <td>Strategic Target</td> <td>90.0%</td> </tr> </tbody> </table>	Year/Target	Percentage	2001	72.6%	2002	73.9%	2003	75.2%	2004	75.3%	2005 Result	77.1%	2005 Plan	78.3%	2006 Plan	82.2%	Strategic Target	90.0%	<p>By the end of 2005, more than 18 million veterans and their families had reasonable access to a burial option. One of the primary objectives of VA is to ensure that the burial needs of veterans and eligible family members are met. Having reasonable access is integral to realizing this objective.</p>
Year/Target	Percentage																		
2001	72.6%																		
2002	73.9%																		
2003	75.2%																		
2004	75.3%																		
2005 Result	77.1%																		
2005 Plan	78.3%																		
2006 Plan	82.2%																		
Strategic Target	90.0%																		
<p style="text-align: center;">Key Measure Percent of Respondents Who Rate the Quality of Service Provided by National Cemeteries as Excellent</p>  <table border="1"> <caption>Percent of Respondents Who Rate the Quality of Service Provided by National Cemeteries as Excellent</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>92%</td> </tr> <tr> <td>2002</td> <td>91%</td> </tr> <tr> <td>2003</td> <td>94%</td> </tr> <tr> <td>2004</td> <td>94%</td> </tr> <tr> <td>2005 Result</td> <td>94%</td> </tr> <tr> <td>2005 Plan</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>96%</td> </tr> <tr> <td>Strategic Target</td> <td>100%</td> </tr> </tbody> </table>	Year/Target	Percentage	2001	92%	2002	91%	2003	94%	2004	94%	2005 Result	94%	2005 Plan	95%	2006 Plan	96%	Strategic Target	100%	<p>Cemetery service goals are set high consistent with the expectations of the families of individuals who are interred as well as other visitors. High-quality, courteous, and responsive service to veterans and their families is reflected in VA's 2005 satisfaction rating.</p>
Year/Target	Percentage																		
2001	92%																		
2002	91%																		
2003	94%																		
2004	94%																		
2005 Result	94%																		
2005 Plan	95%																		
2006 Plan	96%																		
Strategic Target	100%																		

Related Information

Major Management Challenges

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

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.

In 2005 NCA initiated a joint effort with VBA and VA's Office of Policy, Planning, and Preparedness to begin a comprehensive program evaluation of the full array of burial benefits and services that VA provides to veterans and their

families. The program evaluation will assess, develop, and update program outcomes, goals, and objectives and compare actual program results with established goals.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during 2002, which resulted in a rating of "Moderately Effective." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

From 2005 through 2009, NCA will establish 11 new national cemeteries. The development of these cemeteries is consistent with current policy to locate national cemeteries in areas with the largest concentration of veterans. Each location will provide a burial option to at least 170,000 veterans not currently served.

In 2005 the National Cemetery of the Alleghenies began interment operations, providing service to veterans in the area of Pittsburgh, Pennsylvania. In 2006 new national cemeteries will begin providing service to veterans in the areas of Detroit, Michigan; Atlanta, Georgia; and South Florida. A new national cemetery to provide service to veterans in the area of Sacramento, California, will begin interment operations in 2007. These five new cemeteries will provide reasonable access to a burial option to 2 million veterans.

As directed by the National Cemetery Expansion Act of 2003, Public Law 108-109, action is underway to establish six new national cemeteries to serve veterans in the areas of Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Sarasota, Florida; and Southeastern Pennsylvania. These cemeteries are expected to begin operations in 2009 and will provide service to about 1 million veterans.

Other Important Results

In 2005 VA continued to take actions necessary to establish new national cemeteries to provide service to veterans in

the areas of greatest need. VA also completed construction projects to extend burial operations at four national cemeteries. Appropriate land acquisition is a key component to providing continued accessibility to burial options. For example, Fort Sam Houston Army Post transferred to VA approximately 170 acres of land contiguous to VA's Fort Sam Houston National Cemetery. This additional acreage will allow the cemetery to continue to provide reasonable access to a burial option to about 273,000 veterans and their families in the San Antonio, Texas, area.

In addition to building, operating, and maintaining national cemeteries, VA also administers the State Cemetery Grants program, which provides grants to states for up to 100 percent of the cost of establishing, expanding, or improving state veterans cemeteries. Increasing the availability of state veterans cemeteries is a means to provide a burial option to those veterans who may not have reasonable access to a national cemetery. In 2005, 61 operating state veterans cemeteries performed more than 20,000 interments of veterans and eligible family members, and grants were obligated to establish, expand, or improve state veterans cemeteries in 12 states.

In a report released in 2005, VA's national cemeteries received the highest rating ever achieved by a public or private organization in a nationwide customer satisfaction survey. The survey was the 2004 American Customer Satisfaction Index (ACSI). VA scored a rating of 95 out of a possible 100 points. This is two points higher than the last survey in 2001, when VA's national cemeteries also ranked number one in customer satisfaction. In addition on ACSI's index for "user trust," VA achieved a rating of 97 out of a possible 100 points. This indicates that respondents are exceptionally willing to say positive things about VA's national cemeteries.

Strategic Objective 3.5

Symbolic Expressions of Remembrance

Provide veterans and their families with timely and accurate symbolic expressions of remembrance.

Making a Difference for the Veteran



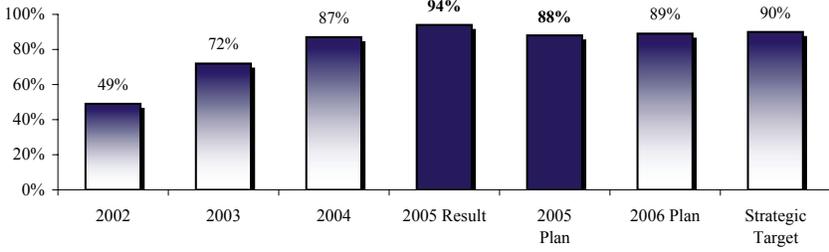
Presidential Memorial Certificate

Presidential Memorial Certificate

A Presidential Memorial Certificate is an engraved paper certificate, bearing the signature of the current President, to honor the memory of honorably discharged deceased veterans. Family members and loved ones may request a certificate, and more than one may be provided. Only proof of eligible service is required.

In 1962, President John F. Kennedy began the practice of issuing Presidential Memorial Certificates (PMCs) as a way for the President of the United States, on behalf of all Americans, to express appreciation for the service and sacrifice of honorably discharged deceased veterans. All subsequent Presidents have continued the program. Five million PMCs have been issued since the National Cemetery Administration became responsible for administration of the program in 1987.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact																
<p style="text-align: center;">Key Measure Percent of Graves in National Cemeteries Marked Within 60 Days of Interment</p>  <table border="1" data-bbox="186 619 1015 871"> <caption>Percent of Graves in National Cemeteries Marked Within 60 Days of Interment</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>49%</td> </tr> <tr> <td>2003</td> <td>72%</td> </tr> <tr> <td>2004</td> <td>87%</td> </tr> <tr> <td>2005 Result</td> <td>94%</td> </tr> <tr> <td>2005 Plan</td> <td>88%</td> </tr> <tr> <td>2006 Plan</td> <td>89%</td> </tr> <tr> <td>Strategic Target</td> <td>90%</td> </tr> </tbody> </table>	Year/Target	Percentage	2002	49%	2003	72%	2004	87%	2005 Result	94%	2005 Plan	88%	2006 Plan	89%	Strategic Target	90%	<p>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. The 2005 achievement not only represents continued improvement, but also indicates that VA is serving veterans and their families well in this area.</p>
Year/Target	Percentage																
2002	49%																
2003	72%																
2004	87%																
2005 Result	94%																
2005 Plan	88%																
2006 Plan	89%																
Strategic Target	90%																

Related Information

Major Management Challenges

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

Program Evaluations

In 2005 NCA initiated a joint effort with VBA and VA's Office of Policy, Planning, and Preparedness to begin a comprehensive program evaluation of the full array of burial benefits and services that VA provides to veterans and their families. The program evaluation will assess, develop, and update program outcomes, goals, and objectives and compare actual program results with established goals.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during 2002, which resulted in a rating of "Moderately Effective." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

VA has developed a new performance measure that will help ensure timely and accurate symbolic expressions of remembrance are provided for veterans who are not

buried in national cemeteries. NCA receives and processes applications to order headstones and markers for graves of such veterans. In 2005 (the baseline year), VA processed 13 percent of these applications within 20 days of receipt. VA's long-range performance goal is to process 90 percent of the applications within 20 days of receipt.

Other Important Results

VA furnishes headstones and markers for the graves of eligible persons in national, state, other public, and private cemeteries. VA also furnishes 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. VA furnishes headstones and markers for national cemeteries administered by the Department of the Army and the Department of the Interior, as well as for state veterans cemeteries, and contracts for all columbaria niche inscriptions at Arlington National Cemetery. In 2005 VA processed more than 363,000 applications for headstones and markers for placement in national, state, other public, or private cemeteries. Since 1973 VA has furnished nearly 9 million headstones and markers for the graves of veterans and other eligible persons.

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 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. NCA 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. In 2005, 96 percent of headstones and markers were delivered undamaged and correctly inscribed. In 2005 inscription data for 99 percent of headstones and markers ordered by national cemeteries were accurate and complete. 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.

In 2005 VA issued nearly 488,000 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.

Strategic Goal Four

Contributing to the Nation's Well-Being

Strategic Objective 4.1

Emergency Preparedness

Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans as well as support to national, state, and local emergency management and homeland security efforts.

Making a Difference for the Veteran



VA police officers and facility engineer work on the generator at the New Orleans VAMC after Hurricane Katrina. They were among the many employees who stayed behind to ensure the safe evacuation of the patients at the medical center and to try to limit the amount of damage to the facility from the hurricane.

Hurricane Season

During hurricane season, the Department of Health and Human Services (HHS) often requests VA health care staff from across the country to support health and medical needs. VA employees not only provide aid to states in need, but also to the many sister VA facilities in stricken areas.

In responding to Hurricane Katrina, the Department's emergency preparedness planning paid off, and VA took care of veterans in the stricken area. Within the three-state disaster area of Louisiana, Mississippi, and Alabama, there are approximately 1 million veterans of which 400,000 receive health care and 140,000 financial benefits. In the aftermath of Hurricane Katrina, VA lost two medical centers, one regional benefits office, five outpatient clinics, and one national cemetery.

In the immediate days after the hurricane, VA successfully evacuated nearly 800 people from the New Orleans VA Medical Center (VAMC): 252 patients by Air National Guard and 500 staff and family members by bus. All patients were treated at medical centers in the region. Not one

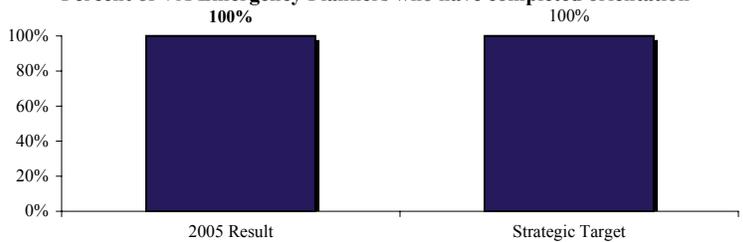
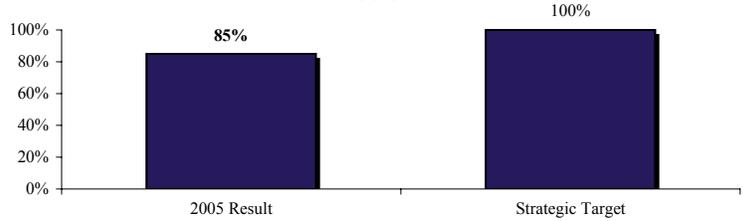
Hurricane Season, continued

life was lost in this evacuation. All patients in the Gulfport VAMC and 70 patients from the Biloxi VAMC were evacuated before the hurricane hit. VHA sent an initial deployment of 238 volunteers to the Gulf region to assist in caring for the displaced veterans and relieve affected employees. Eleven mobile clinics were sent to the affected area to provide continued care for veterans. VBA representatives were also deployed to shelters to reach out to veterans, offer assistance, and explain benefits.

In support of its National Response Plan partners, VA deployed 12 mental health professionals and provided space to house two 250-bed medical shelters being stood up by HHS at the Alexandria, Louisiana, VAMC. Under the National Disaster Medical System, 18 VA Federal Coordinating Centers were activated with 8 centers processing the majority of approximately 2,000 evacuees. VHA identified space in VA facilities that could be used as transitional housing for evacuees, while VBA provided the Federal Emergency Management Agency with an inventory of all VA-reposessed homes nationwide that might eventually be used to house evacuees. NCA assisted in drafting a mortuary plan to be used for mass burials and the procurement of body bags. VA also mobilized \$1.3 million in critical pharmaceuticals and medical supplies to the State of Mississippi through VA's National Acquisition Center as well as provided large stocks of pharmaceuticals and medical supplies to VAMCs that received evacuees.

On October 3, 2005, the Senate by unanimous consent adopted a resolution of praise for the "employees and volunteers of the Department of Veterans Affairs, who risked life and limb to assist veterans, staff, and their respective families who were affected by Hurricane Katrina."

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact
<p style="text-align: center;">Supporting Measure Percent of VA Emergency Planners who have completed orientation*</p>  <p style="text-align: center;">*The 2005 plan number is not available.</p>	<p>The 2005 achievement indicates that those in VA responsible for developing continuity of operations plans and guaranteeing VA will continue to provide essential functions understand their responsibilities for emergency preparedness planning and the directives governing such planning.</p>
<p style="text-align: center;">Supporting Measure Percent of VA Leadership who certify their teams "ready to deploy" to their COOP site</p>  <p style="text-align: center;">*The 2005 plan number is not available.</p>	<p>The 2005 achievement indicates that the majority of VA's leadership knows the requirements for maintaining continuity of operations (COOP) and service to veterans and that their organizations have plans in place and are ready to relocate to an alternate site if necessary. As demonstrated by Hurricane Katrina in September 2005, continuity of operations is essential to veterans, their families, and the community at large.</p>

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

- OIG
 - Security and Safety (see page 208 for more details)
- GAO
 - Prepare for Biological and Chemical Acts of Terrorism (see page 223 for more details)

- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A High-Risk Area (see page 229 for more details)

Program Evaluations

VA completed a *Survey Assessment of VA Medical Centers' Emergency Preparedness*, which analyzed facility and staff preparedness including issues such as medical center back-

up utilities, lab, pharmacy, psychiatric services, security, administration, and internal medicine. Deliverables included an automated Web-based survey assessment tool, which provides for follow-up assessments at regular intervals. The study found that VA's strengths are in the areas of planning, establishing command and control structures, and having a strong surge capability to increase the capacity for beds, personnel, medications, and supplies. Areas needing improvement included coordination and administration, communication, logistics and resource management, and training. Among the recommendations were that VA strive for greater consistency in planning and full redundancy of critical systems at each VAMC. Also, VA should refine the survey, re-administer it to track progress, and compare it with the HHS survey of non-federal hospitals. VA is currently negotiating a contract to refine the online survey tool, develop a comparison document of VA and HHS survey data, and share the survey findings with DoD.

VA conducted a contract staffing analysis to assess the extent to which VA has sufficient personnel with the requisite skills and training who could be assembled to meet external emergency preparedness commitments while still maintaining essential services and operations during a catastrophic emergency. The contractor developed a comprehensive training framework and facility-specific guidelines for preparing occupant emergency plans. The analysis identified potential family support activities during an emergency situation. The contractor also conducted a comparative market analysis of occupant surveillance systems, reviewed the issuance of security clearances, and identified standards for the criteria used to determine the vulnerabilities associated with hiring or employing foreign nationals. VA's Strategic Management Council is considering an action plan outlining the necessary actions, timeline, and resource commitments to implement the recommendations.

VA also conducted an *Essential Paper Records Study*. The study assessed VA's ability to sufficiently safeguard and reconstitute essential paper records during and after a catastrophic event that disrupts the provision of benefits and services to veterans and their families. It also analyzed the process and procedures for maintaining, protecting, securing, and reconstituting paper records for business operations essential to each VA administration and certain headquarters functions. The study found that the greatest vulnerabilities relate to VA's overflow storage for paper records where the standard of care and protection was frequently found to be

extremely low. VA has alerted facilities to the risks posed to these records, and Records Management program officials in Central Office are instituting abatement plans to deal with vulnerabilities.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

The Department has participated in major governmentwide exercises designed to respond to chemical and biological acts and has conducted internal continuity of operations exercises. The Department also established a new comprehensive emergency management program to address continuity of operations, as required by Federal Preparedness Circular 65.

Other Important Results

The National Institute of Building Sciences conducted physical vulnerability assessments to study mission-critical VA facilities and provided recommendations to mitigate identified vulnerabilities. As a follow-up, VA will conduct full assessments at sites where CARES major projects are planned and expand analytical capability of the Physical Security Database to better track progress in addressing identified vulnerabilities.

Strategic Objective 4.2

Medical Research and Development

Advance VA medical research and development programs that address veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the Nation's knowledge of disease and disability.

Making a Difference for the Veteran



Improving veterans health and well-being through research and development

Innovative Research on Behalf of Veterans

VA researchers William M. Grady, MD, and Kevin Volpp, MD, PhD, along with 58 scientists from 7 other federal agencies, received Presidential Early Career Awards for Scientists and Engineers from President Bush at the White House in June. These annual awards were established in 1996 to recognize top young scientists and engineers for their “innovative research, which is at the frontiers of science and technology,” and their “exceptional potential to shape the future through intellectual and inspired leadership.” Both VA recipients are part of VA’s career development program. Grady, a gastroenterology researcher at the VA Puget Sound Healthcare System in Seattle, studies the mechanisms of colon cancer, which is a major cause of cancer-related deaths among VA’s patient population. His lab focuses on how cancer cells in the colon become resistant to a specific growth factor, or protein, in the body that normally suppresses tumors. Grady is also an assistant professor at the University of Washington School of Medicine and an investigator at the Fred Hutchinson Cancer Research Center. Volpp is a staff physician and health services researcher at the Philadelphia VA Medical Center, and an assistant professor of medicine and healthcare systems at the Wharton School and School of Medicine of the University of Pennsylvania. His research concerns how economics affect the quality of health care. Among the issues he has studied are the influence of HMOs on cardiac outcomes, financial incentives to promote smoking cessation, and VA’s role in reducing health care disparities.

Performance Trends and Impact of FY 2005 Results

Performance Trend	FY 2005 Impact										
<p style="text-align: center;">Key Measure</p> <p style="text-align: center;">Number of peer-reviewed publications by VA investigators</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2005 Result</td> <td>2,665*</td> </tr> <tr> <td>2005 Plan</td> <td>2,558</td> </tr> <tr> <td>2006 Plan</td> <td>2,590</td> </tr> <tr> <td>Strategic Target</td> <td>2,700</td> </tr> </tbody> </table> <p style="text-align: center;">* Estimated actual. Final data are not yet available.</p>	Category	Value	2005 Result	2,665*	2005 Plan	2,558	2006 Plan	2,590	Strategic Target	2,700	<p>VA's projected result for 2005 surpasses our goal of achieving 2,558 peer-reviewed publications that show VA as the affiliated institution of the first author. The result is a quantifiable representation of the degree to which research results are used to improve health care. In addition, our achievement is a quantitative indicator of the productivity of the overall research enterprise as well as the degree to which it benefits veterans and the Nation.</p>
Category	Value										
2005 Result	2,665*										
2005 Plan	2,558										
2006 Plan	2,590										
Strategic Target	2,700										

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Research and Development program during 2005. The rating has not yet been issued.

New Policies and Procedures

The following new policies and procedures were established in 2005:

- VA investigators and research offices have been informed that it is their responsibility to ensure that VA affiliation and support are acknowledged on all public reports and presentations including publications, media interviews, and other professional activities in which the results of research are formally presented. VA must be acknowledged first when: (1) the investigator has a five-eighths or more VA appointment; (2) work was funded primarily by VA resources, either directly or indirectly; or (3) the research was conducted primarily in VA facilities.
- VA established a mechanism to facilitate collaboration with private industry to conduct trials in key disease areas that impact the veteran population.

- VA is publicizing—via a Web site—clinical trials in which veterans can participate.
- VA standardized a process for registering clinical trials on ClinicalTrials.gov, a Web site that provides up-to-date information about federally and privately supported clinical research using human volunteers.
- VA's Program Office for Research Integrity Development & Education provided new training for the Human Research Protection Program (HRPP). The training included three 2-day HRPP courses on the basics of human research protection regulations, guidance, and implementation for individuals new to their human research protection responsibilities and a 2-day course on HRPP for research compliance officers.

Other Important Results

The VA Research Career Development program is designed to train and retain VA clinicians who will conduct research of high relevance to VA health care. In 2005 VA increased training opportunities for clinician-investigators. The number of clinician-investigators who remain with VA 3 years after the completion of their career development award period is a good indicator of the effectiveness of the program. The 2005 results (projected) show a 69 percent retention rate, exceeding the target of 63 percent.

Strategic Objective 4.3

Academic Partnerships

Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high-quality educational experiences for health care trainees.

Making a Difference for the Veteran



Worthen Award for academic excellence

Worthen Award for Academic Excellence

Phyllis A. Guze, M.D., Chair of the Medicine Department and Director of the Medical Care Line at VA Greater Los Angeles Healthcare System has been honored by VA as recipient of the David M. Worthen Award for Academic Excellence. Dr. Guze has made significant contributions to medical education and VA's mission in several key areas. She provided visionary leadership in developing curricula in both VA Ambulatory Care education and Women's Health, well before these were recognized national priorities. Dr. Guze also served as Dean of Education for the UCLA School of Medicine and created what would become models for mutually beneficial affiliations. In that role, she also was instrumental in overseeing the efforts of UCLA to modernize the undergraduate medical curriculum. Many of those innovations have endured and are being used as models by other schools of medicine. Dr. Guze has also made considerable contributions to the administration of medical education programs. She was a pioneer in recognizing issues such as power abuse and sexual harassment in physician residency programs and medical schools. Dr. Guze has served as mentor and role model for countless students, residents, fellows, and junior faculty. Through her contributions to medical education, ranging from individual mentorship to the strategic influence on the future of national medical education, Dr. Guze has exemplified the best achievements of VA's academic mission.

Dr. Guze was presented the prestigious award with a plaque at the VHA National Leadership Board meeting in March 2005. This is the highest award given by VHA to recognize outstanding achievements of national significance in health professions education.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Supporting Measure Medical residents' and other trainees' scores on a VHA Survey assessing their clinical training experience</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Supporting Measure Data</caption> <thead> <tr> <th>Year/Category</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>84</td> </tr> <tr> <td>2002</td> <td>83</td> </tr> <tr> <td>2003</td> <td>83</td> </tr> <tr> <td>2004</td> <td>84</td> </tr> <tr> <td>2005 Result</td> <td>84*</td> </tr> <tr> <td>2005 Plan</td> <td>85</td> </tr> <tr> <td>2006 Plan</td> <td>85</td> </tr> <tr> <td>Strategic Target</td> <td>85</td> </tr> </tbody> </table> <p style="font-size: small;">* Actual data through August 2005. Final data are not yet available.</p>	Year/Category	Score	2001	84	2002	83	2003	83	2004	84	2005 Result	84*	2005 Plan	85	2006 Plan	85	Strategic Target	85	<p>VA's 2005 score of 84 nearly met the target score of 85. Since VA is the largest provider of health care training in the country, continued satisfaction of medical residents and other trainees indicates their training experiences are of high quality. This benefits VA in its ability to attract highly trained and qualified health care professionals, which results in high-quality health care for the veteran.</p>
Year/Category	Score																		
2001	84																		
2002	83																		
2003	83																		
2004	84																		
2005 Result	84*																		
2005 Plan	85																		
2006 Plan	85																		
Strategic Target	85																		

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

The Administration conducted a PART evaluation of VA's Medical Care program during 2003. However, the evaluation did not specifically cover any aspects of the medical education program.

New Policies and Procedures

VA issued a new directive on educational affiliation agreements requiring such agreements to be in place before trainees in non-VA education programs receive clinical training at VA facilities and before trainees in VA-sponsored programs receive training at non-VA facilities. In the past, institutions sending trainees to VA facilities for fewer than 40 hours per year—or for observation only—were exempt from the requirement.

VA issued a new resident supervision handbook outlining procedural requirements pertaining to the supervision of residents and focusing on resident supervision from the educational perspective. The handbook reflects new standards for documentation of supervision in various settings.

Other Important Results

The fourth system-wide Learners' Perceptions Survey was conducted to provide information to support VHA's performance measure for its teaching mission. The survey provides a discrete measure of the quality of VA's teaching mission and identifies areas of excellence and opportunities for improvement in the clinical training experience. This effort will enhance the quality of care for VA patients. The reports include comparative results of the past 2 years' surveys by type of trainee as well as facility highlights to assist management in identifying areas for improvement.

The Annual Report on Residency Training programs, now in its third year online, was extensively updated in 2005 to increase ease of entry and facilitate VISN and VHA oversight of compliance with resident supervision policy.

Strategic Objective 4.4

Socioeconomic Well-Being of Veterans

Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veterans' benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.

Making a Difference for the Veteran

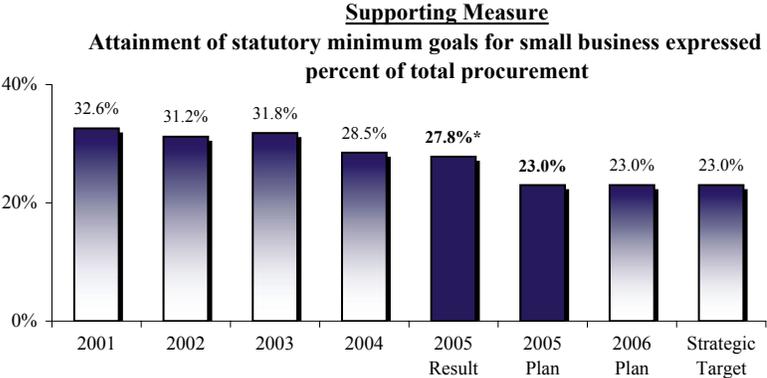


VA reaches out to veteran-owned and service-disabled veteran-owned small businesses

Providing Opportunities for Small Business

VA was recently ranked among top government agencies based on business opportunities provided to diversity-owned businesses. Over 350,000 women and minority-owned businesses had the opportunity to vote in an online election conducted by DiversityBusiness.com. VA works hard to create and maintain opportunities for small businesses. Thorough market research is conducted to locate qualified small business concerns for large procurements, such as the recent prime vendor contract awards for medical and surgical products, which included awards to five small business concerns. Contract bundling reviews ensure consolidation does not occur at the expense of the small business community. Alternative acquisition strategies increase contract opportunities for small businesses, with a special emphasis on service-disabled veteran-owned small business firms. VA is working to be the leader in contracting with service-disabled veteran-owned businesses.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact
<p style="text-align: center;">Supporting Measure Attainment of statutory minimum goals for small business expressed as a percent of total procurement</p>  <p style="text-align: center;">* Data reported through November 3, 2005. FY 2005 data have not been finalized. Final data will be available in March 2006.</p>	<p>As part of its work on behalf of all veterans, VA provides economic opportunities to veteran-owned small business and service-disabled veteran-owned small business firms through its procurement of goods and services. During the latter portion of 2005, VA senior leadership strengthened its focus on these small business goals during Monthly Performance Reviews. As a result of this heightened emphasis, we expect our performance on this measure to improve in 2006.</p>

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

In October 2004 the President issued Executive Order 13360, *Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting*. In February 2005 VA senior leadership approved an aggressive strategy to increase contracting opportunities for such businesses. VA's implementation strategy and those of other departments and agencies are posted for public review at <http://www.vetbiz.gov/fpp/fpp.htm>.

VA strategies include the following:

- Reserving VA contracts exclusively for service-disabled veteran-owned small businesses.
- Encouraging and facilitating participation by service-disabled veteran-owned small businesses in competitions for award of VA contracts.
- Training VA personnel on applicable law and policies relating to participation of service-disabled veteran-owned small businesses in federal contracting.

Strategic Objective 4.5

Maintaining National Cemeteries as Shrines

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

Making a Difference for the Veteran



The Soldiers' Monument at Dayton National Cemetery

Memorials Inventory Project

VA has just completed a more than 2-year effort to catalog every memorial on its grounds. Since national cemeteries were established in 1862, they have become the sites of memorials erected to recall distinctive heroics, group burials, and related commemorations. These memorials range from modest blocks of stone, sundials, and tablets affixed to boulders to more sophisticated obelisks and single soldiers on granite pedestals. The Memorials Inventory Project, based on the national Save Outdoor Sculpture inventory project, used volunteers to document, measure, and photograph monuments and memorials on National Cemetery Administration (NCA) grounds. In all, 372 volunteers worked on the project and documented more than 1,000 different memorial objects found at VA national cemeteries. The project raised awareness about national cemeteries, their history, and the soldiers and sailors interred in these national shrines. VA will share information on its sculpture monuments with the public through the Smithsonian Museum's art inventory database. NCA will also create a searchable online database so that information and photographs of all its memorials will be available to the public.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Percent of Respondents Who Rate National Cemetery Appearance as Excellent</p> <table border="1"> <caption>Performance Trend Data</caption> <thead> <tr> <th>Year/Target</th> <th>Percent of Respondents</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>96%</td> </tr> <tr> <td>2002</td> <td>97%</td> </tr> <tr> <td>2003</td> <td>97%</td> </tr> <tr> <td>2004</td> <td>98%</td> </tr> <tr> <td>2005 Result</td> <td>98%</td> </tr> <tr> <td>2005 Plan</td> <td>98%</td> </tr> <tr> <td>2006 Plan</td> <td>99%</td> </tr> <tr> <td>Strategic Target</td> <td>100%</td> </tr> </tbody> </table>	Year/Target	Percent of Respondents	2001	96%	2002	97%	2003	97%	2004	98%	2005 Result	98%	2005 Plan	98%	2006 Plan	99%	Strategic Target	100%	<p>National cemeteries carry expectations of appearance that set them apart from private cemeteries. Our Nation is committed to create and maintain these sites as national shrines. The 2005 score reflects VA's commitment to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies.</p>
Year/Target	Percent of Respondents																		
2001	96%																		
2002	97%																		
2003	97%																		
2004	98%																		
2005 Result	98%																		
2005 Plan	98%																		
2006 Plan	99%																		
Strategic Target	100%																		

Related Information

Major Management Challenges

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

Program Evaluations

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed VA to contract for an independent study to look at various issues related to the National Shrine Commitment and its focus on cemetery appearance. Volume 3: Cemetery Standards of Appearance was published in March 2002. This report served as a planning tool and reference guide in the task of reviewing and refining VA's operational standards and measures.

In August 2002, Volume 2: National Shrine Commitment was completed. This report identified the one-time repairs needed to ensure a dignified and respectful setting appropriate for each national cemetery. VA is using the information in this report to address repair and maintenance needs at national cemeteries.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Burial program during 2002, which resulted in a rating of "Moderately Effective." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

Using the recommendations in the Volume 3 report mentioned above and building on previous efforts, VA has established standards and measures by which NCA can determine the effectiveness and efficiency of its operations. These standards and measures identify performance expectations in key operational processes including interments, grounds maintenance, and headstones and markers.

NCA has established an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability by

providing managers and staff at all levels with one NCA “scorecard.” As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting.

In order to ensure a high-performing, well-trained workforce, VA established the National Cemetery Administration Training Center. Initially focused on training cemetery directors and assistant directors, the new facility will eventually expand its classes to train supervisors, equipment operators, grounds keepers, cemetery representatives, and other employees. As 11 new national cemeteries become operational, the center’s efforts will help ensure consistency in operations throughout the national cemetery system as well as a high-performing workforce and well-trained staff for key positions. In 2005 the first class of cemetery director interns graduated. They were assigned to leadership positions at national cemeteries throughout the country.

NCA is partnering with the National Center for Preservation Technology and Training (NCPTT), an office of the National Park Service (NPS), to conduct a materials conservation and treatment analysis of government-issued marble veteran headstones issued from the 1870s through 1973. Second to VA, NPS has the largest number of national cemeteries, including Gettysburg National Cemetery, under its jurisdiction. Through a 2-year interagency agreement, NCPTT will identify alternatives for cleaning historic headstones based upon criteria such as cost effectiveness and environmentally and historic-resource friendly chemicals.

In 2004 NCA launched a Web-based (Internet) Nationwide Gravesite Locator (NGL) system. The system contains more than 3 million records of veterans and dependents buried in VA’s 121 cemeteries since the Civil War. It also has records of some burials in state veterans cemeteries and burials in Arlington National Cemetery from 1999 to the present. Making it easier to identify burial locations may bring more visitors to the honored resting places that VA considers national shrines and historical treasures.

Other Important Results

The willingness to recommend the national cemetery to veteran families during their time of need is an expression of loyalty toward that national cemetery. In 2005, 98 percent of survey respondents (family members and funeral directors who have recently received services from a national cemetery) indicated

they would recommend the national cemetery to veteran families during their time of need.

To ensure the appearance of national cemeteries meets the standards our Nation expects of its national shrines, VA performed a wide variety of grounds management functions including raising, realigning, and cleaning headstones to ensure uniform height and spacing and to improve appearance. The rows of pristine, white headstones that are set at the proper height and correct alignment provide the vista that is the hallmark of many VA national cemeteries. In 2005 VA collected data that showed that 70 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 72 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 84 percent of gravesites in national cemeteries had grades that were level and blended with adjacent grade levels. In 2005 National Shrine Commitment projects were initiated at 13 national cemeteries. These projects will raise, realign, and clean more than 110,000 headstones and markers and renovate gravesites in nearly 100 acres. While attending to these highly visible aspects of our national shrines, VA also maintained roads, drives, parking lots, and walks; painted buildings, fences, and gates; and repaired roofs, walls, and irrigation and electrical systems.

VA continued its partnerships with various civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries. For example, an interagency agreement with the Bureau of Prisons provides for the use of selected prisoners to perform work at national cemeteries. Under a joint venture with VHA, national cemeteries provide therapeutic work opportunities to veterans receiving treatment in the Compensated Work Therapy/Veterans Industries program. The national cemeteries are provided a supplemental workforce while giving veterans the opportunity to work for pay, regain lost work habits, and learn new work skills.

NCA is working with VA’s Office of the General Counsel (OGC) and an outside patent counsel to obtain patents for NCA “technology.” VA has applied for patents for NCA’s combined mower/trimmer invention and for the swiveling hearse carrier. NCA is also working with OGC to develop a licensing strategy for the potential transfer of technologies to private sector entities.

Enabling Goal

Applying Sound Business Principles

Enabling Objective E-1

Development and Retention of a Competent Workforce

Recruit, develop, and retain a competent, committed, and diverse workforce that provides high-quality service to veterans and their families.

Making a Difference for the Veteran



Bringing together the best possible workforce to serve veterans

VA Nurses Make a Difference in Veterans' Lives

VA has one of the largest nursing staffs of any health care system in the world. Numbering more than 59,000 nationwide, the VA nursing team – composed of registered nurses, licensed practical nurses, vocational nurses, and nursing assistants – provides comprehensive, complex, and compassionate care to the Nation's veterans, helping them not only to prevent disease and maintain or regain health, but also learn to live with disabilities or even prepare for their final moment with dignity and respect.

Helping Patients Stay Connected

Heart transplant patients stay connected thanks to the nurses at the Richmond VA Medical Center. During patient visits, the nursing staff watched their transplant patients form lasting bonds with one another. The only opportunity the patients had to visit each other was when they returned to the medical center for their scheduled follow-up heart biopsies. Many of the veterans, who live hundreds of miles apart, enjoyed the support and friendship of their fellow transplant patients. The nursing team recognized their patients needed a method to communicate after their visits to the medical center. The nurses created a Web site designed specifically for transplant patients receiving their follow-up care at the Richmond VA Medical Center. The site includes educational information related to organ transplantation and a secure chat room for the patients to reconnect. The nurses continue to receive positive feedback from the patients about their new ability to stay connected.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Supporting Measure Percent of contractor cases using alternate dispute resolution (ADR) techniques</p> <table border="1"> <caption>Data for Supporting Measure Chart</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>21%*</td> </tr> <tr> <td>2002</td> <td>43%*</td> </tr> <tr> <td>2003</td> <td>20%*</td> </tr> <tr> <td>2004</td> <td>9%*</td> </tr> <tr> <td>2005 Result</td> <td>9%</td> </tr> <tr> <td>2005 Plan</td> <td>72%</td> </tr> <tr> <td>2006 Plan</td> <td>73%</td> </tr> <tr> <td>Strategic Target</td> <td>75%</td> </tr> </tbody> </table> <p>* Corrected</p>	Year/Target	Percentage	2001	21%*	2002	43%*	2003	20%*	2004	9%*	2005 Result	9%	2005 Plan	72%	2006 Plan	73%	Strategic Target	75%	<p>VA's efforts to increase use of ADR in contract matters is designed to benefit veterans because ADR saves time and money when compared to the formal contract appeals process. Money saved can then be devoted to the care of the veteran. The 2005 result implies that desired cost savings are not being realized and that more needs to be done to promote the use of ADR. To this end, VA is developing strategies to promote increased use of ADR.</p>
Year/Target	Percentage																		
2001	21%*																		
2002	43%*																		
2003	20%*																		
2004	9%*																		
2005 Result	9%																		
2005 Plan	72%																		
2006 Plan	73%																		
Strategic Target	75%																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

GAO

- Strategic Human Capital Management: A High-Risk Area (see page 229 for more details)

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

The Equal Employment Opportunity Commission (EEOC) issued Management Directive 715 (MD-715), requiring each federal agency to submit an EEO Program Status Report by January 31 of each year. This report replaces both the Affirmative Employment Program Report and the Persons with Disabilities Program Report. The new report tracks agencies' progress in establishing and managing equal employment opportunity programs.

VA took an early lead in the implementation of MD-715 by helping EEOC define program requirements and develop instructions. VA also worked closely with EEOC to refine reporting requirements. VA automated the process by developing reports-generating software, which was demonstrated to and shared with other federal agencies.

Enabling Objective E-2

Outreach and Communications

Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as the benefits and services VA provides.

Making a Difference for the Veteran



*Department of Veterans Affairs
television studio*

Affirming the Commitment

Affirming the Commitment, a national initiative launched in June by the Veterans Health Administration (VHA), has received two prestigious video awards. The launch included a compelling video that profiles several veterans and their families as well as VA employees who share inspirational stories. It won an Award of Excellence in the 2005 Videographer Awards Competition, an international awards program directed by communications professionals to honor talented individuals and companies in the video production field. The Award of Excellence, the highest level, is given to projects written, produced, and filmed in an exceptional manner. The video also won a bronze-level award in the National Omni Award competition with an overall score of 8.2 on a 10-point scale. The Omni Award is evaluated by a panel of judges from some of the top production companies in the world and recognizes the top video and broadcast productions. Affirming the Commitment is designed to help employees gain a better understanding and appreciation of veterans and their military experience. Although it is a VHA initiative, the program's basic elements of care, compassion, and appreciation are applicable throughout the Department.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																
<p style="text-align: center;">Supporting Measure Percent of newly elected/appointed state officials contacted within 60 days of taking office regarding VA programs/services</p> <table border="1"> <caption>Supporting Measure Data</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>75%</td> </tr> <tr> <td>2003</td> <td>80%</td> </tr> <tr> <td>2004</td> <td>90%</td> </tr> <tr> <td>2005 Result</td> <td>100%</td> </tr> <tr> <td>2005 Plan</td> <td>100%</td> </tr> <tr> <td>2006 Plan</td> <td>100%</td> </tr> <tr> <td>Strategic Target</td> <td>100%</td> </tr> </tbody> </table>	Year/Target	Percentage	2002	75%	2003	80%	2004	90%	2005 Result	100%	2005 Plan	100%	2006 Plan	100%	Strategic Target	100%	<p>In 2005 VA contacted all newly elected or appointed state officials (i.e., primarily governors and/or state veterans affairs directors) within 60 days of their election or appointment to inform them as to whom to contact in VA with questions on veteran-related issues such as:</p> <ul style="list-style-type: none"> • Impacts on state resources regarding National Guard servicemen and women serving in Operation Iraqi Freedom and Operation Enduring Freedom. • Veterans' benefits available from the federal government to veterans in their state. • Understanding the federal/state relationship involved with state veterans homes and state veterans cemeteries. • Statistics on veteran population and VA expenditures in their state to assist them with planning. <p>This outreach is beneficial to the veteran because the better the elected representatives understand VA and veterans' issues in general, the better the veteran will be served.</p>
Year/Target	Percentage																
2002	75%																
2003	80%																
2004	90%																
2005 Result	100%																
2005 Plan	100%																
2006 Plan	100%																
Strategic Target	100%																

Related Information

Major Management Challenges

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

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

VA is in the process of developing a new strategic plan for 2006-2011, which will be issued in February 2006. Changes in VA's goals and objectives reflecting the priorities of the new Secretary are possible. If such changes are made, VA will communicate them to all employees as well as the larger communities of veterans and stakeholders.

Enabling Objective E-3

Reliable and Secure Information Technology

Implement a One VA information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Making a Difference for the Veteran

Information Technology Working for Veterans

VA's Office of Information and Technology (OIT) manages the Department's information technology (IT) programs and provides oversight of associated resources using an integrated IT management process to provide premier service to veterans. By planning IT initiatives collaboratively throughout the Department, under the auspices of One VA, the best mix of business solutions and expenditure efficiencies are achieved for the Department.

The IT integrated management process ensures the most efficient use of VA resources. The process provides the Chief Information Officer and the Enterprise Information Board (an executive-level IT program oversight committee) the means to accurately track the cost, schedule, and performance goals of all projects within VA's IT portfolio and is tightly coupled to the One VA enterprise architecture management process.

OIT oversees all privacy efforts within the Department, protects the privacy of veterans' and employees' personal information, and ensures that current and future privacy laws and regulations are applied consistently. That veterans trust that VA will protect their privacy is crucial to the success of VA's mission. These efforts result in better service to the veterans.

FY 2005 Performance Results

Supporting Performance Measure
The number of business lines transformed to achieve a secure veteran-centric delivery process that would enable veterans and their families to register and update information, submit claims or inquiries, and obtain status
Performance Results
<p>Transformation of business lines is a multi-year effort. As such, VA did not expect to transform any business lines in 2005. Although no business lines were completely transformed in 2005, VA made significant progress in this area as described below:</p> <ul style="list-style-type: none"> • Established an office dedicated to executing the E-Gov program. This office is implementing 16 E-Gov Initiatives and transforming 5 E-Gov lines of business to comply with the governmentwide E-Gov architecture. This effort will provide veterans with electronic access to VA services conveniently and efficiently, as well as create operating synergies and reduce costs. • Developed version 4.0 of the Enterprise Architecture, which establishes the framework under which all IT projects will support the One VA strategy. Version 4.0 received a passing score from OMB. • Completed planning and development of a shared data schema and exchange architecture with DoD that enables enhanced access to more timely and accurate military service personnel data, thus expediting a veteran's access to VA benefits. For example, DD-214 separation data are now available to VA in 3 days versus the previous 90 days, which expedites VA outreach and provides much more timely information upon which enrollment and eligibility decisions can be made. <p>Two key programs supporting the One VA business line transformation are as follows:</p> <ul style="list-style-type: none"> • Aggressively executing the Contact Management program, which will provide a single portal for veterans and their families to access and update personal information and obtain status. • Establishing detailed requirements for the Registration and Eligibility program that will provide a single point of registration and eligibility for veterans, thus eliminating the multiple instances of registration that exist today.

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- Financial Management Control (see page 213 for more details)
- Data Validity (see page 214 for more details)
- Information Security (see page 217 for more details)
- Information Systems Development Financial Management Control (see page 217 for more details)

GAO

- Financial Management Weaknesses: Information Systems Security and Financial Management System Integration (see page 224 for more details)
- Enterprise Architecture Documentation (see page 225 for more details)
- Performance Measures (OIT) (see page 225 for more details)
- Protecting The Federal Government's Information Systems and the Nation's Critical Infrastructures: A High-Risk Area (see page 227 for more details)
- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A High-Risk Area (see page 229 for more details)

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

New Policies and Procedures

In an effort to improve project planning and monitor execution, VA successfully began the process of implementing Earned Value Management (EVM) on VA's entire major IT program. EVM is a set of business practices and processes used to measure actual project performance, which may be used to forecast completion schedule and cost variance. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. EVM is widely considered an industry best practice, and it is mandated by the President's Management Agenda and OMB. VA is using the Telecommunications Modernization Project (TMP) to move from loosely federated independent networks to a single, high performance wide-area data network capable of supporting enterprise-wide applications. TMP will offer service level agreements for performance and reliability at every service delivery node on the network. E-Authentication, an E-Gov initiative, will positively impact the veteran by allowing the application for benefits through the Internet.

Other Important Results

As of August 31, 2005, VA certified and accredited all operational information technology systems. All known risks have been assessed, and system owners are now working on mitigating those risks. OIT provided VA field facilities with a vulnerability scanner and automated patch installation system to minimize risk to the VA network and deployed the Host Intrusion Prevention System, which blocked thousands of infection attempts across the VA network. OIT provided analytical incident support through a functional Security Operations Center, which was a significant factor in

successfully mitigating the impact of several major computer viruses and worms infecting VA systems and networks in 2005. Through the security training program, VA increased the number of Certified Information System Security Professionals from 82 to 102 and the number of Certified Security Practitioners from 405 to 735. Additionally, 798 VA security and privacy professionals obtained advanced training at VA's annual cyber security conference.

Recognizing that standardization of project management guidelines and procedures is critical to the success of the One VA IT enterprise, VA aggressively implemented a training program that provides a clear understanding of the processes and knowledge areas common to all projects. Individuals completing the seven-course curriculum receive a master's certificate in project management and VA project manager certification. VA's training and certification program has been recognized as a model for agencies throughout the federal government.

VA's information security program, designed to protect the confidentiality, integrity, and availability of veterans' private information, provides assurance that cost-effective cyber security controls are in place to protect automated information systems from financial fraud, waste, and abuse. Within the Department, all employees, volunteers, and contractors completed annual privacy training as required by the Health Information Portability and Accountability Act (HIPAA) and VA policy. VA achieved HIPAA Security Rule compliance after extensive review of VA regulations, operations, and policy. VA conducted several employee focus groups and veteran feedback sessions to better understand employee and veteran privacy concerns. In addition VA conducted a privacy risk assessment in December 2004 and has scheduled quarterly risk assessments for 2006 to ensure that VA discovers and mitigates any privacy risks.

The One VA Enterprise Program Management Office initiative is charged with developing a standard set of portfolio and project management policies, processes, procedures, tools, and training and certification requirements across the Department. The program ensures a greater probability of achieving consistent, repeatable project results in support of VA's mission and goals.

Enabling Objective E-4

Sound Business Principles

Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; enhancing our management of resources through improved capital asset management, acquisition, and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Making a Difference for the Veteran

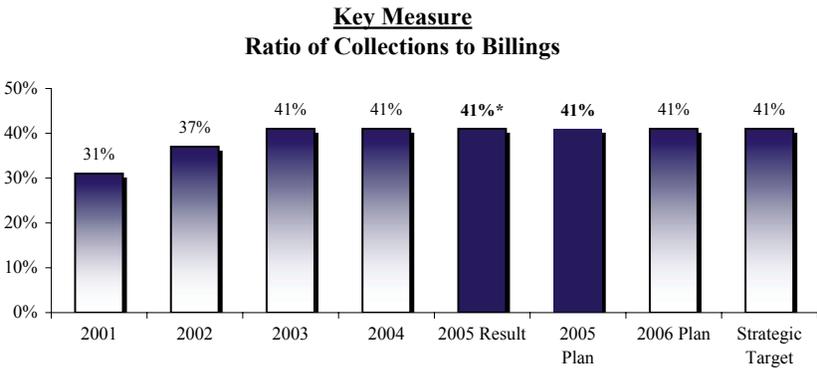
Effective Management of Assets

With more than 5,600 owned buildings, 1,000 operating leases, \$1 billion in medical and non-medical equipment, and approximately 32,000 acres of land, VA has a vast capital asset portfolio. VA's first asset management plan, released in December 2004, describes VA's capital assets and how VA plans to manage them. With release of the plan, VA is now one of two federal agencies to score above a "red" on the President's scorecard for "real property asset management." The asset management plan is the blueprint for achieving VA's objective to effectively manage assets and provide a safe and appropriate environment for the delivery of health care, benefits, and memorial services to the Nation's veterans. The plan describes VA's capital asset management philosophy and addresses the requirements set forth by the President's federal real property initiative.

VA Negotiates Lower Prices for Medical Supplies and Pharmaceuticals

As the Nation's largest integrated health care system, VA uses consolidated national contracts to negotiate rock-bottom prices on medical supplies ranging from bandages and pharmaceuticals to the latest in computerized prosthetic legs and iBOT wheelchairs. Veterans enrolled for VA health care are eligible to receive a 30-day supply of pharmaceuticals for a \$7 co-payment. Last year VA provided 176 of the latest computerized C-legs for veterans who suffered above-the-knee amputations. VA purchased the C-legs for the average price of \$36,000 each. The legs, produced by Minneapolis-based Otto Bock Healthcare, can cost up to \$45,000 on the open market. Approximately 3,500 U.S. residents are using C-legs, including 68 soldiers wounded in Afghanistan and Iraq.

Performance Trend and Impact of FY 2005 Result

Performance Trend	FY 2005 Impact																		
<p style="text-align: center;">Key Measure Ratio of Collections to Billings</p>  <table border="1" data-bbox="191 436 1008 808"> <caption>Ratio of Collections to Billings</caption> <thead> <tr> <th>Year/Target</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>31%</td> </tr> <tr> <td>2002</td> <td>37%</td> </tr> <tr> <td>2003</td> <td>41%</td> </tr> <tr> <td>2004</td> <td>41%</td> </tr> <tr> <td>2005 Result</td> <td>41%*</td> </tr> <tr> <td>2005 Plan</td> <td>41%</td> </tr> <tr> <td>2006 Plan</td> <td>41%</td> </tr> <tr> <td>Strategic Target</td> <td>41%</td> </tr> </tbody> </table> <p>* Estimated actual. Final data are not yet available.</p>	Year/Target	Ratio (%)	2001	31%	2002	37%	2003	41%	2004	41%	2005 Result	41%*	2005 Plan	41%	2006 Plan	41%	Strategic Target	41%	<p>The 2005 projected result of a 41 percent ratio of collections to billings meets the target. This measure is commonly used in the private sector. VA's results appear comparatively lower than the private sector standard because VA cannot collect from Medicare, but must include 100 percent of charges to assert claims to the resulting Medicare supplemental carriers. By maximizing collections, more budget dollars can be allocated for improving the quality of care of veterans.</p>
Year/Target	Ratio (%)																		
2001	31%																		
2002	37%																		
2003	41%																		
2004	41%																		
2005 Result	41%*																		
2005 Plan	41%																		
2006 Plan	41%																		
Strategic Target	41%																		

Related Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

OIG

- Federal Supply Schedule Contracts (see page 208 for more details)
- Contracting for Health Care Services (see page 209 for more details)
- Management of VHA Major Construction Contracts (see page 209 for more details)
- Vocational Rehabilitation and Employment Contracts (see page 210 for more details)
- Contracting and Acquisition Support for Major System Development Initiatives (see page 211 for more details)
- Government Purchase Card Activities (see page 212 for more details)
- Inventory Management (see page 212 for more details)
- Financial Management Control (see page 213 for more details)

- Data Validity (see page 214 for more details)
- Workers' Compensation Program (see page 214 for more details)
- Federal Energy Management Cost (see page 215 for more details)
- Medical Care Collections Fund (see page 216 for more details)

GAO

- VA/DoD Efficiencies (see page 222 for more details)
- Financial Management Weaknesses: Information Systems Security and Financial Management System Integration (see page 224 for more details)
- VA/DoD Information Sharing (see page 226 for more details)
- Federal Real Property: A High-Risk Area (see page 228 for more details)
- Management of Interagency Contracting: A High-Risk Area (see page 230 for more details)

Program Evaluations

No independent program evaluations have been conducted that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA's Medical Care program during 2003, which resulted in a rating of "Adequate." The Administration also conducted a PART evaluation of VA's General Administration program during 2004, which resulted in a rating of "Moderately Effective." Please see Summary Table 3 on page 57 for more information.

New Policies and Procedures

A standardized set of security policies and procedures templates, entitled "Facility Security Plan," were developed to assist facilities in implementing activities mandated for compliance with the HIPAA Security Rule. The policies cover the management, operational, and technical controls established by the National Institute of Standards and Technology for implementing an organizational-wide security framework.

The Office of the General Counsel (OGC) is partnering with VHA to improve the timeliness of medical reviews of medical malpractice tort claims. This should have a positive impact on the ability of OGC to resolve claims at the administrative level with greater accuracy. VA is requesting an increased delegation of settlement authority from the Department of Justice for settlement of tort claims, which will enhance OGC's capability to settle claims administratively.

Until such time as VA obtains legislative relief from the competitive sourcing prohibition of title 38, VA has moved forward employing a management analysis/business process reengineering initiative. The results of this analysis will be integrated into VA's workforce planning process. Pilots have begun with functional management teams studying the food services and laundry functions.

The Medical Materiel Management Work Group helped facilitate the joint purchasing of non-drug medical supplies and equipment. A plan was developed and implemented at the beginning of the year to track and monitor progress. A total of 23 DoD radiology contracts were modified so that VA could add unique VA terms to the contracts. DoD provided VA with copies of the contracts and pricing; by the end of the third quarter, 100 combined non-drug purchases were made totaling \$47 million.

Following the full deployment of VA's Capital Asset Management System (CAMS) and the appointment of VISN Capital Asset Managers, the Office of Asset Enterprise Management provided training sessions covering federal real property policies and VA's capital asset management approach. Hands-on training focused on how to monitor asset performance and how to complete Web-based business case analysis applications (OMB Exhibit 300) in CAMS. The business case analysis applications are used to prioritize VA capital investments in meeting VA's strategic goals.

The Assistant Secretary for Management has delegated enhanced-use leasing authority to the Under Secretary for Health and, in some instances, to the capital asset manager assigned to a specific project. The delegation and training transfers full responsibility for the development, solicitation, and execution of enhanced-use lease transactions. It also streamlines and enhances the efficiency of pending and future enhanced-use lease projects.

VA awarded four indefinite delivery/indefinite quantity contracts to obtain a full range of expert developmental and transaction management support from service-disabled veteran-owned businesses on enhanced-use lease projects. The contract provides a sound and usable approach for effective, market-driven management of VA's capital investments. It standardizes and streamlines the Department's implementation of its enhanced-use lease authority and the CARES process.

Public Law 108-422 established the Capital Asset Fund (CAF) for VA in the Treasury of the United States. The revolving fund law grants the Secretary the authority to transfer, sell, or exchange real property to an appropriate party and deposit the funds into the CAF. Funds may be used for other disposals, minor medical projects with estimated costs of less than \$7 million, or for historically designated projects.

The goal of the CAF is to redirect funds currently spent on underutilized real property and reinvest them in additional health care services for veterans.

Quarterly Monthly Performance Review Reporting

Capital asset performance is now being reported quarterly at the Department's monthly performance review meetings. Reports will focus on Departmental performance in relation to Federal Real Property Council and Department of Energy measures. Performance exceptions will be highlighted for possible best practices or corrective actions.

Other Important Results

The VHA Chief Business Office wrote a white paper describing the benefits of electronic financial transactions for both the health plan and the health care provider communities. The white paper was used in discussions with industry policymakers and VHA business partners. The objective is to promote adoption of electronic financial transactions in the health care community.

Assessment of Data Quality

VA's ability to accomplish its mission is dependent on the quality of its data. Each day, VA employees use data to make decisions that affect America's veterans. In delivering medical care, processing benefits, and providing burial services, data accuracy and reliability are paramount.

Each program office has initiated specific actions to improve data quality to better support business planning and day-to-day decisionmaking. In addition, the Office of the Inspector General (OIG) has conducted audits to determine the accuracy of our data. We consider OIG reviews to be independent and objective. The following discussion describes in detail the actions each VA administration has taken to improve its data quality.

Veterans Health Administration

VHA has focused on data reliability, accuracy, and consistency for the past several years. The principles of data quality are integral to VHA's efforts to provide excellence in health care. In 2001 the Under Secretary for Health commissioned a high-level, cross-cutting task force on data quality and standardization whose membership includes the chief officer from VHA's Office of Quality and Performance, the Assistant Deputy Under Secretary for Health, and officials from the Chief Network Office and the Office of Information. This task force has focused on strategic planning to provide consistent definitions of clinical and business data for more effective clinical and organizational decision support. The members seek collaboration with other parties including DoD, Indian Health Service, private sector health care providers, and standards organizations.

VHA's commitment to quality data was confirmed by the results of an OIG audit of the validity of data collection of the quality measures that VHA tracks – Clinical Practice Guidelines Index and Prevention Index II. The report acknowledged a high degree of accuracy. The OIG made no recommendations. VHA continuously monitors data accuracy

to ensure these high standards are maintained.

VHA has long been recognized as a leader in documenting credentials and privileges of VA health care professionals. In 2001 VHA implemented a new electronic data bank, VetPro. This database dramatically improved VHA's ability to ensure timely and appropriate credentialing of health care professionals. VetPro promotes and demonstrates to other federal and private agencies the value of a secure, easily accessible, valid data bank of health professionals' credentials. In 2004 VHA and DoD launched a study into the merits of integrating DoD's system for credentialing and privileging, Centralized Credentials and Quality Assurance System, with VHA VetPro. The study resulted in recommendations favoring continued collaboration with a goal of accomplishing future integration.

VetPro improves the process of credentialing and privileging by:

- Establishing a secure, accessible, valid electronic database.
- Ensuring appropriate credentials for clinical roles of practitioners.
- Allowing verification of practitioners' track records.

The VHA Data Consortium addresses organizational issues and basic data quality assumptions. The consortium works collaboratively to improve information reliability and customer access for the purposes of quality measurement, planning, policy analyses, and financial management. The ongoing initiatives and strategies address data quality infrastructure, training and education, personnel issues, policy guidance, and data systems.

The VHA data quality coordinator and data quality workgroups provide guidance on data quality policies and practices. Several initiatives support the integrity and data quality of coding including:

- Development of strategies and standard approaches to help field staff understand the data content and

meaning of specific data elements in VHA databases.

- Participation in VHA's data standardization activities that involve the standardization of VHA's clinical and administrative data in support of critical activities including VA's Health Data Repository program and the Clinical and Health Data Repository data sharing and interoperability project (a collaborative effort between VA and DoD).
- Development of coding resources for field facilities, including negotiating the purchase of QuadraMed products to support coding and billing. QuadraMed is providing its Veterans Health Information Systems and Technology Architecture (VistA)-integrated encoder and bill scrubbing software products and training to all VA medical centers. The use of these products is mandatory at all VA sites. The software products and services enable the hospitals to more efficiently manage their revenue cycle.
- Completion of VistA software revisions to accommodate the requirements of the Health Insurance Portability and Accountability Act for use of code sets involving health-care claims.

To support the need for guidance in medical coding, VHA established the Health Information Management (HIM) Coding Council, comprised of credentialed expert coders with support from VHA HIM Central Office staff to provide research and response to coding questions within 24 hours. The council has completed an update to the national coding handbook, which provides expert guidance to field facilities. Additional initiatives include:

- *"Close Encounters"* and *"Data Quality Highlights"* newsletters for field staff guidance and information.
- Ongoing, periodic training programs on such topics as national standard code set updates and refresher training in specific areas such as orthopedic coding.
- Standardization of electronic encounter forms including documentation templates.

The Patient Financial Services System (PFSS) project is the pilot implementation of a commercial billing and accounts receivable system in VHA. This project is designed to incorporate business process improvements and commercial information systems that are proven in the private sector. The project will introduce commercial business practices and technology into VA through a VISN pilot project comprised of VA best practices and commercial best

practices. The objectives of the pilot are to implement a commercial product and study a) the effects on collections, b) improvements to the business process, and c) information systems in a single test environment. Ultimately, the long-term strategy is to develop a scalable solution, which includes both a commercial solution and VA applications that can be implemented in all networks.

VHA completed the implementation of a national Master Patient Index (MPI). The MPI provides the ability to view patient clinical and administrative data from various VA medical facilities via the remote data view functionality within the Computerized Patient Record System. The MPI provides the mechanism for linking patient information from multiple clinical, administrative, and financial records across VHA health care facilities, enabling an enterprise-wide view of individual and aggregate patient information. The Federal Health Information Exchange (FHIE) effort utilizes the MPI via a secure framework in order to share patient data from DoD for separated servicemembers from active duty, reserves, and the National Guard. This project facilitates the sharing of clinical information including medications, discharge summaries, and laboratory data with our providers as those active duty members transition to VA care.

VHA is examining its current health information processing environment to plan how to best implement improvements over the next 5 years. As part of this process, VHA is assessing:

- What a high-performance automated health system needs to provide.
- What the ideal health and information system would look like.
- What the advantages and disadvantages of our current system are.
- How best to use a phased approach for moving from the current to the ideal environment.

Currently VHA is enhancing the VistA platform by completing the Decision Support System and implementing VistA Imaging. Given funding availability, mid/long-term efforts will include development of a comprehensive health database that will be timely and universally accessible across the full continuum of care settings. This platform will provide the basis for enhancements to eligibility/enrollment processing packages leading to attainment of One VA goals, the reengineering of the VistA Scheduling Package, and enhancements/improvements to the billing and fee basis systems.

VHA established a data standardization program to implement a common language for all VHA providers and facilities. The program enables sharing of commensurate data among VHA, DoD, and other health care providers. The availability of commensurate data will increase patient safety by ensuring that all clinical decisions are based on the patient's complete medical record; reduce costs and minimize the likelihood that duplicate tests and procedures will be performed; and improve data quality, aggregation, and reporting by ensuring the consistent interpretation of data across all VHA facilities.

VHA's HealtheVet-VistA project is focused on replacing the existing VistA legacy health care information system by rehosting, enhancing, and/or reengineering current health information applications on a modern robust technology platform. This effort will enrich the functionality currently available, benefiting veterans, clinical care providers, and the general public by expanding the availability and use of health care information. When fully implemented, HealtheVet-VistA will provide veterans access to their personal health record through the MyHealtheVet component and make these data available to the veterans' health care providers, enabling the veterans and health care providers to access and share the health record, access trusted health information, and access key supportive services including prescription drugs and appointments. HealtheVet-VistA will provide the transition to a veteran-centered health care system that will establish longitudinal electronic health records and track veteran visit history including their problems, orders, results, and treatments, and documentation across all visits enabling VA clinical care providers to have immediate access to critical information regardless of which facility the veteran visited.

Veterans Benefits Administration

VBA continues to focus on data reliability and validity in all facets of its operations from claims processing to FTE hiring patterns. Whether data are collected and housed in legacy systems or a data warehouse environment, the output must be accurate and consistent to be effective. Managing the accuracy of these data requires an ongoing commitment to data quality methods and strategies across all business lines. In 2005 VBA again invested resources in support of this commitment.

The Office of Performance Analysis and Integrity (PA&I) reports directly to the Under Secretary for Benefits. PA&I assesses data for completeness, validity, consistency, timeliness, accuracy, and appropriateness of use as indicators. These data are extracted from VBA's systems of record (e.g., Benefits Delivery Network) and are imported into an enterprise data warehouse. All reports are developed using business rules provided by the respective VBA business lines.

Prior to release, each report is subject to a validation process to ensure accuracy and adherence to the business rules. Specific data validation reviews are conducted throughout the year, and data anomalies are routinely investigated and brought to resolution. VBA's ongoing efforts to maintain data accuracy include reviews of definitions and the associated data related to those definitions. Below are several of the projects and approaches used by the business lines and PA&I as part of VBA's data quality practices.

- VBA continues to use an online application, which allows all field offices to download timely and consistent information useful to the operations of that office. The data warehouse integrates the ability to convert large quantities of select information into a spreadsheet format for further analysis.
- The Gulf War Veteran Information System affords trend data on population growth for policy purposes, including those dealing with post-traumatic stress disorder and amyotrophic lateral sclerosis.
- The Inventory Management System (IMS) allows employees, coaches, and Veterans Service Center managers to be proactive in workload management through timely and accurate access to integrated information. In order to continually improve IMS, VBA regularly reviews the system for accuracy. One recent review focused on the Evidence Receipt Time. VBA is in the process of modifying the system to gather the necessary data to accurately reflect this processing cycle time.
- The Fiduciary-Beneficiary System (FBS) provides Fiduciary program personnel and their managers with a database and diary system for the records of incompetent beneficiaries. It also generates field examination requests and accounting due letters as well

as maintains workload and timeliness data. Through a series of standard listings and reports, as well as specialized query requests to the database, it allows for systematic workload and inventory management. FBS can generate monthly random samples of claims for local review, and the completed work products for the prior month are used to select cases for national review. This random sample approach allows managers and field staff to review claims systematically, saving both time and resources. A review of the methodology used in calculating the completed and pending cases in this system determined that all data and reports were complete and valid.

- Corporate WINRS is a comprehensive case management system used to maintain complete case histories, generate forms and letters, control payments, and assist in scheduling and tracking appointments for the Vocational Rehabilitation and Employment (VR&E) program. VR&E Intranet reports are continuously refined for regional offices and Central Office to monitor and track this workload data. These reports and other data received from Central Office are released to the regional offices and provide a mechanism to validate the information for accuracy and discrepancies.
- The Insurance Payment System ensures all manual transactions that result in disbursement (e.g., death award, loan, cash surrender) and all changes to bank data used for direct deposit are second-party verified by an independent staff. This system maintains daily counts of receipts and disbursements by the Insurance fund. Each year random system payments are sampled for accuracy and quarterly reports are reviewed to resolve questionable conditions, such as payments to two veterans at the same address.
- Since the mid-1990's, VBA has developed a comprehensive program of customer satisfaction surveys for all of its major business lines. Surveys provide feedback on all aspects of the compensation and pension claims process, education benefits, VA home loans, transactions related to insurance policyholders, and the VR&E program. These surveys produce statistically valid performance data at the national and local regional office levels. The surveys are professionally designed to measure all aspects of the business process as experienced by the veteran

or family member. Through extensive use of focus groups, cognitive labs, piloting, and pre-testing, the surveys are thoroughly tested and modified, and continue to be improved. These annual mail surveys follow the industry standard for pre-notification and follow-up reminders, resulting in high response rates. Capturing these comparable data within each business line facilitates trend analyses. PA&I conducts special analyses showing key drivers of customer satisfaction and comparisons of performance among regional offices to continue the focus on service improvements.

In addition, PA&I conducts workload and performance reviews on a regular basis. This information is reported at the Deputy Secretary's monthly performance reviews where data are discussed for accuracy and consistency.

National Cemetery Administration

Experience and recent historical data show that about 80 percent of those interred in national cemeteries resided within 75 miles of the cemetery at the time of death. From this experience, NCA considers eligible veterans to have reasonable access if a burial option (whether for casketed or cremated remains) is available within 75 miles of the veteran's place of residence. NCA determines the percent of veterans served by existing national and state veterans cemeteries within a reasonable distance of their residence by analyzing census data on the veteran population. Arlington National Cemetery, operated by the Department of the Army, and Andrew Johnson National Cemetery and Andersonville National Cemetery, operated by the Department of the Interior, are included in this analysis. For 2001 and 2002, actual performance was based on the VetPop2000 model using updated 1990 census data. Since 2003, actual performance and the target levels of performance have been based on a revised VetPop2000 model using 2000 census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries are also considered in determining the veteran population served. (Multiple counts of the same veteran population are avoided in cases of service-area overlap.) In 1999 the OIG performed an audit assessing the accuracy of the data used for this measure. Audit results showed that NCA personnel generally made sound decisions and accurate calculations in determining the percent of veterans served by a burial

option. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.

NCA collects data monthly on the timeliness of marking graves through field station input to the Burial Operations Support System. After reviewing the data for general conformance with previous report periods, headquarters staff validates any irregularities through contact with the reporting station.

Since 2001 NCA has used an annual nationwide mail survey to measure the quality of service provided by national cemeteries as well as the appearance of national cemeteries. The survey provides statistically valid performance information at the national and regional (Memorial Service Network) levels and at the cemetery level for cemeteries having at least 400 interments per year. The survey collects data annually from family members and funeral directors who recently received services from a national cemetery. To ensure sensitivity to the grieving process, NCA allows a minimum of 3 months after an interment before including a respondent in the sample population. VA headquarters staff oversees the data collection process and provides an annual report at the national level.

NCA has established an Organizational Assessment and Improvement Program to identify and prioritize improvement opportunities and to enhance program accountability by providing managers and staff at all levels with one NCA "scorecard." As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting.

Office of Inspector General (OIG) Performance Audits

The OIG made an assessment of the Department's data quality in the Major Management Challenges section of this report. See page 214 for more details.

Veterans Benefits Administration Quality Assurance Program (Millennium Act)

VBA maintains a quality assurance program independent of the field stations responsible for processing claims and delivering benefits. The following information about our programs — including compensation and pension, education, vocational rehabilitation and employment, housing, and insurance — is provided in accordance with title 38, section 7734.

Cases Reviewed and Employees Assigned by Program		
	Cases Reviewed	Employees Assigned
Compensation and Pension	17,001	23
Education	1,578	4
Vocational Rehabilitation and Employment	4,180	5
Loan Guaranty (Housing)	8,664	3
Insurance	11,040	4

Summary of Findings and Trends – Compensation and Pension (C&P)

Accuracy reviews are accomplished through an outcome-based system, the Systematic Technical Accuracy Review (STAR). STAR reports are based on the month that a case was completed, not when reviewed. Cases are to be submitted for review no later than the end of the following month.

Reviews of rating-related work and authorization-related products have a specific focus:

- The benefit entitlement review ensures all issues were addressed, claims assistance was provided (under the Veterans Claims Assistance Act), and the resulting decision was correct, including effective dates.
- The decision documentation/notification review ensures adequate and correct decision documentation and proper decision notification.

Results for C&P rating and authorization reviews for the 12-month period ending June 30, 2005, are as follows:

	Rating Reviews		Authorization Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	6,728	85%	6,231	90%
Decision Documentation & Notification	6,728	89%	6,231	88%

The third type of review pertains to fiduciary work. The fiduciary review for 2005 was based on 4,042 cases with an accuracy rate of 85 percent. Most of the errors were found in the area of protection. "Protection" includes oversight of the fiduciary/beneficiary arrangement, analysis of accounting, adequacy of protective measures for the residual estate, and any measures taken to ensure that VA funds are used for the welfare and needs of the beneficiary and recognized dependents. If any of the individual components is in error, the entire case is in error.

Actions Taken to Improve Quality – Compensation and Pension

Regional offices are required to certify, on a quarterly basis, the corrective actions taken for errors documented by STAR. Reports on the corrective actions are submitted to VBA Headquarters, where they are reviewed to determine the adequacy of such actions. Reliability of the reports is monitored during cyclical management site visits. Beginning in FY 2004, formal quality improvement plans were required from all regional offices with rating benefit entitlement accuracy below 80 percent.

Feedback on quality is provided to the field offices for training purposes. The STAR team uses a philosophy of consistency in review and a policy of assigning a dedicated STAR reviewer to specific field stations. Common STAR error findings are used for discussions and training during scheduled site visits and as agenda items for quarterly fiduciary program teleconference calls.

Training remains a priority and is conducted using a variety of mediums including satellite broadcasts, training letters, and computer-assisted training. C&P Training and STAR staffs collaborate on training based on error trend analysis. Particular effort is made to ensure high-quality centralized training for new Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs).

VBA implemented national individual performance review plans with standardized review categories, sample size, and performance standards for all VSRs and RVSRs.

VBA continues to work closely with VHA to improve the quality of examination requests and reports. Efforts include

measuring request and report accuracy, developing training materials such as videotapes and satellite broadcasts, and sponsoring quality improvement training sessions for key medical center and regional office staff. The STAR staff, out-based/hospital liaison RVSRs, and C&P Examination program employees perform examination quality reviews.

VBA also initiated a program for out-basing RVSRs to selected VA medical centers to facilitate the examination process. Currently, there are 20 participating locations. These RVSRs spend a part of their workday reviewing the examination reports for quality as a part of a national review, which is the official performance measure for quality in this area. National individual performance review plans have been piloted for these positions.

Summary of Findings and Trends – Education

Education Service reviewed 1,578 cases during 2005. Of these cases, there were 55 decisions with payment errors and 181 with service errors (note: some cases had more than 1 service error). Eligibility and entitlement determinations constituted approximately 0.5 percent of the service errors, while development and due process notification errors were 2.7 and 16.0 percent, respectively. From 2004 to 2005, payment accuracy improved from 94 percent to 96 percent.

Actions Taken to Improve Quality – Education

As in previous years, the 2005 quarterly quality results identified error trends and causes that became topics for refresher training in regional processing offices. In addition, annual appraisal and assistance visits provide recommendations for improving specific quality areas.

The Education Service is continuing to develop standardized training and certification for employees. The project is expected to have a significant impact in raising quality scores and maintaining them at high levels as the initiative is fully implemented over the next few years.

Summary of Findings and Trends – Vocational Rehabilitation and Employment (VR&E)

For 2005 VR&E completed quality assurance (QA) reviews on 4,180 cases. The reviews were conducted over a 12-month period, with each regional office having been reviewed twice during the fiscal year. The goal was to review at least 76 cases from each regional office.

Accuracy Elements	Target Score 2005	Actual Score 2005
Accuracy of Entitlement Determinations	96%	97%
Accuracy of Evaluation, Planning, and Rehabilitation Services	87%	87%
Accuracy of Fiscal Decisions	94%	87%
Accuracy of Outcome Decisions	90%	97%

In addition to review of cases from each regional office, the QA & Field Survey Team conducts site visits of regional offices. There are at least 12 offices surveyed within each fiscal year.

Actions Taken to Improve Quality – Vocational Rehabilitation and Employment

The VR&E accuracy scores met or exceeded the target scores for FY 2005 except for one element. These scores are attributed to the following initiatives implemented over the last 3 years:

- Local QA reviews continue to be implemented in all regional offices. Each regional office conducts a review of 10 percent of its caseload each year. This ensures consistency in the QA review process and office procedures.
- The QA Reconsideration Review Board continues to provide resolutions on any station's request for reconsideration of decisions made during a review. This auxiliary review process clarifies implementation of VR&E policies and regulatory guidelines.

- The QA review results for national and local reviews have been made available through an Intranet Web site. These data enable regional offices to assess individual quality and to identify training needs.

Summary of Findings and Trends – Loan Guaranty (Housing)

The Loan Guaranty housing program reviewed 8,664 cases under its statistical quality control program during 2005. The defect rate equaled 1.6 percent, with the current national accuracy index being 98.4 percent. This is an improvement of a 0.2 percentage point from 2004.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 48 on-site audits and 46 in-house audits of lenders participating in VA's home loan program.

The Portfolio Loan Oversight Unit (PLOU) conducts two types of reviews: in-house and on-site. PLOU reviewed billing invoices and completed 31,377 performance reviews from the portfolio services contractor, Countrywide Home Loans.

Detailed analyses on 2,077 portfolio loans (regarding loan amortization) were conducted during 2005.

Loan Guaranty staff conducted nine on-site reviews of regional loan centers and two on-site reviews of the San Juan Regional Loan Center, identifying 84 commendable items, 23 best practices, 60 closed action items, 32 open action items, and 66 suggestions.

On-site performance reviews are generally conducted in cooperation with VA's oversight review team, whose members include: Loan Guaranty Service (Loan Management); the Indianapolis regional office-based branch of Loan Management (PLOU); the Office of Inspector General (Financial Audit Division); the Office of Business Oversight (Management Quality Assurance Service and Systems Quality Assurance Service); and the Office of Resource Management (Finance and Administrative Services).

In 2005 the reviews by Loan Management/PLOU recovered excessive contractor charges in the amount of \$473,170. PLOU identified additional amounts relating to real estate tax penalties on GI loan property conveyances by some \$469,000 as of the end of 2005, and also identified or recovered taxes and penalties of approximately \$98,000. Additionally, PLOU identified almost \$3.1 million in unwarranted costs resulting from delays or errors by the prior servicing contractor. Actions are being initiated to recover these monies.

VA audits of lenders during 2005 amounted to approximately \$1,728,000 in liability avoidance with 48 indemnifications.

Actions Taken to Improve Quality – Loan Guaranty (Housing)

The Loan Guaranty Service disseminates the results of statistical quality control (SQC) reviews to field offices on a monthly basis. The Service prepares and releases trend reports that identify negative trends and action items found during surveys. The reports are published to assist field personnel in identifying frequent problems facing loan guaranty management. Additionally, summaries of best practices employed by individual field stations are distributed to all field stations with loan guaranty activity.

National training is provided to enhance the quality of service provided to veterans and to increase lender compliance with VA policies. Lenders who significantly fail to comply with policies are either required to enter into indemnification agreements with VA or immediately repay the agency for its losses.

VA awarded a property management services contract to Ocwen Federal Bank of West Palm Beach, Florida, in August 2003. Under this contract, Ocwen manages and sells all VA-acquired properties as a result of foreclosure or termination of GI and portfolio loans. These assets are currently worth over a billion dollars. VA began transitioning properties to Ocwen in early December 2003. Loan Guaranty established the Property Management Oversight Unit (PMOU) in 2004 to monitor the management and marketing of the properties by Ocwen. The PMOU monitors Ocwen's performance by inspecting properties nationwide to ensure compliance with the contract requirements and performs on-site case reviews at Ocwen's operations center on a quarterly basis. The PMOU is also responsible for reviewing and certifying all payments made to Ocwen, including reimbursement of out-of-pocket expenses on VA properties as well as the service provider fee due when the property is sold. This requires quality assurance checks to ensure that Ocwen is entitled to the claimed reimbursement.

Summary of Findings and Trends – Insurance

The Insurance program's principal quality assurance tool is the SQC review. It assesses the ongoing quality and timeliness of work products by reviewing a random sample of completed or pending work products. These work products are generally grouped into two broad categories based on the operating divisions in which they are performed – Policyholders Services or Insurance Claims Divisions.

Policyholders Services, whose work products deal with the maintenance of active insurance policies, had an overall accuracy rate of 97.7 percent for 2005. Work products included correspondence, applications, disbursements, record maintenance, refunds, and telephone inquiries. Insurance Claims is responsible for the payment of death and disability awards, the issuance of new coverage, and the processing of beneficiary designations. The accuracy

rate for Insurance Claims work products was 98.7 percent. Work products included death claims, awards maintenance, beneficiary and option changes, disability claims, and medical applications. In total, 98.2 percent of all 2005 insurance work products were accurate.

Over 97 percent of the work measured in Policyholders Services and in Insurance Claims was within accepted timeliness standards. In all, 97.2 percent of 2005 insurance work products were timely.

The insurance quality assurance program also includes internal control reviews and individual employee performance reviews. The internal control staff reviews 100 percent of all employee-prepared disbursements and also reviews insurance operations for fraud through a variety of reports. Reports are generated daily and identify death claims based on specific criteria that indicate possible fraud. Primary end products processed by employees in the operating divisions are evaluated based on the elements identified in the Individual Employee Performance Requirements. As a result of these controls, insurance disbursements are 98.1 percent accurate.

Actions Taken to Improve Quality – Insurance

The Insurance Service uses SQC and employee performance review programs to measure quality and timeliness on an overall and individual basis. Both programs are valuable as training tools because they identify trends and problem areas. When a reviewer finds an error or discrepancy during a review, he or she prepares an exception sheet that clearly describes how the item was processed incorrectly. The noted item is then reviewed with the person who incorrectly processed the form.

SQC reviews are based on random samples of key work products and evaluate how well these work products are processed in terms of both quality and timeliness. Exceptions are brought to the attention of the insurance operations division chiefs, unit supervisors, and employees who worked the case.

VBA's Insurance Service evaluates the SQC programs periodically to determine if they are functioning as intended. The Insurance Service is currently examining error and discrepancy classifications and sample sizes.

Individual performance reviews are conducted monthly. The performance levels – critical and non-critical elements – are identified in the Individual Employee Performance Requirements. These reviews are based on a random sampling of the primary end products turned out by employees in the operating divisions. Those items found to have errors are returned to the employee for correction. At the end of the month, supervisors inform employees of their error rates and timeliness percentages as compared to acceptable standards.

The Insurance program has successfully implemented a dozen job aids under the initiative called “Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems.” In 2005 three new job aids were under development. This program captures “best practices” for processing various work items and makes them available on each employee’s desktop. It is expected that the job aids will further reduce error rates and improve timeliness.

In addition to the actions above, the Internal Control Staff records and returns work with any errors detected while conducting reviews. The records are continuously analyzed, and corrective training and other steps are taken to reduce/eliminate such errors.

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Key Measures

Data Table

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 1.2 Compensation: National accuracy rate (core rating work)</p>	<p>Processing accuracy for claims that normally require a disability or death determination. Review criteria include: addressing all issues, Veterans Claims Assistance Act (VCAA)-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.</p>	<p>Findings from C&P Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database.</p>	
<p>Objective 1.2 Compensation and Pension: Rating-related actions - average days to process</p>	<p>The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Includes the End Products (EP): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.</p>	<p>Data source is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.</p>	
<p>Objective 1.2 Compensation: Rating-related actions - average days pending</p>	<p>The measure is calculated by counting the number of days for all pending claims from the date each claim is received through the current reporting date. The total number of days is divided by the total number of pending claims. Compensation-Rating includes End Products: 110, 010, 020, 140, 310, and 320.</p>	<p>The source of data for this measure is the Benefits Delivery Network (BDN).</p>	

	Frequency	Data Limitations	Data Verification and Measure Validation
	Case reviews are conducted daily. The review results are tabulated monthly and on a 12-month rolling basis.	None	<p>Verification: C&P STAR quality reviews by individual reviewers are routinely validated by C&P managers as part of individual performance. Additionally, when a Regional Office disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director.</p> <p>Validation: This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.</p>
	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	<p>Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices.</p> <p>Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>
	The element is a snapshot of the age of the inventory at the end of each processing day.	None	<p>Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices.</p> <p>Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 1.3 Vocational Rehabilitation and Employment Rehabilitation rate</p>	<p>The number of veterans who acquire and maintain suitable employment and leave the program, divided by the total number leaving the program. For those veterans with disabilities that make employment unfeasible, Vocational Rehabilitation and Employment (VR&E) seeks to assist them on becoming independent in their daily living.</p>	<p>VR&E management reports</p>	
<p>Objective 1.4 Compensation: Average days to process - DIC actions</p>	<p>The average length of time it takes to process a DIC claim (EP140) from the date of receipt of claim in VA until the date of completion.</p>	<p>Benefits Delivery Network (BDN)</p>	
<p>Objective 2.2 Average days to complete original and supplemental education claims</p>	<p>Elapsed time, in days, from receipt of a claim in the regional processing office to closure of the case by issuing a decision. Original claims are those for first-time use of this benefit. Any subsequent school enrollment is considered a supplemental claim.</p>	<p>Education claims processing timeliness is measured by using data captured automatically through VBA's Benefits Delivery Network. This information is reported through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system.</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.	None	<p>Verification: Quality assurance (QA) reviews are completed by each station and VR&E Service. The QA program was set up to review samples of cases for accuracy and to provide scoring at the RO level. The VR&E Service reviews 76 cases per station each year and all field stations conduct local QA Reviews on 10 percent of their caseload.</p> <p>Validation: The primary goal of the VR&E program is to assist service-disabled veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success in meeting this goal, as it illustrates the number of veterans successfully reentering the workforce following completion of their VR&E program.</p>
Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	<p>Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices.</p> <p>Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>
Monthly	None	<p>Verification: The Education Service staff in VA Central Office confirms reported data through ongoing quality assurance reviews conducted on a statistically valid sample of cases. Dates of claims are reviewed in the sample cases to ensure they are reported accurately. Each year, Central Office staff reviews a sample of cases from each of the four RPOs. Samples are selected randomly from a database of all quarterly end products. The results are valid at the 95 percent confidence level.</p> <p>Validation: Timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which the work can be completed, and is thus the best quantifying measure for education processing.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 2.3 Foreclosure avoidance through servicing (FATS) ratio</p>	<p>The FATS ratio measures the effectiveness of VA supplemental servicing of defaulted guaranteed loans. The ratio measures the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure.</p>	<p>Data are extracted from the Loan Service and Claims (LS&C) System. This system is used to manage defaults and foreclosures of VA-guaranteed loans.</p>	
<p>Objective 3.1 Percent of patients rating VA health care service as very good or excellent: Inpatient and Outpatient</p>	<p>Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your quality of care?" The numerator is the number of patients who respond 'very good' or 'excellent.'</p>	<p>Survey of Health Experiences of Patients</p>	
<p>Objective 3.1 Percent of primary care appointments scheduled within 30 days of desired date.</p>	<p>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, which is those scheduled within 30 days of desired date (includes both new and established patient experiences), and the denominator, which is all appointments in primary care clinics posted in the scheduling software during the review period.</p>	<p>VistA scheduling software</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Data are collected on a monthly basis.	There are five components that make up the FATS ratio. The four involving financial transactions are auditable. The fifth component, successful interventions, is based on employee interpretation of established criteria.	<p>Verification: Data for the FATS ratio are validated on a monthly basis by Regional Loan Center (RLC) field review of all components of the ratio, followed by Central Office review of a percentage of successful interventions.</p> <p>Validation: The primary goal of Loan Guaranty Service is to assist veterans in obtaining home ownership. The FATS ratio measures VA's ability to assist veterans in maintaining home ownership during periods of personal financial strain.</p>
Surveys are conducted as follows: Inpatient - Semi-annually Outpatient - Quarterly.	None	<p>Verification: Routine statistical analyses are performed to evaluate the data quality, survey methodology, and sampling processes. Responses to questions are routinely analyzed to determine which areas of VA's health care delivery system should be focused upon in order to positively impact the quality of health care delivered by VA.</p> <p>Validation: Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.</p>
Monthly	None	<p>Verification: The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected.</p> <p>Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 3.1 Percent of specialty care appointments scheduled within 30 days of desired date.</p>	<p>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, which is all appointments scheduled within 30 days of desired date and the denominator, which is all appointments posted in the scheduling software during the review period in selected high volume/key specialty clinics.</p>	<p>VistA scheduling software</p>	
<p>Objective 3.1 Clinical Practice Guidelines Index</p>	<p>The Clinical Practice Guidelines Index is 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 indicators within the Index are comprised of several clinical practice guidelines in the areas of ischemic heart disease, hypertension, diabetes mellitus, major depressive disorder, schizophrenia, and tobacco use cessation. The percent compliance is an average of the separate indicators.</p>	<p>VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.</p>	
<p>Objective 3.1 Prevention Index II</p>	<p>The Prevention Index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes. The nine diseases or health factors include: rate of immunizations for Influenza and Pneumococcal pneumonia; screening for tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, and cholesterol levels; and prostate cancer education. Each disease has an indicator. Each indicator's numerator is the number of patients in the random sample who actually received the intervention they were eligible to receive. The denominator is the number of patients in the random sample who were eligible to receive the intervention.</p>	<p>VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Monthly	None	<p>Verification: The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected.</p> <p>Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.</p>
Data are reported quarterly with a cumulative average determined annually.	None	<p>Verification: Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter.</p> <p>Validation: The CPGI demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking care in VA. The measure targets elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses.</p>
Data are reported quarterly with a cumulative average determined annually.	None	<p>Verification: Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter.</p> <p>Validation: The Prevention Index II demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 3.1 Increase non-institutional long-term care as expressed by average daily census</p>	<p>The number is the Average Daily Census (ADC) of veterans enrolled in Home and Community-Based Care programs (e.g., Home-Based Primary Care, Contract Home Health Care, Adult Day Health Care (VA and Contract), and Homemaker/Home Health Aide Services).</p>	<p>The ADC data are obtained from VHA workload reporting databases designed to capture both VHA-provided care and VHA-paid (fee-based or contracted) care.</p>	
<p>Objective 3.2 Compensation and Pension: Rating-related actions - average days to process</p>	<p>The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Includes the End Products (EP): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.</p>	<p>Data source is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.</p>	
<p>Objective 3.2 Pension: Non-rating actions - average days to process</p>	<p>The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Pension Non-Rating includes: Disability and Death Dependency (EP130); Income, Estate and Election Issues (EP150); IVM Match Cases - DIC (EP154); EVR Referrals (EP155); and Original Death Pension (EP190). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.</p>	<p>The source of data for this measure is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.</p>	

	Frequency	Data Limitations	Data Verification and Measure Validation
	Quarterly	None	<p>Verification: VHA data quality/accuracy standards are applied and data undergo audits and ongoing verification to ensure accuracy. This is critical as data are used for budgeting, workload planning, etc.</p> <p>Validation: The measure captures the expansion of access to non-institutional care within VHA programs and/or contracted services. Non-institutional care is deemed to be more desirable and cost efficient for those veterans that are appropriate for this level of care. The measure drives both expansion of the variety of services and expansion of geographic access.</p>
	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	<p>Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices.</p> <p>Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>
	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	<p>Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices.</p> <p>Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 3.2 Pension: National accuracy rate (authorization work)</p>	<p>Processing accuracy for claims that normally require determinations and verifications of income as well as dependency and relationship matters. Review criteria include: all Pension authorization work such as correct decision, correct effective date, and correct payment date when applicable. It also includes Veterans Claims Assistance Act (VCAA)-compliant development. Accuracy rate is determined by dividing the total number of cases with no errors in any one category by the number of cases reviewed.</p>	<p>Findings from C&P Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database.</p>	
<p>Objective 3.3 Average days to process insurance disbursements</p>	<p>Insurance disbursements are death claims paid to beneficiaries, policy loans, and cash surrenders requested by policyholders. Average processing days are a weighted composite for all three types of disbursements based on the number of end products and timeliness for each category. Processing time begins when the veteran's application or beneficiary's fully completed claim is received and ends when the internal controls staff approves the disbursement. The average processing days for death claims is multiplied by the number of death claims processed. The same calculation is done for loans and cash surrenders. The sum of these calculations is divided by the sum of death claims, loans, and cash surrenders processed to arrive at the weighted average processing days for disbursements.</p>	<p>Data on processing time are collected and stored through the Statistical Quality Control (SQC) Program and the Distribution of Operational Resources (DOOR) system.</p>	
<p>Objective 3.4 Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence</p>	<p>The measure is the number of veterans served by a burial option divided by the total number of veterans, expressed as a percentage. A burial option is defined as a first family member interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery that is available within 75 miles of the veteran's place of residence.</p>	<p>For 2001 and 2002, the number of veterans and the number of veterans served were extracted from the VetPop2000 model using updated 1990 census data. Since 2003, the number of veterans and the number of veterans served were extracted from a revised VetPop2000 model using 2000 census data.</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Case reviews are conducted daily. The review results are tabulated monthly and annually.	None	<p>Verification: C&P STAR quality reviews by individual reviewers are routinely validated by C&P managers as part of individual performance. Additionally, when a Regional Office disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director.</p> <p>Validation: This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.</p>
Monthly	None	<p>Verification: The Insurance Service periodically evaluates the SQC Program to determine if it is being properly implemented. The composite weighted average processing days measure is calculated by the Insurance Service and is subject to periodic data verification reviews. Timeliness information is considered to be valid for management of operations.</p> <p>Validation: The sole purpose of life insurance is to provide a measure of financial security to the beneficiaries of veterans. The timeliness of disbursements is the primary reflection of this purpose. It provides a clear indication of the ability to process the workload in a quality, timely manner.</p>
Recalculated annually or as required by the availability of updated veteran population census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries also determine the veteran population served.	Provides performance data at specific points in time as veteran demographics change.	<p>Verification: In 1999, the OIG performed an audit assessing the accuracy of the data used for this measure. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.</p> <p>Validation: Reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery is available within 75 miles of the veteran's place of residence. VA established a 75-mile service area standard because NCA data show that more than 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at the time of death.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p>Objective 3.4 Percent of respondents who rate the quality of service provided by the national cemeteries as excellent</p>	<p>The number of survey respondents who agree or strongly agree that the quality of service received from national cemetery staff is excellent divided by the total number of survey respondents, expressed as a percentage.</p>	<p>NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.</p>	
<p>Objective 3.5 Percent of graves in national cemeteries marked within 60 days of interment</p>	<p>The number of graves in national cemeteries for which a marker has been set at the grave or the reverse inscription completed within 60 days of the interment divided by the number of interments, expressed as a percentage.</p>	<p>NCA'S Burial Operations Support System (BOSS) as input by field stations.</p>	
<p>Objective 4.2 Number of peer-reviewed publications by VA investigators</p>	<p>The number of peer-reviewed publications by VA investigators that show VA listed as the affiliated institution as determined by a PubMed search.</p>	<p>Annual search of PubMed listed articles by Office of Research and Development</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Annually	The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.	<p>Verification: VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level data reports are provided to NCA management.</p> <p>Validation: NCA strives to provide high-quality, courteous, and responsive service in all of its contacts with veterans and their families and friends. These contacts include scheduling the committal service, arranging for and conducting interments, and providing information about the cemetery and the location of specific graves.</p>
Monthly	None	<p>Verification: VA Headquarters staff oversees the data collection process to validate its accuracy and integrity. Monthly and fiscal-year-to-date reports are provided at the national, MSN, and cemetery levels.</p> <p>Validation: 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. The amount of time it takes to mark the grave after an interment is important to veterans and their family members.</p>
Annually	None	<p>Verification: PubMed is a nationally published databank for published research and is external to VA. VA search will be conducted by R&D but is easily verified by external review for accuracy and completeness.</p> <p>Validation: Translation of research results to health care is a complex process that usually involves publication of significant findings in peer-reviewed scientific journals. Successful publication reflects effectiveness in determining which investigators/projects to fund, successful management of the research project itself, and effective communication of these results and their significance to scientific reviewers and journal editorial boards. Hence, publication rates reflect on the success of the entire research enterprise and serve as one quantitative indicator of the productivity of the overall research enterprise.</p>

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	
<p><u>Objective 4.5</u> Percent of respondents who rate national cemetery appearance as excellent</p>	<p>The number of survey respondents who agree or strongly agree that the overall appearance of the national cemetery is excellent divided by the total number of survey respondents, expressed as a percentage.</p>	<p>NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.</p>	
<p><u>Objective E-4</u> Ratio of collections to billings</p>	<p>The collections to billings ratio is a calculation based on the total cumulative fiscal year collections divided by the total cumulative fiscal year billings. VA cannot collect from Medicare; however, 100 percent of the charges must be included to assert claims to Medicare supplemental carriers. The resulting ratio is comparatively lower than the private sector standard.</p>	<p>The collections and billed data are extracted from VA's National Data Base in the Allocation Resource Center (ARC).</p>	

Frequency	Data Limitations	Data Verification and Measure Validation
Annually	The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.	<p>Verification: VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level data reports are provided to NCA management.</p> <p>Validation: NCA will continue to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places to which veterans and their families are drawn for dignified burials and lasting memorials.</p>
Quarterly	None	<p>Verification: The data are routinely verified by both program personnel and ARC for accuracy.</p> <p>Validation: This measure provides an effective way to evaluate how well the collection system works in relation to the amount billed and is a commonly used measure in the private sector.</p>

Performance Measures Tables

The following tables display our key and supporting measures both by strategic goal and objective (see [Table 1](#)), and by organization and program (see [Table 2](#)). For each measure, we show available trend data for 5 years. The actual result is designated as follows:

- Target was met or exceeded (green or G).
- Target was not met, but the deviation did not significantly affect program performance (yellow or Y).
- Target was not met, and the difference significantly affected program performance (red or R).

For each “red” measure, we provide a brief explanation of why there was a significant deviation between the actual and planned performance level and briefly identify the steps being taken to ensure goal achievement in the future. (Please see the Performance Shortfalls table beginning on page 60 for this information.)

For those measures where 2005 results are partial or estimated, we will publish final data in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

The table showing measures by organization and program includes the total amount of resources (FTE and obligations) for each program. The GPRA program activity structure is somewhat different from the program activity structure shown in the program and financing (P&F) schedules of the President’s budget. However, all of the P&F schedules have been aligned with one or more of our programs to ensure all VA program activities are covered. The program costs (obligations) represent the estimated total resources available for each of the programs, regardless of which organizational element has operational control of the resources. The performance measures and associated data for each major program apply to the entire group of schedules listed for that program.

VA uses the balanced measures concept to monitor program and organizational performance. We examine and regularly monitor several different types of measures to provide a more comprehensive and balanced view of how well we are performing. Taken together, the measures demonstrate the balanced view of performance we use to assess how well we are doing in meeting our strategic goals, objectives, and performance targets.

VA continues working to ensure the quality and integrity of our data. The Key Measures Data Table starting on page 154 provides the definition, data source, frequency of collection, any data limitations, and data verification and measure validation for each of VA’s 24 key measures. The Assessment of Data Quality beginning on page 143 provides an overall view of how our programs verify and validate data for all of the measures. Definitions for the key as well as supporting measures are located in Part IV beginning on page 311.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Strategic Goal 1: Restore the capability of veterans with disabilities 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 veterans with disabilities and be recognized as a leader in the provision of specialized health care services.							
Prevention Index II (Special Populations) (thru Jun)	N/A	N/A	80%	86%	* 86% G	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) Program, or HCHV Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement (thru Jun)	N/A	65%	72%	79%	* 82% G	79%	80%
Objective 1.2: Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.							
National accuracy rate (core rating work) % (Compensation) (thru Jun)	80%	80%	86%	87%	* 84% Y	88%	98%
Compensation & Pension rating-related actions - average days to process	181	223	182	166	167 R	145	125
Rating-related compensation actions - average days pending	186	179	114	120	122 Y	119	78
Overall satisfaction (Compensation) (1) results not available until 2nd quarter of FY 2006	52%	55%	58%	59%	(1) TBD	55%	90%
Non-rating compensation actions - average days to process	55	57	49	50	59 G	66	17
Non-rating compensation actions - average days pending	98	93	95	94	98 G	105	47
National accuracy rate (Compensation authorization work) (thru Jun)	69%	83%	88%	90%	* 91% Y	92%	98%
Average number of days to initiate development of remands at the Appeals Management Center (thru Jul) (1) new measure in FY 2006 budget; target not available until end of FY 2006	N/A	N/A	N/A	N/A	28	(1) N/A	15
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans (Comp)	N/A	N/A	N/A	** TBD	** TBD	** TBD	50%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Percent of compensation recipients who were kept informed of the full range of available benefits (1) customer satisfaction results not available until 2nd quarter of FY 2006	39%	40%	42%	43%	(1) TBD	TBD	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life	N/A	N/A	N/A	** TBD	** TBD	** TBD	70%
National accuracy rate (fiduciary work) % (Compensation & Pension) (thru Jun)	68%	84%	77%	81%	* 85% Y	88%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	6%	9%	9%	7%	8% Y	3%	3%
Telephone activities - blocked call rate (Compensation & Pension)	3%	7%	3%	2%	3% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (completed) (%) (Compensation & Pension)	13%	9%	11%	12%	11% Y	6%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (pending) (%) (Compensation & Pension)	N/A	16%	20%	14%	12% Y	8%	4%
Deficiency-free decision rate	86.7%	87.6%	89.0%	93.0%	89.0% Y	93.0%	95.0%
Appeals resolution time (Days) (Joint measure with C&P) (BVA)	595	731	633	529	622 R	500	365
BVA Cycle Time (Days) (1) Includes veterans service organization time	(1) 182	86	135	98	104 G	150	120
Appeals decided per Veterans Law Judge	561	321	604	691	621 G	592	668
Cost per case	\$1,401	\$2,702	\$1,493	\$1,302	\$1,453 G	\$1,546	\$1,689

** Pending results of the new Veterans' Disability Benefits Commission that began in May 2005. Results are expected 15 months thereafter.

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Objective 1.3: Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.							
Rehabilitation rate (VR&E)	65%	62%	59%	62%	63% Y	66%	70%
Speed of entitlement decisions in average days (VR&E)	62	65	63	57	62 G	62	60
Accuracy of decisions (Services) % (VR&E)	79%	81%	82%	86%	87% Y	88%	96%
Customer satisfaction (Survey) (VR&E) (1) Customer satisfaction results not available until 3rd quarter of FY 2006	76%	77%	N/A	79%	(1) TBD	81%	92%
Accuracy of program outcome % (VR&E)	N/A	81%	81%	94%	97% G	90%	95%

Measures Under Development

Common Measures							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

Objective 1.4: Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

Average days to process - DIC actions	133	172	153	125	124 Y	120	90
Percent of DIC recipients above the poverty level (Comp)	N/A	N/A	N/A	99%	** TBD	** TBD	100%
Percent of DIC recipients who are satisfied that the VA recognized their sacrifice (Comp)	N/A	N/A	N/A	80%	** TBD	** TBD	90%

** Pending results of the new Veterans' Disability Benefits Commission that began in May 2005. Results are expected 15 months thereafter.

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.							
Objective 2.1: Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.							
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a service member's discharge (Comp) (1) new measure in FY 2006 budget; data/target not available until end of FY 2006	N/A	N/A	N/A	N/A	(1) N/A	N/A	65%
Percentage of VAMCs contracted to serve as TRICARE network providers	N/A	N/A	N/A	N/A	* 87%	Baseline	90%
Implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD (thru Aug)	N/A	N/A	N/A	N/A	* 2	Baseline	9

Objective 2.2: Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.

Average days to complete original education claims	50	34	23	26	33 R	25	10
Average days to complete supplemental education claims	24	16	12	13	19 R	13	7
Montgomery GI Bill usage rate %: All program participants (Education) (1) Corrected	58%	56%	58%	(1) 65%	* 66% G	61%	70%
Montgomery GI Bill usage rate %: Veterans who have passed their 10-year eligibility period (Education) (1) Corrected	N/A	N/A	66%	(1) 71%	* 71% G	67%	70%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (1) Measure under development (Education)	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (1) Measure under development (Education)	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD
Customer satisfaction-high ratings (Education) (1) Customer satisfaction results not available until 3rd quarter of FY 2006	86%	87%	89%	85%	(1) TBD	89%	95%
Telephone Activities - Blocked call rate (Education)	45%	26%	13%	20%	38% R	22%	10%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Telephone Activities - Abandoned call rate (Education)	13%	11%	7%	10%	17% Y	9%	5%
Payment accuracy rate (Education)	92%	93%	94%	94%	96% G	95%	97%

Objective 2.3: Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

Foreclosure avoidance through servicing (FATS) ratio (Housing)	40%	43%	45%	44%	48% G	47%	47%
Statistical quality index % (Housing)	96%	97%	98%	98%	98% G	97%	98%
Veterans satisfaction % (1) Customer survey not conducted in 2005 (2) Customer survey not conducted in 2004 (Housing)	94%	94%	95%	(2) N/A	(1) N/A	96%	95%
Home Purchase - Percent of active duty personnel and veterans that could not have purchased a home without VA assistance (1) Measure under development	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD

Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.

Objective 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.

Percent of patients rating VA health care service as very good or excellent:							
Inpatient (thru Jun)	64%	70%	74%	74%	* 77% G	74%	74%
Outpatient (thru Jun)	65%	71%	73%	72%	* 77% G	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date (VHA) (thru Jun)	87%	89%	93%	94%	* 97% G	94%	94%
Percent of specialty care appointments scheduled within 30 days of desired date, (1) results as of 9/30, (2) reflects cum. for year, (3) henceforth, eight clinical areas now included instead of five (VHA) (thru Jun)	(1) 84%	(1) 86%	(2) 89%	(3) 93%	* 95% G	93%	93%
Clinical Practice Guidelines Index (VHA) (thru Jun)	N/A	Baseline	70%	77%	* 87% G	77%	80%
Prevention Index II (VHA) (thru Jun)	80%	82%	83%	88%	* 90% G	88%	88%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Increase non-institutional long-term care as expressed by average daily census (VHA) (thru Jun)	N/A	24,126	24,413	25,523	* 29,316 Y	30,118	43,098
Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider (VHA)	N/A	N/A	N/A	N/A	Baseline	Baseline	72%
Percent of appointments for specialty health care services scheduled within 30 days of desired date for veterans and service members returning from a combat zone (VHA)	N/A	N/A	N/A	N/A	Baseline	Baseline	90%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and service members returning from a combat zone (VHA)	N/A	N/A	N/A	N/A	Baseline	Baseline	94%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (VHA) (thru Jun)	63%	65%	67%	69%	* 73% G	67%	90%
Percent of outpatient encounters that have electronic progress notes signed within 2 days (VHA) (thru Jun)	N/A	N/A	N/A	84%	* 85% G	85%	87%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Compensation & Pension rating-related actions - average days to process	181	223	182	166	167 R	145	125
Non-rating pension actions - average days to process	59	65	67	58	68 G	73	21
National accuracy rate (authorization pension work) % (thru Jun)	62%	76%	81%	84%	* 84% G	84%	98%
National accuracy rate (core rating-related pension work) (thru Jun)	78%	80%	91%	93%	* 91% Y	93%	98%
Rating-related pension actions - average days pending	129	100	98	77	83 R	69	65
Overall satisfaction rate % (Pension) (1) customer satisfaction results not available until 2nd quarter of FY 2006	63%	65%	66%	66%	(1) TBD	65%	90%
Non-rating pension actions - average days pending	124	90	61	102	111 R	73	38
Percent of pension recipients who were informed of the full range of available benefits (1) Customer satisfaction results not available until 2nd quarter of FY 2006	40%	38%	39%	40%	(1) TBD	40%	60%
Percent of pension recipients who said their claim was very or somewhat fair (1) Customer satisfaction results not available until 2nd quarter of FY 2006	63%	65%	62%	64%	(1) TBD	53%	75%
National accuracy rate (fiduciary work) % (Compensation & Pension) (thru Jun)	68%	84%	77%	81%	* 85% Y	88%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	6%	9%	9%	7%	8% Y	3%	3%
Telephone activities - blocked call rate (Compensation & Pension)	3%	7%	3%	2%	3% Y	2%	2%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (completed) (%) (Compensation & Pension)	13%	9%	11%	12%	11% Y	6%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (pending) (%) (Compensation & Pension)	N/A	16%	20%	14%	12% Y	8%	4%

Objective 3.3: Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.

Average days to process insurance disbursements	2.8	2.6	2.4	1.8	1.8 G	2.7	2.7
High customer ratings % (Insurance)	96%	95%	95%	96%	96% G	95%	95%
Low customer ratings % (Insurance)	2%	3%	3%	2%	2% G	2%	2%
Percentage of blocked calls (Insurance)	3%	1%	0%	1%	0% G	2%	1%
Average hold time in seconds (Insurance)	17	18	17	17	11 G	20	20

Objective 3.4: Ensure that the burial needs of veterans and eligible family members are met.

Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence (NCA)	72.6%	73.9%	75.2%	75.3%	77.1% Y	78.3%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent (NCA)	92%	91%	94%	94%	94% Y	95%	100%
Average number of days to process a claim for reimbursement of burial expenses (Data tracked by VBA)	40	48	42	48	57 R	42	21
National Accuracy Rate for burial claims processed (Data tracked by VBA) (thru Jun)	72%	85%	92%	94%	* 93% Y	96%	98%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours (NCA)	75%	73%	73%	73%	73% Y	75%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries (NCA)	33	42	50	60	69 G	68	108

Objective 3.5: Provide veterans and their families with timely and accurate symbolic expressions of remembrance.

Percent of graves in national cemeteries marked within 60 days of interment (NCA)	N/A	49%	72%	87%	94% G	88%	90%
Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days (NCA)	N/A	N/A	N/A	N/A	13%	Baseline	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete (NCA)	N/A	N/A	N/A	98%	99% G	98%	99%
Percent of headstones and markers that are undamaged and correctly inscribed (NCA)	97%	96%	97%	97%	96% Y	98%	98%

Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.

Objective 4.1: Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans as well as support to national, state, and local emergency management and homeland security efforts.

Percent of Emergency Planners who have completed orientation (OPPP)	N/A	N/A	N/A	N/A	100%	N/A	100%
Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OPPP)	N/A	N/A	N/A	N/A	85%	N/A	100%

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Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Objective 4.2: Advance VA medical research and development programs that address veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the Nation's knowledge of disease and disability.							
Number of peer-reviewed publications by VA investigators	N/A	N/A	N/A	N/A	* 2,665 G	(1) 2,558	2,700
Percentage of clinicians who remain in the VA health care system for at least three years after completion of their career development award period (VHA)	N/A	N/A	N/A	N/A	* 69% G	(1) 63%	70%
Number of discovery disclosures by VA investigators (VHA)	N/A	N/A	N/A	N/A	* 164 Y	(1) 188	217
(1) Original baseline year. Number can now be provided due to a refinement in data analysis.							
Objective 4.3: Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.							
Medical residents' and other trainees' scores on a VHA Survey assessing their clinical training experience (thru Aug)	84	83	83	84	* 84 Y	85	85
Percent of admission notes by residents that have a note from attending physician within one day of admission (VHA) :							
Medicine (thru Jun)	N/A	N/A	N/A	N/A	* 94%	Baseline	95%
Psychiatry (thru Jun)	N/A	N/A	N/A	N/A	* 94%	Baseline	95%
Surgery (thru Jun)	N/A	N/A	N/A	N/A	* 72%	Baseline	95%
Objective 4.4: Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veterans' benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.							
Attainment of statutory minimum goals for small business expressed as a percent of total procurement (OSDBU) (thru 11/03/2005 -- FY 2005 data have not been finalized)	32.6%	31.2%	31.8%	28.5%	* 27.8% G	23%	23%

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Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Objective 4.5: Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.							
Percent of respondents who rate national cemetery appearance as excellent (NCA)	96%	97%	97%	98%	98% G	98%	100%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need (NCA)	97%	98%	97%	97%	98% G	98%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment (NCA)	N/A	N/A	N/A	64%	70% G	65%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations (NCA)	N/A	N/A	N/A	76%	72% Y	78%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels (NCA)	N/A	N/A	N/A	79%	84% G	80%	95%

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-1: Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.

Percent of cases using alternate dispute resolution (ADR) techniques (BCA) (1) Corrected	(1) 21%	(1) 43%	(1) 20%	(1) 9%	9% R	72%	75%
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Objective E-2: Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.

Percent of newly elected/appointed state officials contacted within 60 days of taking office regarding VA programs/services (OPIA)	N/A	75%	80%	90%	100% G	100%	100%
Percent of VA employees who indicate they understand VA's strategic goals (OPPP) (1) No employee survey was conducted	N/A	65%	75%	75%	(1) No data available	80%	90%

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Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Objective E-3: Implement a <i>One VA</i> information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.							
Number of business lines transformed to achieve a secure veteran-centric delivery process that would enable veterans and their families to register and update information, submit claims or inquiries, and obtain status (IT)	N/A	N/A	N/A	0	0	0	8

Objective E-4: Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; enhancing our management of resources through improved capital asset management, acquisition, and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Ratio of collections to billings (expressed as a percentage) (VHA)	31%	37%	41%	41%	* 41% G	41%	41%
Dollar value of 1st party and 3rd party collections: (VHA)							
1st Party (\$ in millions) (thru Aug)	\$231	\$486	\$685	\$742	* \$709 Y	\$860	\$1,030
3rd Party (\$ in millions) (thru Aug)	\$540	\$690	\$804	\$960	* \$965 Y	\$1,018	\$1,643
Documented increases in the use of joint procurement contracts (VHA)	N/A	N/A	N/A	N/A	Baseline	Baseline	\$200M
Cost - Obligations per unique patient user (VHA)	N/A	\$4,928	\$5,202	\$5,562	\$5,726 G	\$5,762	TBD
Efficiency - Average number of appointments per year per FTE (1) Corrected (thru Aug) (VHA)	N/A	2,719	2,856	(1) 2,413	* 2,524 Y	2,553	TBD
Percentage of tort claims settled administratively (OGC)	83.4%	86.0%	86.0%	89.0%	88.4% Y	89.0%	90.0%
Percentage of planned business process reengineering studies of non-core, commercial, competitive functions initiated (per annum) (OPPP)	N/A	N/A	N/A	N/A	22% G	12%	12%
Percent increase of EDI usage over base year of 1997 (OM)	178%	235%	320%	884%	1384% G	900%	1000%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0 G	0	0

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Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Number of material weaknesses identified during the Annual Financial Statement Audit or Identified by Management (OM)	12	6	5	4	4 R	2	0
Decrease underutilized space as compared to overall space to 30% or less (29,507,611 Baseline) (OAEM)	N/A	N/A	N/A	Baseline	2%	TBD	30%
Increase Annual Percent Condition Index from 2005 baseline (OAEM)	N/A	N/A	N/A	N/A	Baseline	Baseline	TBD
Decrease Non Mission Dependent assets from 2005 baseline (OAEM)	N/A	N/A	N/A	N/A	Baseline	Baseline	TBD
Decrease operating and maintenance costs adjusting for inflation from 2004 (\$11,386,528,347 Baseline) (OAEM)	N/A	N/A	N/A	Baseline	\$758,867,828	TBD	TBD
Number of indictments, arrests, convictions, administrative sanctions, and pretrial diversions: (OIG)	1,655	1,621	1,894	1,917 ***	3,098 G	2,004	2,500
Number of Arrests	401	452	624	642 ***	593	645	820
Number of Indictments	376	357	349	397	336	400	470
Number of Convictions	337	331	417	332	327	335	395
Number of Administrative Sanctions	541	481	484	522	1,803	600	780
Number of Pretrial Diversions	N/A	N/A	20	24	39	24	35
Number of Reports issued:	136	169	(1) 182	(2) 223	(3) 224 G	198	236
Combined Assessment Reviews (CAPs) -Total	26	33	42	52	65	60	76
VHA CAPs	22	21	34	40	48	48	57
VBA CAPs	4	12	8	12	17	12	19
Audit Reports	26	26	24	24	37	30	40
Pre-and Post-Award Contract Reviews	48	60	65	105	85	64	70
Healthcare Inspection Reports	22	37	24	26	23	29	35
Administrative Investigations	14	12	21	11	11	15	15
Value of monetary benefits (\$ in millions) from:	\$4,189	\$878	\$157	(4) \$3,228 ***	(4) \$21,863 G	\$924	\$970
IG Investigations	\$52	\$85	\$64	\$320 ***	\$408	\$67	\$70
IG audits	\$4,095	\$730	\$8	\$2,104	\$20,332	\$792	\$825
IG contract reviews	\$42	\$62	\$82	\$661	\$1,121	\$65	\$75

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Table 1 - FY 2005 Performance Measures by Strategic Goal and Objective
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Customer Satisfaction:							
CAP Reviews	N/A	4.4	4.1	4.5	4.5 Y	4.6	5.0
Investigations	4.8	4.8	4.9	4.9	4.9 Y	5.0	5.0
Audit	4.2	4.3	4.2	4.6	4.5 Y	4.7	5.0
Contract Reviews	4.7	4.9	4.5	4.6	4.6 Y	4.7	5.0
Healthcare Inspections	4.2	4.7	4.4	4.4	4.7 G	4.5	5.0

(1) Includes 5 CAP summary reports that are not counted in the CAP total and 1 joint review with DoD.

(2) Includes 3 CAP summary reports that are not counted in the CAP total and 2 joint reviews completed by OIG Offices of Investigation, Audit, and Healthcare Inspection.

(3) Includes 2 CAP summary reports that are not counted in the CAP total and 1 joint review completed by the OIG Offices of Investigation and Audit.

(4) This figure includes monetary benefits produced by the OIG Office of Healthcare Inspections and OIG Hotline Division. The nature of the activity of these offices does not generally result in monetary benefits significant for separate performance reporting.

*** Corrected

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program

(Key Measures are in bold)

(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
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Veterans Health Administration

	P&F ID Codes:	36-0160-0-1-703;	36-0152-0-1-703;
<i>Medical Care</i>	36-0162-0-1-703;	36-5358-0-1-703	36-8180-0-7-705;
	36-4014-0-3-705		

Resources	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
FTE	183,602	184,209	187,049	194,055	200,779	197,362	
Medical care costs (\$ in millions)	\$22,553	\$24,368	\$27,654	\$30,772	\$31,668	\$33,082	

Performance Measures

Percent of patients rating VA health care service as very good or excellent:							
Inpatient (thru Jun)	64%	70%	74%	74%	* 77% G	74%	74%
Outpatient (thru Jun)	65%	71%	73%	72%	* 77% G	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date (thru Jun)	87%	89%	93%	94%	* 97% G	94%	94%
Percent of specialty care appointments scheduled within 30 days of desired date (1) results as of 9/30, (2) reflects cum. for year, (3) henceforth, eight clinical areas now included instead of five (thru Jun)	(1) 84%	(1) 86%	(2) 89%	(3) 93%	* 95% G	93%	93%
Clinical Practice Guidelines Index (thru Jun)	N/A	Baseline	70%	77%	* 87% G	77%	80%
Prevention Index II (thru Jun)	80%	82%	83%	88%	* 90% G	88%	88%
Ratio of collections to billings (expressed as a percentage)	31%	37%	41%	41%	* 41% G	41%	41%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (thru Jun)	63%	65%	67%	69%	* 73% G	67%	90%
Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider	N/A	N/A	N/A	N/A	Baseline	Baseline	72%
Percent of outpatient encounters that have electronic progress notes signed within 2 days (thru Jun)	N/A	N/A	N/A	84%	* 85% G	85%	87%
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions) (thru Aug)	\$231	\$486	\$685	\$742	* \$709 Y	\$860	\$1,030
3rd Party (\$ in millions) (thru Aug)	\$540	\$690	\$804	\$960	* \$965 Y	\$1,018	\$1,643
Cost - Obligations per unique patient user	N/A	\$4,928	\$5,202	\$5,562	\$5,726 G	\$5,762	TBD

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program

(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Efficiency - Average number of appointments per year per FTE (1) Corrected (thru Aug)	N/A	2,719	2,856	(1) 2,413	* 2,524 Y	2,553	TBD
Percentage of VAMCs contracted to serve as TRICARE network providers	N/A	N/A	N/A	N/A	* 87%	Baseline	90%
Documented increases in the use of joint procurement contracts	N/A	N/A	N/A	N/A	Baseline	Baseline	\$200M
Implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD (thru Aug)	N/A	N/A	N/A	N/A	* 2	Baseline	9

Special Emphasis Programs

Non-institutional long-term care as expressed by average daily census (thru Jun)	N/A	24,126	24,413	25,523	* 29,316 Y	30,118	43,098
Prevention Index II (Special Populations) (thru Jun)	N/A	N/A	80%	86%	* 86% G	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) Program, or HCHV Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement (thru Jun)	N/A	65%	72%	79%	* 82% G	79%	80%
Percent of appointments for specialty health care services scheduled within 30 days of desired date for veterans and service members returning from a combat zone	N/A	N/A	N/A	N/A	Baseline	Baseline	90%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and service members returning from a combat zone	N/A	N/A	N/A	N/A	Baseline	Baseline	94%
Medical residents' and other trainees' scores on a VHA Survey assessing their clinical training experience (thru Aug)	84	83	83	84	* 84 Y	85	85
Percent of admission notes by residents that have a note from attending physician within one day of admission:							
Medicine (thru Jun)	N/A	N/A	N/A	N/A	* 94%	Baseline	95%
Psychiatry (thru Jun)	N/A	N/A	N/A	N/A	* 94%	Baseline	95%
Surgery (thru Jun)	N/A	N/A	N/A	N/A	* 72%	Baseline	95%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
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P&F ID Codes: 36-0161-0-1-703; 36-4026-0-3-703;

Medical Research

Resources							
FTE	3,019	6,470	6,575	6,798	3,206	6,202	
Research cost (\$ in millions)	\$877	\$964	\$1,022	\$1,067	\$851	\$1,033	

Performance Measures

Number of peer-reviewed publications by VA investigators	N/A	N/A	N/A	N/A	* 2,665 G	(1) 2,558	2,700
Percentage of clinicians who remain in the VA health care system for at least three years after completion of their career development award period	N/A	N/A	N/A	N/A	* 69% G	(1) 63%	70%
Number of discovery disclosures by VA investigators	N/A	N/A	N/A	N/A	* 164 Y	(1) 188	217

(1) Original baseline year. Number can now be provided due to a refinement in data analysis.

Veterans Benefits Administration*Compensation*

P&F ID Code: 36-0102-0-1-701 36-0134-0-1-701

Resources							
FTE	8,035	6,985	7,346	7,568	7,538	7,515	
Benefits cost (\$ in millions)	\$20,255	\$22,453	\$24,822	\$26,472	\$28,768	\$29,039	
Administrative cost (\$ in millions)	\$564	\$603	\$728	\$789	\$834	\$853	

Performance Measures

National accuracy rate (core rating work) % (Compensation) (thru Jun)	80%	80%	86%	87%	* 84% Y	88%	98%
Compensation & Pension rating-related actions - average days to process	181	223	182	166	167 R	145	125
Rating-related compensation actions - average days pending	186	179	114	120	122 Y	119	78
Average days to process - DIC actions	133	172	153	125	124 Y	120	90
Overall satisfaction (Compensation) (1) results not available until 2nd quarter of FY 2006	52%	55%	58%	59%	(1) TBD	55%	90%
Non-rating compensation actions - average days to process	55	57	49	50	59 G	66	17

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Non-rating compensation actions - average days pending	98	93	95	94	98 G	105	47
National accuracy rate (Compensation authorization work) (thru Jun)	69%	83%	88%	90%	* 91% Y	92%	98%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a service member's discharge (Comp) (1) new measure in FY 2006 budget; data/target not available until end of FY 2006	N/A	N/A	N/A	N/A	(1) N/A	N/A	65%
Average number of days to initiate development of remands at the Appeals Management Center (thru Jul) (1) new measure in FY 2006 budget; target not available until end of FY 2006	N/A	N/A	N/A	N/A	28	(1) N/A	15
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans (Comp)	N/A	N/A	N/A	** TBD	** TBD	** TBD	50%
Percent of compensation recipients who were kept informed of the full range of available benefits (1) customer satisfaction results not available until 2nd quarter of FY 2006	39%	40%	42%	43%	(1) TBD	TBD	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life	N/A	N/A	N/A	** TBD	** TBD	** TBD	70%
Percent of DIC recipients above the poverty level (Comp)	N/A	N/A	N/A	99%	** TBD	** TBD	100%
Percent of DIC recipients who are satisfied that the VA recognized their sacrifice (Comp)	N/A	N/A	N/A	80%	** TBD	** TBD	90%
National accuracy rate (fiduciary work) % (Compensation & Pension) (thru Jun)	68%	84%	77%	81%	* 85% Y	88%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	6%	9%	9%	7%	8% Y	3%	3%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Telephone activities - blocked call rate (Compensation & Pension)	3%	7%	3%	2%	3% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (completed) (%) (Compensation & Pension)	13%	9%	11%	12%	11% Y	6%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (pending) (%) (Compensation & Pension)	N/A	16%	20%	14%	12% Y	8%	4%

** Pending results of the new Veterans' Disability Benefits Commission that began in May 2005. Results are expected 15 months thereafter.

Pension

P&F ID Codes:

36-0154-0-1-701;

36-0143-0-1-701

Resources						
FTE	N/A	1,791	1,827	1,535	1,539	1,444
Benefits cost (\$ in millions)	\$3,018	\$3,168	\$3,226	\$3,342	\$3,408	\$3,408
Administrative cost (\$ in millions)	\$142	\$155	\$152	\$153	\$165	\$148

Performance Measures

Compensation & Pension rating-related actions - average days to process	181	223	182	166	167 R	145	125
National accuracy rate (authorization pension work) % (thru Jun)	62%	76%	81%	84%	* 84% G	84%	98%
Non-rating pension actions - average days to process	59	65	67	58	68 G	73	21
National accuracy rate (core rating-related pension work) (thru Jun)	78%	80%	91%	93%	* 91% Y	93%	98%
Rating-related pension actions - average days pending	129	100	98	77	83 R	69	65

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Table 2 - FY 2005 Performance Measures by Program
 (Key Measures are in bold)
 (G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Overall satisfaction rate % (Pension) (1) customer satisfaction results not available until 2nd quarter of FY 2006	63%	65%	66%	66%	(1) TBD	65%	90%
Non-rating pension actions - average days pending	124	90	61	102	111 R	73	38
National accuracy rate (fiduciary work) % (Compensation & Pension) (thru Jun)	68%	84%	77%	81%	* 85% Y	88%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	6%	9%	9%	7%	8% Y	3%	3%
Telephone activities - blocked call rate (Compensation & Pension)	3%	7%	3%	2%	3% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (completed) (%) (Compensation & Pension)	13%	9%	11%	12%	11% Y	6%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (pending) (%) (Compensation & Pension)	N/A	16%	20%	14%	12% Y	8%	4%
Percent of pension recipients who were informed of the full range of available benefits (1) Customer satisfaction results not available until 2nd quarter of FY 2006	40%	38%	39%	40%	(1) TBD	40%	60%
Percent of pension recipients who said their claim was very or somewhat fair (1) Customer satisfaction results not available until 2nd quarter of FY 2006	63%	65%	62%	64%	(1) TBD	53%	75%

The indicators below are the component end-products for the measure on average days to complete rating-related actions. We do not establish separate performance goals for these indicators. For a detailed discussion of rating-related actions timeliness, see the narrative on pages 85-86.

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Claims Completed in FY 2005
Average days to process rating - related actions	181	223	182	166	167	763,464
Initial disability compensation	219	256	207	186	185	197,554
Initial death compensation/DIC	133	172	153	125	124	27,740
Reopened compensation	197	242	193	178	179	431,031
Initial disability pension	130	123	93	94	98	31,888
Reopened pension	126	128	101	101	103	50,289
Reviews, future exams	119	127	95	87	95	17,682
Reviews, hospital	91	74	54	54	55	7,280

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
<i>Education</i>							
P&F ID Codes: 36-0133--0-1-702 36-0133-0-7-702 36-0137-0-1-702 36-0133--0-1-702 36-8133-0-7-702							
Resources							
FTE	852	864	866	841	851	888	
Benefits cost (\$ in millions)	\$1,425	\$1,756	\$2,120	\$2,417	\$3,329	\$2,787	
Administrative costs (\$ in millions)	\$64	\$75	\$69	\$78	\$84	\$101	
Performance Measures							
Average days to complete original education claims	50	34	23	26	33 R	25	10
Average days to complete supplemental education claims	24	16	12	13	19 R	13	7
Montgomery GI Bill usage rate %: All program participants (1) Corrected	58%	56%	58%	(1) 65%	* 66% G	61%	70%
Montgomery GI Bill usage rate %: Veterans who have passed their 10-year eligibility period (1) Corrected	N/A	N/A	66%	(1) 71%	* 71% G	67%	70%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (1) Measure under development	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (1) Measure under development	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD
Customer satisfaction-high ratings (1) Customer satisfaction results not available until 3rd quarter of FY 2006	86%	87%	89%	85%	(1) TBD	89%	95%
Telephone Activities - Blocked call rate	45%	26%	13%	20%	38% R	22%	10%
Telephone Activities - Abandoned call rate	13%	11%	7%	10%	17% Y	9%	5%
Payment accuracy rate	92%	93%	94%	94%	96% G	95%	97%

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
<i>Vocational Rehabilitation and Employment</i>							
	P&F ID Codes:				36-0135-0-1-702; 36-0140-0-1-702	36-0132-0-1-702	
Resources							
FTE	1,061	1,057	1,091	1,105	1,114	1,102	
Benefits cost (\$ in millions)	\$427	\$487	\$515	\$552	\$552	\$590	
Administrative costs (\$ in millions)	\$109	\$119	\$116	\$124	\$137	\$149	

Performance Measures

Rehabilitation rate (VR&E)	65%	62%	59%	62%	63% Y	66%	70%
Speed of entitlement decisions in average days (VR&E)	62	65	63	57	62 G	62	60
Accuracy of decisions (Services) % (VR&E)	79%	81%	82%	86%	87% Y	88%	96%
Customer satisfaction (Survey) (VR&E) (1) Customer satisfaction results not available until 3rd quarter of FY 2006	76%	77%	N/A	79%	(1) TBD	81%	92%
Accuracy of program outcome % (VR&E)	N/A	81%	81%	94%	97% G	90%	95%

Measures Under Development

Common Measures							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
<i>Housing</i>							
		P&F ID Codes:		36-1119-0-1-704;		36-4025-0-3-704	
		36-0128-0-1-704		36-4127-0-3-704		36-4129-0-3-704	
		36-4130-0-3-704					
Resources							
FTE	1,759	1,718	1,404	1,256	1,048	1,281	
Benefits cost (\$ in millions)	\$520	\$849	\$1,351	\$235	\$1,927	\$1,952	
Administrative costs (\$ in millions)	\$162	\$168	\$169	\$158	\$153	\$156	

Performance Measures

Foreclosure avoidance through servicing (FATS) ratio	40%	43%	45%	44%	48% G	47%	47%
Statistical quality index %	96%	97%	98%	98%	98% G	97%	98%
Veterans satisfaction % (1) Customer survey not conducted in 2005 (2) Customer survey not conducted in 2004	94%	94%	95%	(2) N/A	(1) N/A	96%	95%
Home Purchase - Percent of active duty personnel and veterans that could not have purchased a home without VA assistance (1) Measure under development	N/A	N/A	N/A	N/A	(1) N/A	N/A	TBD

*Insurance*P&F ID Codes: 36-0120-0-1-701; 36-4012-0-3-701;
36-4010-0-3-701; 36-4009-0-3-701; 36-8132-0-7-701;
36-8150-0-7-701; 36-8455-0-8-701; 36-0141-0-1-701

Resources							
FTE	507	479	493	490	488	513	
Benefits cost (\$ in millions)	\$2,534	\$2,709	\$2,655	\$2,539	\$2,573	\$2,626	
Administrative costs (\$ in millions)	\$41	\$40	\$40	\$42	\$41	\$45	

Performance Measures

Average days to process insurance disbursements	2.8	2.6	2.4	1.8	1.8 G	2.7	2.7
High customer ratings %	96%	95%	95%	96%	96% G	95%	95%
Low customer ratings %	2%	3%	3%	2%	2% G	2%	2%
Percentage of blocked calls	3%	1%	0%	1%	0% G	2%	1%
Average hold time in seconds	17	18	17	17	11 G	20	20

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
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National Cemetery Administration

P&F ID Codes: 36-0129-0-1-705; 36-0139-0-1-701

Resources							
FTE	1,385	1,633	1,655	1,492	1,519	1,553	
Benefits cost (\$ in millions)	\$111	\$135	\$143	\$153	\$153	\$169	
Administrative cost (\$ in millions):							
Operating costs	\$116	\$137	\$143	\$156	\$159	\$162	
State cemetery grants	\$24	\$41	\$26	\$34	\$36	\$36	
Capital construction	\$33	\$61	\$36	\$63	\$68	\$146	

Performance Measures

Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	72.6%	73.9%	75.2%	75.3%	77.1% Y	78.3%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	92%	91%	94%	94%	94% Y	95%	100%
Percent of graves in national cemeteries marked within 60 days of interment	N/A	49%	72%	87%	94% G	88%	90%
Percent of respondents who rate national cemetery appearance as excellent	96%	97%	97%	98%	98% G	98%	100%
Average number of days to process a claim for reimbursement of burial expenses (Data tracked by VBA)	40	48	42	48	57 R	42	21
National Accuracy Rate for burial claims processed (Data tracked by VBA) (thru Jun)	72%	85%	92%	94%	* 93% Y	96%	98%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours (NCA)	75%	73%	73%	73%	73% Y	75%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries (NCA)	33	42	50	60	69 G	68	108

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days	N/A	N/A	N/A	N/A	13%	Baseline	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete	N/A	N/A	N/A	98%	99% G	98%	99%
Percent of headstones and markers that are undamaged and correctly inscribed	97%	96%	97%	97%	96% Y	98%	98%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	97%	98%	97%	97%	98% G	98%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	N/A	N/A	N/A	64%	70% G	65%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	N/A	N/A	N/A	76%	72% Y	78%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	N/A	N/A	N/A	79%	84% G	80%	95%

Board of Veterans' Appeals

P&F ID Code: 36-0151-0-1-705

Resources							
FTE	455	448	451	440	434	440	
Administrative cost (\$ in millions)	\$44	\$47	\$47	\$50	\$50	\$51	

Performance Measures

Deficiency-free decision rate	86.7%	87.6%	89.0%	93.0%	89.0% Y	93.0%	95.0%
Appeals resolution time (Days) (Joint measure with C&P) (BVA)	595	731	633	529	622 R	500	365
BVA Cycle Time (Days) (1) Includes veterans service organization time	(1) 182	86	135	98	104 G	150	120
Appeals decided per Veterans Law Judge	561	321	604	691	621 G	592	668
Cost per case	\$1,401	\$2,702	\$1,493	\$1,302	\$1,453 G	\$1,546	\$1,689

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Percentage of planned business process reengineering studies of non-core, commercial, competitive functions initiated (per annum) (OPPP)	N/A	N/A	N/A	N/A	22% G	12%	12%
Number of material weaknesses identified during the Annual Financial Statement Audit or Identified by Management (OM)	12	6	5	4	4 R	2	0
Decrease underutilized space as compared to overall space to 30% or less (29,507,611 Baseline) (OAEM)	N/A	N/A	N/A	Baseline	2%	TBD	30%
Increase Annual Percent Condition Index from 2005 baseline (OAEM)	N/A	N/A	N/A	N/A	Baseline	Baseline	TBD
Decrease Non Mission Dependent assets from 2005 baseline (OAEM)	N/A	N/A	N/A	N/A	Baseline	Baseline	TBD
Decrease operating and maintenance costs adjusting for inflation from 2004 (\$11,386,528,347 Baseline) (OAEM)	N/A	N/A	N/A	Baseline	\$758,867,828	TBD	TBD

Office of Inspector General

P&F ID Code: 36-0170-0-1-705

Resources						
FTE	370	393	399	435	453	468
Administrative cost (\$ in millions)	\$49	\$56	\$58	\$66	\$70	\$75

Performance Measures

Number of indictments, arrests, convictions, administrative sanctions, and pretrial diversions:	1,655	1,621	1,894	1,917 ***	3,098 G	2,004	2,500
Number of Arrests	401	452	624	642 ***	593	645	820
Number of Indictments	376	357	349	397	336	400	470
Number of Convictions	337	331	417	332	327	335	395
Number of Administrative Sanctions	541	481	484	522	1,803	600	780
Number of Pretrial Diversions	N/A	N/A	20	24	39	24	35
Number of Reports issued:	136	169	(1) 182	(2) 223	(3) 224 G	198	236
Combined Assessment Reviews (CAPs) -- Total	26	33	42	52	65	60	76
VHA CAPs	22	21	34	40	48	48	57
VBA CAPs	4	12	8	12	17	12	19
Audit Reports	26	26	24	24	37	30	40
Pre-and Post-Award Contract Reviews	48	60	65	105	85	64	70
Healthcare Inspection Reports	22	37	24	26	23	29	35
Administrative Investigations	14	12	21	11	11	15	15

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Table 2 - FY 2005 Performance Measures by Program(Key Measures are in bold)
(G = Green; Y = Yellow; R = Red)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Result	FY 2005 Plan	Strategic Target
Value of monetary benefits (\$ in millions) from:	\$4,189	\$878	\$157	(4) \$3,228 ***	(4) \$21,863 G	\$924	\$970
IG Investigations	\$52	\$85	\$64	\$320 ***	\$408	\$67	\$70
IG audits	\$4,095	\$730	\$8	\$2,104	\$20,332	\$792	\$825
IG contract reviews	\$42	\$62	\$82	\$661	\$1,121	\$65	\$75
Customer Satisfaction:							
CAP Reviews	N/A	4.4	4.1	4.5	4.5 Y	4.6	5.0
Investigations	4.8	4.8	4.9	4.9	4.9 Y	5.0	5.0
Audit	4.2	4.3	4.2	4.6	4.5 Y	4.7	5.0
Contract Reviews	4.7	4.9	4.5	4.6	4.6 Y	4.7	5.0
Healthcare Inspections	4.2	4.7	4.4	4.4	4.7 G	4.5	5.0

(1) Includes 5 CAP summary reports that are not counted in the CAP total and 1 joint review with DoD.

(2) Includes 3 CAP summary reports that are not counted in the CAP total and 2 joint reviews completed by OIG Offices of Investigation, Audit, and Healthcare Inspection.

(3) Includes 2 CAP summary reports that are not counted in the CAP total and 1 joint review completed by the OIG Offices of Investigation and Audit.

(4) This figure includes monetary benefits produced by the OIG Office of Healthcare Inspections and OIG Hotline Division. The nature of the activity of these offices does not generally result in monetary benefits significant for separate performance reporting.

*** Corrected

* These are partial or estimated actual data; final data will be published in the FY 2007 Congressional Budget and/or the FY 2006 Performance and Accountability Report.

Dropped Performance Measures

<i>Veterans Health Administration*</i>	FY 2001	FY 2002	FY 2003	FY 2004 Final	FY 2004 Plan
Average waiting time for next available appointment in primary care clinics (in days)	37.5	37	25	7	34
Average waiting time for next available appointment in specialty clinics (in days)	N/A	N/A	45	8	30
Percent of all patients evaluated for the risk factors for hepatitis C)	51%	85%	95%	98%	90%
Percent of all patients tested for hepatitis C subsequent to a positive hepatitis C risk factor screening	48%	62%	84%	97%	85%
Percent of clinical software patches installed on time:					
CPRS	67%	70%	96%	98%	72%
BCMA	82%	85%	94%	97%	87%
Imaging	57%	60%	88%	92%	62%
Acute Bed Days of Care (BDOC)/1000	895	900	1,000	1,000	1,000
Outpatient visits/1000:					
Med/Surg	2.4	2.4	2.4	2.4	2.4
Mental Health	8.1	8.1	8.1	8.1	8.1
Percent of VA medical centers that provide electronic access to health information provided by DoD on separated service persons	N/A	0%	100%	100%	100%
Quality - The percentage of diabetic patients taking the HbA1c blood test in the past year	N/A	93%	94%	95%	93%
Average waiting time for new patients seeking primary care clinic appointments (in days)	N/A	N/A	42	36	30
Average waiting time for patients seeking a new specialty clinic appointment (in days)	N/A	N/A	45	37	30
Sustain 2002 level of partnering opportunities with: Veterans Service Organizations; other Federal Agencies; non-profit foundations, e.g., American Heart Association, American Cancer Society; and private industry, e.g., pharmaceutical companies	139	139	139	139	139

* Most of these measures had met or exceeded targets for several consecutive years indicating sustainable achievement. Other measures were replaced with measures that more accurately targeted areas VA identified as needing improvement.

<i>Veterans Benefits Administration**</i>	FY 2001	FY 2002	FY 2003	FY 2004 Final	FY 2004 Plan
National accuracy rate (authorization work) (Compensation & Pension)	65%	80%	88%	91%	87%
Overall satisfaction (Compensation & Pension)	56%	58%	59%	61%	70%
National accuracy rate (core rating work) (Compensation & Pension)	89%	81%	86%	87%	90%

** These measures are now tracked separately for compensation and for pension.

Major Management Challenges – Summary

The Department's Office of Inspector General, an independent entity, evaluates VA's programs and operations. The OIG-identified Major Management Challenges for 2005 are summarized below by strategic goal together with VA's responses. For further details on OIG-identified Major Management Challenges, please see www.va.gov/budget/report/MMC_Complete.pdf.

Major Management Challenges - OIG	
OIG SUMMARY TABLE	
Major Findings & Recommendations	Responses
Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans	
OIG#2 - Benefits Processing Area	
Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
OIG #2A - State Variances in VA Disability Compensation Programs	
<ul style="list-style-type: none"> In May 2005, we issued the report on state variances in VA disability compensation payments. Our analysis showed that some disabilities are inherently more susceptible to variations in rating determinations. This is attributed to a combination of factors, including a disability rating schedule based on a 60-year-old model and some diagnostic conditions that lend themselves to more subjective decision-making. Data showed that the variance in 100 percent post-traumatic stress disorder (PTSD) cases is a primary factor contributing to the variances in average annual compensation payments by state. We concluded that 25 percent of the 2,100 PTSD claims reviewed had insufficient verification of claimed service-related stressors. VBA's quality review program did not detect the problems we found in PTSD cases. We made eight recommendations to VBA including that it conduct a scientifically sound study of influences on compensation payments and develop methods and data to monitor and address variances. VBA is in the process of addressing the eight unimplemented recommendations identified in our report. VBA is reviewing the same 2,100 PTSD claims used in our May 2005 report. VBA has referred cases from the first stage of their review to regional offices for additional development and corrective actions. 	<ul style="list-style-type: none"> VBA is in the process of addressing the recommendations identified by the OIG by taking the following actions: <ul style="list-style-type: none"> We are currently reviewing the same 2,100 PTSD cases reviewed by the OIG reviewed to obtain a better understanding of the deficiencies found by the OIG so that additional training and guidance can be provided to staff. In 2006, VBA will begin reviewing specific cases during site visits to identify the disability evaluations most prone to inconsistency. VBA will also analyze rating and claims data on an ongoing basis to identify any unusual patterns or variance by regional office or diagnostic code for further review. VA's Office of Policy has initiated a contract with the Institute for Defense Analysis to conduct a scientific study in response to the OIG's recommendation.

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Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans, continued

OIG#2 - Benefits Processing Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #2B - Compensation and Pension Timeliness

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| <ul style="list-style-type: none"> • Although VA had made some progress in addressing its claims processing backlog, its efforts have been impeded by a variety of issues to include the complexity of claims, a court decision, and the war on terrorism. • VBA reported 418,000 total claims pending in June 2003, then the backlog increased to 469,000 as of June 2004, and then to over 504,000 by the end of September 2005. When examining just the rating related claims pending, VBA reported 253,000 for September 2003, an increase to 321,000 as of September 2004, and a total of over 346,000 by the end of September 2005. • VA credits improvements in reducing backlogs from the original peak to the reforms recommended by the Secretary's Claims Processing Task Force report of October 2001. • As of August 2005, VBA reported all approved task force recommendations have been implemented. • In light of VBA's assertion that all VA Task Force recommendations were implemented, we will initiate a review to determine why pending claims have increased in the past 2 years and to measure the relevancy of VA Task Force recommendations to the increase in pending claims, or if new barriers to timely claims processing exist. • While the number of claims pending rating decisions has increased, Compensation and Pension (C&P) rating actions that averaged 189 days for completion in January 2004 are averaging 167 days as of September 2005, demonstrating improvement in the timeliness of claims processing. | <ul style="list-style-type: none"> • Progress in achieving timeliness and inventory goals is significantly affected by the increasing numbers of claims being received and the increased complexity of those claims. • The number of veterans filing initial disability compensation claims and claims for increased benefits has increased every year since 2000. • Complexity is a factor, particularly because of evolving legal interpretations of requirements issued by the Court of Appeals for Veterans Claims such as the ruling that required decisions on issues not claimed by the veteran but which are "reasonably raised by the medical evidence of record" ("inferred issues"). • The Veterans Claims Assistance Act, passed in November 2000, increased VA's notification and development duties considerably, adding more steps to the claims process and lengthening the time it takes to develop and decide a claim and also requiring that VA review the claims at more points in the decision process. • In addition to the increased volume and complexity of claims, the number of conditions for which veterans claim entitlement to disability compensation continues to increase. |
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Major Management Challenges - OIG

OIG SUMMARY TABLE

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Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans, continued

OIG #2 - Benefits Processing Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #2C - Compensation and Pension Program's Internal Controls

<ul style="list-style-type: none"> • In 1999, the Under Secretary for Benefits asked the OIG for assistance to help identify internal control weaknesses that might facilitate, or result in, fraud in VBA's C&P program. • In our July 2000 follow-up report, we identified that 16 of the 18 previously reported categories of vulnerability remained present at VA's largest VA regional office (VARO). After over 5 years, 2 of 26 recommendations remain unimplemented. • In 2005 C&P internal controls continue to be identified as a weakness during OIG Combined Assessment Program (CAP) reviews at VAROs. Specifically, physical security controls over sensitive records needed improvement at 10 of 16 facilities. • Since VBA points to VETSNET as an important step in strengthening internal controls, the OIG Office of Audit will be evaluating VETSNET design, development, and project management to determine if the application met design specifications, achieved project milestones, and improved accuracy of benefit payments. 	<ul style="list-style-type: none"> • The two recommendations not fully implemented are tied to implementation of the VETSNET Award application. VETSNET is a combination of applications being deployed to replace the current Benefits Delivery Network. • The first recommendation is related to systemic controls over adjudication of employee claims at the employing VARO. At the present time, VETSNET Award is being tested in two facilities that do not share employee-veteran jurisdiction. The projected completion date for testing is December 2005. • The second recommendation requires the use of an automated third-person authorization control to monitor payments greater than \$25,000. VBA provided further support for closing the recommendation based on the interim C&P large-payment review process instituted in 2001. This process continues to be reviewed during C&P Service site visits and is also validated through the OIG CAP review process. VETSNET Award implementation is slated for December 2006. • Regarding weaknesses identified by OIG CAP reviews, the C&P Service reviews OIG findings prior to all site visits and follows up to determine if the CAP review findings have been corrected. VAROs are required to provide an implementation plan for the noted action items within 60 days from the date of the report.
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Major Management Challenges - OIG

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Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans, continued
OIG #2 - Benefits Processing Area, continued

 Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #2D - Fugitive Felon Program

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| <ul style="list-style-type: none"> Public Law 107-103, The Veterans Education and Benefits Expansion Act of 2001, enacted December 27, 2001, prohibits veterans who are fugitive felons, or their dependents, from receiving specified veterans benefits. As of May 2005, more than 6.9 million warrant files have been matched to more than 11 million records contained in VA benefit system files. The records match resulted in 17,469 referrals to various law enforcement agencies and led to the apprehension of 872 fugitive felons, including the arrest of 58 VA employees. In addition, 13,509 fugitive felons identified in these matches have been referred to VA for benefit suspension resulting in the creation of \$79 million identified for recovery and an estimated cost avoidance of \$174.5 million. As of June 2005, VHA received over 7,800 referrals from the VA OIG. VHA's handbook outlining procedures for the Fugitive Felon program was approved in December 2004, and we now expect full implementation by VHA. We view the Fugitive Felon program as fully implemented in VBA and agree it is no longer a major management challenge there, but our assessment of implementation in VHA continues. | <ul style="list-style-type: none"> VBA continues to work closely with the OIG in implementing the Fugitive Felon program. VHA provided copies of the VHA Fugitive Felon Program Handbook published in January 2005 to network directors and also provided copies of fugitive felon listings at the end of June 2005. Networks are now validating warrants. |
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Strategic Goal #2: Smooth Transition to Civilian Life

The OIG did not identify Major Management Challenges related to this goal.

Major Management Challenges - OIG

OIG SUMMARY TABLE

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Strategic Goal #3: Honoring, Serving, and Memorializing Veterans

OIG #1 - Health Care Delivery Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #1A - Part-Time Physician Time and Attendance

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| <ul style="list-style-type: none"> • Our April 2003 report identified VA physicians who were not present during their scheduled tours of duty, were not providing VA the services obligated by their employment agreement, or were “moonlighting” on VA time. • Over 2 years later, 5 of 12 recommendations from our 2003 report to improve physician timekeeping remain unimplemented. • OIG CAP reviews have assessed physician time and attendance issues at about 70 facilities nationwide and identified deficiencies at over 30. | <ul style="list-style-type: none"> • VHA Directive 2003-1, <i>Time and Attendance for Part-time Physicians</i>, reiterates existing human resources policy and suggests methods of documenting time and attendance and the proper roles for part-time physicians. • Elimination of core hours for those part-time physicians on alternative work schedules was agreed upon by all relevant organizational elements. The new policy is documented in revisions to three VA handbooks. These revised policies are expected to be released nationally in October 2005. • A period of 60 to 90 days will be needed after the issuance of the policies to allow installation and debugging of the software and completion of necessary training. |
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OIG #1B - Staffing Guidelines

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| <ul style="list-style-type: none"> • The absence of staffing standards for physicians and nurses continues to impair VHA’s ability to adequately manage medical resources. Public Law 107-135, Department of Veterans Affairs Health Care Program Enhancement Act of 2001, enacted on January 23, 2002, requires VA to establish a policy to ensure that staffing for physicians and nurses at VA medical facilities is adequate to provide veterans appropriate, high-quality care and services. • After over 2 years, four of five recommendations relating to physician staffing remain unimplemented from our April 2003 part-time physician time and attendance report. • Our August 2004 evaluation of nurse staffing found that managers could have managed their resources better in providing patient care if VHA had developed and implemented consistent staffing methodologies, standards, and data systems. Currently, 11 of 14 recommendations for improvement remain unimplemented. • The OIG continues to work with VHA to review their proposed policy due to concerns over compliance with the intent of Public Law 107-135, particularly with respect to national standards for nurse staffing; the length of time VHA projects to establish a complete set of staffing standards; and questions over the need to develop new data systems versus using existing data resources, such as Decision Support System in a consistent manner. | <ul style="list-style-type: none"> • VA has developed a proposed policy to meet the requirement of Public Law 107-135. The policy relates staffing levels and staff mix to patient outcomes and other performance measures. Under this proposed policy, all VHA facilities would be required to develop a written staffing plan for each distinct unit of patient care or health services. • Currently there are no information management systems available that would support nationwide standardized staffing plans for health care providers in varied care settings. However, the workload and patient outcome indicators in the staffing plans required under this directive and other related systems will be used to provide the basis for aggregate reviews at the local, network, and national levels. • It is anticipated that systems for the collection and analysis of this information will be developed in phases over a 4-year period and that they will be in place by September 30, 2009. |
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Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
OIG #1C - Quality Management	
<ul style="list-style-type: none"> While we found improvements in Quality Management (QM) programs, our July 2004 summary report found that facility managers need to strengthen QM programs through increased attention to the disclosure of adverse events, the utilization management program, the patient complaints program, and medical record documentation reviews. Currently, of the report's six recommendations, the one to establish a national policy for disclosing adverse events to patients remains unimplemented. In 2005 we reported QM deficiencies at six VA medical centers (VAMCs). We continued to identify problems with disclosure of adverse events, data collection, trending and analyses, and the patient complaints program. 	<ul style="list-style-type: none"> A new national policy on communication of adverse events will be issued in the first quarter of 2006. Within 6 months of its issuance, each facility will issue its own policy based on the national directive.
OIG #1D - Long-Term Health Care	
<ul style="list-style-type: none"> We completed reviews in December 2002, involving VHA's Community Nursing Home (CNH) program; in December 2003, involving Homemaker/Home Health Aide (H/HHA) program; and in May 2004, involving VHA's Community Residential Care (CRC) program. We identified issues warranting VHA's attention in all three reviews. We made recommendations to clarify and strengthen the VHA CNH oversight process and to reduce the risk of adverse incidents for veterans in CNHs. After almost 3 years, 3 of 11 recommendations for improvement still remain unimplemented. We found VHA's H/HHA program also needed improvements. We inspected the program at 17 VA medical facilities and found that 14 percent of the patients receiving program services in our sample did not meet clinical eligibility requirements. After almost 2 years, two of four recommendations for improvement remain unimplemented. In our May 2004 CRC report, we found VAMC inspection teams did not consistently inspect their CRC homes. Currently, 4 of 11 recommendations for improvement remain unimplemented. 	<ul style="list-style-type: none"> VHA has continued its implementation of actions outlined in the revised VHA Handbook 1143.2, "<i>Community Nursing Home (CNH) Oversight</i>," published in June 2004, which addresses the majority of OIG recommendations concerning the community nursing home program. VHA implemented a Geriatrics and Extended Care referral instrument and reporting system to monitor appropriate placements in its H/HHA services and other long-term care programs. This monitoring of the appropriateness of placements helps provide assurance that resources for those most in need of H/HHA services are used efficiently. VA implemented 7 of the 11 recommendations with the publication of the CRC Handbook on March 7, 2005. The remaining initiatives require regulatory changes, which are presently being drafted.

Major Management Challenges - OIG

OIG SUMMARY TABLE

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Strategic Goal #3: Honoring, Serving, and Memorializing Veterans, continued

OIG #1 - Health Care Delivery Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #1E - Security and Safety

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| <ul style="list-style-type: none"> • In March 2002, the OIG issued a series of recommendations to improve overall security, inventory, and internal controls over biological, chemical, or radioactive agents at VHA facilities. • VHA and the Office of Security and Law Enforcement have completed numerous actions, such as issuing research, clinical, and security publications, and constructing a biosecurity training Web site. In addition, VHA provided a certification that all VA medical facilities are in compliance with the policies. We will close the report after VHA develops procedures to forward requests for research articles to facility Freedom of Information Act Officers. • In a review requested by the Environmental Protection Agency (EPA), we found in our March 2004 report varying degrees of effort in conducting water system assessments and security reviews. No VHA facility reported that it coordinated efforts with EPA. Currently one of three recommendations to improve security of water systems on VHA properties remains unimplemented. | <ul style="list-style-type: none"> • VA expects to publish the revised VHA Handbook 1200.6 by the first quarter of 2006. It details procedures to forward requests for research articles to facility Freedom of Information Act officers. • VHA anticipates issuing a directive based upon the latest guidance from EPA and the Department of Homeland Security to address the remaining recommendation concerning improving the security of water systems on VHA properties by the end of the first quarter of 2006. |
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Strategic Goal #4: Contributing to the Nation's Well-Being

The OIG did not identify Major Management Challenges related to this goal.

Enabling Goal: Applying Sound Business Principles

OIG #3 - Procurement Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #3A - Federal Supply Schedule Contracts

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| <ul style="list-style-type: none"> • Preaward and postaward reviews of Federal Supply Schedule (FSS) proposals and contracts continue to show that VA is at risk of paying excessive prices for goods and services unless VA strengthens contract development and administration. During the first half of 2005, preaward reviews of 15 FSS and cost-per-test offers resulted in recommendations that VA contracting officers negotiate reduced prices totaling over \$1 billion. • Postaward reviews conducted in the first half of 2005 resulted in cost recoveries associated with contractor overcharges of about \$2.3 million. | <ul style="list-style-type: none"> • VA contracting officers are actively pursuing the OIG preaward audit recommendations and seeking better discounts, terms, and conditions than originally offered. • Additional training has been provided to the contracting staff to reinforce the intent of the FSS program to seek "equal to or better than" the most favored (non-federal, comparable) customer pricing during the negotiating process. • For postaward reviews conducted within the first 6 months of 2005, contracting staff has pursued the overcharges identified by the OIG. |
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Enabling Goal: Applying Sound Business Principles, continued

OIG #3 - Procurement Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #3B - Contracting for Health Care Services

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| <ul style="list-style-type: none"> • Our February 2005 summary report of VHA sole-source contracts discussed issues that we identified during preaward reviews of proposals, postaward reviews, and reviews conducted as part of the OIG's Combined Assessment Program. The report addressed general contracting issues including poor acquisition planning, contracting practices that interfered with the contracting officers' ability to fulfill their responsibilities, and contract terms and conditions that did not protect VA's interest; contract pricing issues that resulted in VA overpaying for services; and legal issues, including conflict of interest violations, improper personal services contracts, terms and conditions that were inherently governmental, and contracts that were outside the scope of § 8153 authority. For example, in 2003 the VHA Resource Sharing Office reported that 99 contracts valued at \$500,000 or more were awarded. Only 3 of the 99 were referred for a preaward review. • The Under Secretary for Health concurred with the report's findings and recommendations to improve VHA's award and administration of these contracts. Currently, 32 of 35 recommendations remain open. | <ul style="list-style-type: none"> • VA Directive 1663, Health Care Resources Contracting Buying, is expected to be published and released no later than during the first quarter of 2006. |
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OIG #3C - Management of Major VHA Construction Contracts

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| <ul style="list-style-type: none"> • Our February 2005 report identified that VHA needed to improve the construction contract award and administration process to ensure price reasonableness, prevent excessive prices, and deter or avoid fraud, waste, abuse, and mismanagement. We reviewed over 30 major construction contracts and identified a risk for excessive prices involving projects valued at \$133.6 million. Currently 3 of 17 recommendations remain open. | <ul style="list-style-type: none"> • Fourteen of the OIG's 17 recommendations were closed by the OIG as a result of actions VHA has taken to strengthen the construction contract process. • The OIG final report was forwarded to all Office of Facilities Management (FM) staff, and it, along with the recommendations, were discussed in a mandatory national conference call in May 2005. • Several FM directives and manuals have been revised with expected publication and issue in the first quarter of 2006. |
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Major Management Challenges - OIG

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Enabling Goal: Applying Sound Business Principles, continued

OIG #3 - Procurement Area, continued

Access the complete narrative for this challenge by clicking here: <http://www.va.gov/budget/report>

OIG #3D - Vocational Rehabilitation and Employment Contracts

<ul style="list-style-type: none"> • Our February 2005 report found that VA had awarded over 240 VBA Vocational Rehabilitation and Employment contracts to support veterans' access to evaluations, rehabilitation, training, and employment services. Based on contracting vulnerabilities identified, we concluded that VA was at risk of paying excessive prices for services on these contracts. Prices for similar services from the same contractors on prior contracts varied significantly. Base year price increases ranged from 23 to 314 percent. • Voluntary price reductions received from 25 contractors showed that contracting costs could be reduced by as much as 15 percent, which would reduce VA's \$45 million in expenditures by \$6.8 million over the 5-year term of existing contracts. Currently five of seven recommendations remain open. 	<ul style="list-style-type: none"> • Of the five open recommendations, two items are pending issuance of a directive. • To address the OIG action item on determining price reasonableness, VR&E staff is conducting market research prior to making option renewal determinations. This information will be used to establish base-year prices and annual increases of VR&E contracts. • The remaining two action items relate to internal and management controls. Contractor performance is assessed and quality assurance reviews are performed quarterly to validate that corrective actions have been taken on identified deficiencies.
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Major Management Challenges - OIG

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Enabling Goal: Applying Sound Business Principles, continued

OIG #3 - Procurement Area, continued

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OIG #3E – Contracting & Acquisition Support for Major System Development Initiatives

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| <ul style="list-style-type: none"> • OIG completed reviews of two major VA system development initiatives in late 2004 and in 2005. • Our August 2004 CoreFLS System review concluded VA did not adequately contract for or monitor the CoreFLS project or protect the Government's interests. We identified systemic inadequacies in the contracting processes and serious weaknesses in contract development. We made 66 recommendations in the report. Twenty-nine of them relate directly to issues identified as major management challenges. Fourteen of these 29 recommendations remain open. • In our March 2005 report, we identified that VA's E-Travel initiative duplicates the General Services Administration's (GSA) efforts to provide E-Travel service options that all Federal agencies must use. We made recommendations to the Assistant Secretary for Management to initiate timely actions to migrate to one of GSA's approved E-Travel options, which could save \$7.4 million over the next 10 years. Although all 10 report recommendations remain open, we expect to close the report recommendations in the near future since the Department has taken most of the actions needed to meet the intent of our recommendations or is making significant progress toward implementing the open recommendations. • Our findings showed that both of these projects lacked adequate control, risk management, and senior management oversight because acquisition activities were expedited, while key management and system development controls were omitted or weakened by actions associated with the accelerated pace. | <ul style="list-style-type: none"> • In April 2005 the Chief Information Officer sent a memorandum to the OIG requesting that the remaining recommendations regarding previous plans for implementation of a new integrated financial management system be closed since the Department was still evaluating what course of action would be most prudent for development and implementation of this type of system. VA has now initiated a 4-year remediation program to eliminate the existing material weakness—Lack of an Integrated Financial Management System. This new program will be referred to as VA's Financial and Logistics Integrated Technology Enterprise (FLITE)—the goal of which is to correct financial and logistics deficiencies throughout the Department. For FY 2006 and 2007, the work associated with FLITE will be primarily "functional" in nature, that is, oriented on planning and the standardization of financial and logistics processes and data. This effort will be led by the Assistant Secretary for Management and will be very labor intensive involving both contractors and Government personnel. During those fiscal years, a detailed review and analysis of software options will also occur and will include "pilot programs" as needed. • In January 2005, VA selected Electronic Data Systems (EDS) from GSA's e-Travel Service (eTS) master contract to provide eTS to VA. Shortly after awarding the task order, VA conducted testing to review the functionality of FedTraveler.com to ensure all items in the "request for quotes" were met. A gap analysis document was provided to EDS, listing all items found deficient by VA. All items are required to be completed before VA will implement FedTraveler.com. |
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Enabling Goal: Applying Sound Business Principles, continued

OIG #3 - Procurement Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #3F - Government Purchase Card Activities

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| <ul style="list-style-type: none"> • In our April 2004 report, we identified additional opportunities to ensure that purchase cards are used properly. Of the eight recommendations, the one to develop and implement procedures and checklists for approving officials to use in monitoring cardholders' use of cards remains unimplemented. • During 2005, OIG CAP reviews continue to show that VA needs to improve controls for the effective administration of the Government purchase card program. | <ul style="list-style-type: none"> • In 2005 VA's Office of Business Oversight began using data mining techniques to identify potentially questionable purchase card transactions. Transactions identified as questionable, using criteria approved by the OIG, have been provided to station agency/organization program coordinators for research and validation. • Four desk guides for the purchase card program have been signed and placed on the VHA CFO Web site. A VHA handbook issued in June 2005, updates and clarifies procedures for the use of the government purchase card for VHA facilities and program offices. • The last VHA desk guide will be distributed to the field in the first quarter of 2006. |
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OIG #3G - Inventory Management

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| <ul style="list-style-type: none"> • OIG reviews of inventory management practices have identified significant management challenges involving various supply categories and excessive expenditures of hundreds of millions of dollars. • Our August 2004 Bay Pines/CoreFLS report concluded that in spite of repeated notices by VHA of the need for an efficient inventory management program, the VAMC did not fully or adequately implement VA's Generic Inventory Program (GIP) to manage inventories. • During 2005, OIG CAP reviews continue to identify systemic problems with inventory management caused by inaccurate information, lack of expertise needed to use VA's Generic Inventory Program (GIP), and failure to use the system at some supply points in medical centers. Management of supply inventories was deficient at 36 of 38 facilities tested. | <ul style="list-style-type: none"> • The Office of Acquisition and Materiel Management has developed a national item file that will force standardized identification for supplies and ensure that all items are accounted for in perpetual inventory accounts; sponsored materiel management seminars that promote the use of and include technical training for GIP; and transferred the supply, processing, and distribution (SPD) program to VHA providing for more authority in managing the SPD program. • In February 2004, VA created the Office of Business Oversight to conduct oversight and monitoring of financial, capital asset management, acquisition, and logistics activities across the Department. • The VHA Chief Logistics Officer continues to monitor inventory issues. To date, all inventories have been certified as implemented. Inventories are being monitored to ensure continued use of GIP, lower levels of inactive and long supply stock, and overall lower dollar value of inventory. • Actions currently underway to address the recommendations include: creation of standardized business processes for inventory management, creation of a national report server, IFCAP/GIP programming changes, separate performance measures for recurring stock vs. just-in-case stock, rewrite of VHA Handbook 1761.2, Inventory Management, and GIP continuing education. |
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Enabling Goal: Applying Sound Business Principles, continued

OIG #4 – Financial Management Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #4A - Financial Management Control

<ul style="list-style-type: none"> • Annual consolidated financial statements (CFS) audit work continues to report the lack of an integrated financial management system as a VA material weakness. • As a result, CFS work in VA requires significant manual compilations and labor-intensive processes for the preparation of auditable reports and increases the risk of materially misstating financial information. • VA believed that CoreFLS would resolve OIG concerns. Operational testing of CoreFLS began in October 2003 at three VA facilities, with implementation at further sites to be phased in, and full implementation scheduled for March 2006. After our August 2004 Bay Pines/CoreFLS report was issued, VA discontinued implementation of CoreFLS and the test sites resumed operation within VA's existing financial management system in early 2005. Three financial management and control recommendations remain unimplemented. • VA is now evaluating how it will proceed with the deployment of a functioning financial management system. In looking at VA's program response and based on OIG experience with the CoreFLS review, we view the Office of Finance's plan to develop a Web-based single system that will improve the accessibility of financial data, provide ad-hoc reports, and secure access within an integrated computer environment in 2006 as a positive interim step towards correcting the material weakness; but this interim step also represents a formidable major management challenge. 	<ul style="list-style-type: none"> • The Office of Finance is implementing a remediation plan that creates a dual path to substantially reduce material audit weaknesses associated with the lack of an integrated financial management system (refer to page 209 for further information). • The first path focuses on improving the quality and timeliness of VA's financial data by developing a single and centralized Web-based data repository of information that is currently maintained in several different legacy systems. • The second path will reduce the significant manual compilation and labor-intensive processes for the preparation of VA's consolidated financial statements and other standardized automated accounting reports by producing them from a single database using standardized formats; thus decreasing the risk of materially misstating financial information, strengthening reporting controls, automating the collection and consolidation of accounting data, and reducing the lead time required to produce reports. • The remediation plan should reduce the material weaknesses and make VA's financial management system substantially compliant with the Federal Financial Management Improvement Act. • As it pertains to the three open management and control recommendations, the Office of Business Oversight continues to review expenditures made to the CoreFLS vendors and review all travel expenditures submitted by the vendor. The issue of discounts for Phase IV work and/or award fee will be considered within the context of the OIG's continuing investigation of this matter.
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Enabling Goal: Applying Sound Business Principles, continued

OIG #4 - Financial Management Area, continued

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OIG #4B - Data Validity

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| <ul style="list-style-type: none"> • The Government Performance and Results Act (GPRA) requires agencies to develop measurable performance goals and report results against those goals. Successful implementation requires that information be accurate and complete. • Our July 2005 report indicated outpatient scheduling procedures need to be improved to ensure accurate reporting of veterans' waiting times and facility waiting lists. Of the 505 appointments, only 330 appointments (65 percent) were scheduled with 30 days of the desired date—well below the VHA goal of 90 percent and the medical facilities directors' reported accomplishment of 81 percent. Even though the report was just issued in July 2005, VHA has already completed action on one of eight recommendations. • Until the remaining key measures are reviewed, this issue will remain a major management challenge. While we plan to review a key performance reporting measure annually, VA staff should do a thorough review of the remaining issues and provide the OIG assurance that data validity problems do not exist or have been corrected. | <ul style="list-style-type: none"> • VA continues to review and take steps to ensure the validity, not only of key performance measures, but of all workload and performance data. • For further information on the Department's efforts to improve its data quality, refer to the "Assessment of Data Quality" section on page 145. |
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OIG #4C - Workers' Compensation Program

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| <ul style="list-style-type: none"> • VA continues to suffer significant risk for Workers' Compensation Program (WCP) abuse, fraud, and unnecessary costs from inadequate case management and fraud detection. • Our August 2004 report found that ineffective case management and program fraud resulted in potential unnecessary/inappropriate costs to VA totaling \$43 million annually. These costs represent potential lifetime compensation payments to claimants totaling \$696 million. Additionally, an estimated \$113 million in avoidable past compensation payments were made that are not recoverable. • While the Department has begun to take action, only 1 of 15 recommendations is fully implemented. | <ul style="list-style-type: none"> • VA has implemented significant initiatives to address OIG findings and recommendations. • A Workers' Compensation Strategic Planning Committee was formed in October 2004 and a strategic plan was approved in February 2005 consisting of five strategic goals: case management; return to work; education; partnerships; and identify and reduce fraud, waste, and abuse. The committee meets monthly to review progress toward meeting the goals. • Four of the 15 identified items have already been completed and substantial progress has been achieved on the remaining items. |
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Major Management Challenges - OIG

OIG SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

OIG #4 - Financial Management Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #4D – Federal Energy Management Cost

<ul style="list-style-type: none"> • Our March 2005 report found that VA needed to strengthen compliance with Federal energy management policies and improve the reliability of data. We estimated VA could better use \$12.9 million annually. 	<ul style="list-style-type: none"> • The Office of Asset Enterprise Management (OAEM) in the Office of Management assumed leadership of VA's energy conservation program in March 2003 and issued a new energy policy directive and handbook in July 2003. • The directive and handbook direct each VA administration to audit 10 percent of its facilities each year, train acquisition and energy management staff, and designate energy managers for each region. • By the first quarter of 2006, OAEM will revise the 2003 policy directive and handbook to reflect the new requirements for federal agencies regarding an annual reduction in energy consumption. • NCA designated an office to serve as the energy liaison with the Department and coordinate NCA's energy program in conjunction with NCA subject matter experts. • VHA has an energy coordinator responsible for the implementation of energy initiatives throughout the Administration. VHA has been working with OAEM to develop a comprehensive energy policy. • VBA designated an energy management official and energy liaisons to serve on VA's Energy Team. The team serves as the point of contact for data collection, analysis, and reporting of VBA energy conservation efforts.
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Major Management Challenges - OIG

OIG SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

OIG #4 - Financial Management Area, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

OIG #4E – Medical Care Collections Fund

<ul style="list-style-type: none"> • In our December 2004 report, we evaluated the appropriateness of Medical Care Collections Fund (MCCF) first party billings and collections for certain veterans receiving C&P benefits. We found that 89 percent of the veteran cases reviewed had debts referred inappropriately to VA's Debt Management Center because of inaccurate eligibility information regarding the veteran's C&P status in the Veterans Health Information Systems and Technology Architecture system. Currently, two of four recommendations remain unimplemented. • In 2005 OIG CAP reviews examining MCCF activities found deficiencies at 19 of 21 facilities tested. 	<ul style="list-style-type: none"> • During the October 2004 Chief Business Office (CBO) nationwide conference call, guidance was provided instructing field staff to follow up with VBA when new awards are made to determine the effective date of the award. Additionally, during the February 2005 nationwide conference call, the CBO provided specific guidance to field facilities recommending that the Diagnostic Measures First Party follow-up report be run monthly. • The Health Eligibility Center (HEC) staff continues to place a priority on resolving the C&P status changes that require manual resolution. • The combination of continued priority processing of the review file cases and improved automated processing of VBA updates will effectively address the OIG recommendation. • With regards to fee billing, the VHA CBO established a field committee comprised of both field and Central Office staff to identify best practices associated with capturing potentially billable cases and develop automation to support that process. • VBA will continue working cooperatively with VHA to improve and enhance data and information exchange. • During 2005 the Office of Business Oversight (OBO) increased reviews of revenue operations, performing reviews of nine VA medical facilities. OBO also assisted VHA in reducing outstanding third party accounts receivable by performing an analysis of the outstanding receivable balances.
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Major Management Challenges - OIG	
OIG SUMMARY TABLE	
Major Findings & Recommendations	Responses
Enabling Goal: Applying Sound Business Principles , continued	
OIG #5 – Information Management Security and Systems Area Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
OIG #5A - Information Security	
<ul style="list-style-type: none"> In our March 2005 report, we identified significant information security vulnerabilities that place VA at considerable risk of denial of service attacks, disruption of mission-critical systems, fraudulent benefits payments, fraudulent receipt of health care benefits, unauthorized access to sensitive data, and improper disclosure of sensitive data. All 16 recommendations for improvement remain unimplemented. OIG CAP reviews conducted from October 2003 through August 2005 continue to identify information security weaknesses. We have reported security weaknesses and vulnerabilities at 45 of 60 VA health care facilities and 11 of 21 VA regional offices where security issues were reviewed. 	<ul style="list-style-type: none"> VA is recommending closure of two recommendations contained in the OIG's March 2005 audit report and several issues contained in other recommendations for which corrective action has been implemented. VA is taking significant corrective actions in the following critical areas: certification and accreditation, patch management and vulnerability assessment, technology to protect the VA wired network from wireless devices, intrusion detection, external connections, configuration management, physical security, electronic transmission of sensitive data, and critical infrastructure protection. It is anticipated that VA's implementation of Federal Information Processing Standards Publication 201 (FIPS 201) requirements will correct concerns about background checks and contract employees as presented in the OIG report. However, this issue has not been finalized by OMB.
OIG #5B - Information Systems Development	
<ul style="list-style-type: none"> From April 2004 through March 2005, we issued 42 reports and management letters that cited the need to improve information security, application controls in financial systems, and general controls over access to the VA data centers and operations. Our August 2004 report on Bay Pines/CoreFLS indicated that the deployment of CoreFLS encountered multiple system development problems. In fact, CoreFLS was deployed at the Bay Pines facility without resolving numerous OIG-reported risks, including inadequate training and concerns about not using a parallel processing system during deployment. Currently, there are eight recommendations that remain unimplemented. In March 2005, we also reported on VA's implementation of the Zegato Electronic E-Travel Service, disclosing that VA's initial efforts to test and implement the service failed to meet VA's requirements and user needs, and project managers were not effectively managing its implementation. While VA has completed many actions, all 10 recommendations remain open. 	<ul style="list-style-type: none"> In April 2005 the Chief Information Officer sent a memorandum to the OIG requesting that the remaining recommendations regarding previous plans for implementation of a new integrated financial management system be closed since the Department was still evaluating what course of action would be most prudent for development and implementation of this type of system. VA has now initiated a 4-year remediation program to eliminate the existing material weakness—Lack of an Integrated Financial Management System. This new program will be referred to as VA's Financial and Logistics Integrated Technology Enterprise (FLITE)—the goal of which is to correct financial and logistics deficiencies throughout the Department. In January 2005 VA selected Electronic Data Systems (EDS) from GSA's e-Travel Service (eTS) master contract to provide eTS to VA. Shortly after awarding the task order, VA conducted testing to review the functionality of FedTraveler.com to ensure all items in the "request for quotes" were met. A gap analysis document was provided to EDS, listing all items found deficient by VA. All items are required to be completed before VA will implement FedTraveler.com.

For further details on OIG-identified Major Management Challenges, please see www.va.gov/budget/report/MMC_Complete.pdf.

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. The GAO-identified Major Management Challenges for 2005 are summarized below by strategic goal together with VA's responses. For further details on GAO-identified Major Management Challenges, please see www.va.gov/budget/report/MMC_Complete.pdf.

Major Management Challenges - GAO	
GAO SUMMARY TABLE	
Major Findings & Recommendations	Responses
Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans	
GAO #1 - Ensure Access to Quality Health Care	
Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
GAO #1A - Access to Acute Care, Long-term Care, and Specialized Health Care Services	
<ul style="list-style-type: none"> • VA needs to strategically plan how best to use its resources and funding to provide equitable access to veterans needing acute care services, while also providing a growing elderly veteran population with institutional and non-institutional long-term care services. • VA also faces challenges in making blind rehabilitation and mental health care services, including those for post-traumatic stress disorder, more widely available to its enrolled veteran population. 	<ul style="list-style-type: none"> • VA continues implementing and refining Advanced Clinic Access, a patient-centered, scientifically based set of redesign principles and tools that enable staff to examine their processes and redesign them. • VA added a network-level performance measure on access to home and community-based care services. • VA continues to monitor multiple workload and other descriptive measures of long-term care programs. Data on unique veterans, visits, census, and eligibility priority groups are now routinely collected and analyzed. • VA continues expanding access to specialty post-traumatic stress disorder (PTSD) care. Thirty-one new or expanded PTSD programs were funded in 2005, including eight new PTSD clinical teams, two new day hospitals, and three new women's programs, in addition to several new Military Sexual Trauma programs. • Thirty-four Returning Veterans Outreach, Education and Care programs are being established in areas where there are high numbers of returning veterans. These programs will provide preventive health training and associated psychosocial supports to returning veterans as well as identify those in need of treatment for specific mental disorders. • VA continues to improve its capacity to make blind rehabilitation services more widely available and to ensure that program data are managed efficiently. Monthly statistical reports on waiting times are being submitted to and monitored by VHA's Blind Rehabilitation Service (BRS). • A directive specifying procedures for processing applications to BRS programs and how to calculate the wait times for admission to inpatient Blind Rehabilitation Centers is expected to be published by the end of the first quarter of 2006.

Major Management Challenges - GAO	
GAO SUMMARY TABLE	
Major Findings & Recommendations	Responses
Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans , continued	
GAO #1 - Ensure Access to Quality Health Care , continued Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
GAO #1B - Patient Safety	
<ul style="list-style-type: none"> VA should conduct more thorough screening of the personal and professional backgrounds of health care providers to minimize the chance of patients receiving care from providers who may be incompetent or who may intentionally harm them. VA needs to strengthen its human subject protections program by addressing continuing weaknesses in the program. 	<ul style="list-style-type: none"> VA is implementing primary source verification of all licenses, registrations, and certification and expanding the credentialing process for all licensed, registered, and certified health care personnel. During 2005 VA achieved full compliance in credentialing all physician assistants and advanced practice registered nurses using VetPro. VetPro is VA's Web-based credentialing data bank. Software modifications have been made to VetPro to allow it to serve as a verifying tool for all VHA existing state licenses and national certificates, and staff have been trained in its use. VA has taken steps to strengthen its human research protection programs including staff training, conference calls, and research program accreditation by the National Committee for Quality Assurance. In 2005, 48 VA facilities were accredited, with the goal of having all facilities accredited by the end of 2006.

Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

Responses

Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans, continued

GAO #4 - Improving Veterans' Disability Program: A High-Risk Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

GAO #4A - Timeliness and Accuracy

<ul style="list-style-type: none"> VA faces continuing challenges in improving its veterans' disability program. Although some progress has been made, VA is still far from meeting its timeliness goal. 	<ul style="list-style-type: none"> Progress in achieving timeliness and inventory goals is significantly affected by the increasing numbers of claims being received and the increased complexity of those claims. The number of veterans filing initial disability compensation claims and claims for increased benefits has increased every year since 2000. Complexity is a factor, particularly because of evolving legal interpretations of requirements issued by the Court of Appeals for Veterans Claims such as the ruling that required decisions on issues not claimed by the veteran but which are "reasonably raised by the medical evidence of record" ("inferred issues"). The Veterans Claims Assistance Act, passed in November 2000, increased VA's notification and development duties considerably, adding more steps to the claims process and lengthening the time it takes to develop and decide a claim and also requiring that VA review the claims at more points in the decision process. In addition to the increased volume and complexity of claims, the number of conditions for which veterans claim entitlement to disability compensation continues to increase. VA continues to use the national Systematic Technical Accuracy Review (STAR) process to gauge accuracy of claims processing. National training efforts use STAR error trend analyses, and regional office-specific training is offered during site visits.
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Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations	Responses
Strategic Goal #1: Restoration and Improved Quality of Life for Disabled Veterans, continued	
GAO #4 - Improving Veterans' Disability Program: A High-Risk Area, continued Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
GAO #4B - Consistency of Claims Decisions	
<ul style="list-style-type: none"> VA needs to address concerns about possible inconsistencies in disability claims decisions made by its 57 regional offices and better report and use the data on the accuracy of its decisions. 	<ul style="list-style-type: none"> VA concurred with the recommendations GAO outlined in the November 2004 report, <i>Veterans Benefits: VA Needs Plan for Assessing Consistency of Decisions</i>. VA is examining data and data sources, including data collected from the Rating Board Automation (RBA 2000) system, for development of ongoing systemic reviews for possible inconsistencies. VA developed a detailed plan to identify inconsistencies in decision-making. In March 2005, a working group of subject-matter experts identified elements needed to measure specific rating criteria for given medical conditions. Every 2 to 3 years, VA will conduct a thorough review on each of the identified disability areas that pose consistency challenges.
GAO #4C - Staffing Level Justification	
<ul style="list-style-type: none"> VA needs to provide more transparency in its justification for staffing levels in the disability compensation and pension program and use better staff attrition data and analysis in its workforce planning. 	<ul style="list-style-type: none"> VA's planning documents will include more detailed information on areas that impact incoming and completed workload.
GAO #4D - Program Transformation and Modernization	
<ul style="list-style-type: none"> VA, along with the Social Security Administration, should seek both management and legislative solutions to transform their programs so that they are in line with the current state of science, medicine, technology, and labor market conditions. 	<ul style="list-style-type: none"> Congress passed legislation in 2003 to create a commission (the Veterans' Disability Benefits Commission) to study the appropriateness of VA disability and death benefit programs and to provide recommendations for change to Congress and the President. The Commission held its first meeting in May 2005, and has 15 months to issue its final report to Congress.

Major Management Challenges - GAO

GAO SUMMARY TABLE

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Strategic Goal #2: Smooth Transition to Civilian Life

GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

GAO #2A - Resources and Workload Management

- VA confronts an accelerating need to manage resources and workload by finding more efficient ways to meet veterans' increasing demand for health care.
- VA must continually assess the demand for its services so that it can adequately plan for the number of eligible veterans seeking care.

- VA continues to address ways to better allocate comparable resources for comparable workload through ongoing review and analysis of the Veterans Equitable Resource Allocation (VERA) system.
- VA also uses the VA Enrollee Health Care Projection Model to assess future demand and resource needs. VA uses this actuarial-based model to analyze various health care policies, and projections serve as a foundation for VA's health care budget request. To ensure the accuracy of the model, the methodology is continually assessed and refined, and the data sources are regularly updated.

GAO #2B – VA/DoD Efficiencies

- VA and the Department of Defense (DoD) need to find additional efficiencies through increased sharing of resources and joint purchasing of drugs and medical supplies.

- VA and DoD are working to find additional systemic efficiencies through the increased sharing of resources for the joint purchasing of drugs, non-drug medical supplies, equipment, and services.
- The DoD/VA Joint Executive Council (JEC) meets quarterly to identify and explore opportunities for sharing health care resources and business systems. The highest levels of DoD and VA leadership are represented on the JEC, including the Under Secretary of Defense for Personnel and Readiness and the Deputy Secretary of Veterans Affairs.
- As of July 2005 there were 84 joint national contracts for pharmaceuticals, with 11 more contracts pending and 19 contracts being proposed for review.
- Modifications were completed to all DoD radiology contracts allowing VA to order diagnostic imaging services using these contract vehicles. In the third quarter of 2005, DoD and VA issued 100 joint contract orders for non-drug purchases totaling \$47 million.
- A plan that includes monitoring and tracking of DoD/VA joint purchases of non-drug medical supplies and equipment was developed and implemented.
- DoD and VA have begun working with industry to develop standards for uniform nomenclature and identification of medical and surgical products.

Major Management Challenges - GAO	
GAO SUMMARY TABLE	
Major Findings & Recommendations	Responses
Strategic Goal #3: Honoring, Serving, and Memorializing Veterans	
The GAO did not identify Major Management Challenges related to this goal.	
Strategic Goal #4: Contributing to the Nation's Well-Being	
GAO #3 - Prepare for Biological and Chemical Acts of Terrorism	
Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
<ul style="list-style-type: none"> VA has taken a number of steps to help ensure that its facilities and staff are prepared to respond to emergency situations, including biological and chemical acts of terrorism. 	<ul style="list-style-type: none"> VA completed procurement of 143 pharmaceutical caches located at VA medical centers and continues its decontamination training and procurement program. VA participated in major governmentwide exercises designed to address response to chemical and biological acts, and has conducted internal Continuity of Operations exercises. VA published a new Comprehensive Emergency Management program to address continuity of operations, as required by Federal Preparedness Circular 65. VA also conducted the <i>Survey Assessment of VA Medical Centers' Emergency Preparedness</i>. This assessment analyzed data relating to both facility and staff preparedness. VA completed a manpower analysis of the Department's ability to assign adequate numbers of personnel with requisite skills and training to meet external emergency preparedness commitments without negatively impacting VA's core service delivery and operations during a catastrophic event.

Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

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Enabling Goal: Applying Sound Business Principles

GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High Performing Organization

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

GAO #5A - Financial Management Weaknesses:
Information Systems Security and Financial Management System Integration

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| <ul style="list-style-type: none"> • Inadequate information security controls continue to place VA's sensitive financial and veteran medical information at risk of inadvertent or deliberate misuse or fraudulent use. • The lack of an integrated financial management system impedes VA's ability to prepare, process, and analyze financial information to support the timely preparation of its financial statements. These material internal control weaknesses also contribute to VA's lack of substantial compliance with federal financial management systems requirements under the Federal Financial Management Improvement Act of 1996. | <ul style="list-style-type: none"> • VA is taking corrective actions in the following areas of information security: <ul style="list-style-type: none"> ➢ Certification and Accreditation ➢ Intrusion Detection ➢ Configuration Management • VA is implementing a remediation plan that creates a dual path to substantially reduce the material audit weaknesses associated with the lack of an integrated financial management system. • The first path focuses on improving the quality and timeliness of VA's financial data by developing a single and centralized Web-based data repository of information that is currently maintained in several different legacy systems. • The second path will reduce the significant manual compilation and labor-intensive processes for the preparation of VA's consolidated financial statements and other standardized automated accounting reports by producing them from a single database using standardized formats, thus decreasing the risk of materially misstating financial information, strengthening reporting controls, automating the collection and consolidation of accounting data, and reducing the lead time required to produce reports. • The remediation plan should reduce the material weaknesses and make VA's financial management system substantially compliant with the Federal Financial Management Improvement Act. |
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Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High Performing Organization, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

GAO #5B - Enterprise Architecture Documentation

- Key documentation critical to effectively implementing and managing the architecture needs to be finalized, and policies and guidance for ensuring sound management of VA's investment portfolio need to be completed.

- VA completed development of Enterprise Architecture (EA) Version 4.0. The final draft was submitted to OMB in May 2005. This incorporates graphic representation of VA business processes, as well as implementation of both sharable service components and technical "pattern" solutions as prescribed within the OMB System Reference Model and Technical Reference Model.
- VA completed OMB's EA "Completion and Use Plan" and a self assessment of OMB's EA Capability Maturity Model (CMM). VA submitted these plans to OMB in May 2005. They detail VA's recent EA accomplishments and planned EA improvements through May 2007. VA received a score of 3.0, a substantial improvement in its CMM score.
- Within EA Version 4.0, substantial progress has been made toward EA influencing the capital investment process and the project milestone review process. The full EA Version 4.0 Web portal was provided to GAO in July 2005.

GAO #5C - Performance Measures

- VA also faces the challenge of establishing performance measures that show how well its IT initiatives support veterans' benefits programs.

- In health care, VA received national recognition as a result of groundbreaking achievements in the areas of technology-dependent bar coding, computerized records, and telemedicine.
- VA is working with DoD to improve information sharing and significantly expedite the transfer of medical records and other information to VA.
- VA put more than 3 million interment records, dating back to the Civil War, on its National Cemetery Administration Web site. Through the use of information technology, the Nationwide Gravesite Locator allows a user to find a veteran's gravesite quickly and easily using only the name of the deceased veteran.

Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

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Enabling Goal: Applying Sound Business Principles, continued

GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High Performing Organization, continued

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

GAO #5D – VA/DoD Information Sharing

<ul style="list-style-type: none"> VA is proceeding with efforts to share electronic health information for veterans and active-duty servicemembers, but faces the challenge of clearly defining its strategy and technological approach to realize this exchange of information. 	<ul style="list-style-type: none"> VA and DoD have made significant progress toward implementing a strategy to achieve interoperability of health information. This strategy is known as the VA/DoD Joint Electronic Health Records Interoperability plan. The Departments are working to achieve interoperability between data repositories. Since May 2002, DoD has transmitted military health record data on over 3 million unique and separated servicemembers. The data are stored in a secure shared repository and are available for viewing by VA clinicians. As of the third quarter of 2005, over 1 million of those patients had presented to VA for care. In addition, in October 2004, VA and DoD first implemented the Bidirectional Health Information Exchange (BHIE). BHIE now supports the bidirectional exchange of outpatient pharmacy, laboratory results, text-based radiology results, and allergy information. BHIE is presently installed at all VA facilities; VA is working closely with DoD to conduct additional installations at locations where shared patients present for care. To support this exchange of information, VA and DoD have also entered into a memorandum of understanding (sponsored by both the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the privacy programs of both of the departments) that outlines the specific authorities to share information under applicable privacy regulatory requirements. Efforts are underway to provide VA access to claimants' personnel information found in the Defense Integrated Military Human Resources System through the DoD/Defense Manpower Data Center interface when it is fielded in late 2005. VA has already interfaced with the imaged Official Military Personnel Files for the Army, Navy, and Marine Corps via the VA Personnel Information Exchange System and the Defense Personnel Records Image Retrieval System. The result is early identification of recently discharged DoD servicemembers. In just 3 days, VA can verify the honorable discharge status of the servicemember as contrasted with 90 days without the shared information system.
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Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

GAO #6 - Protecting the Federal Government's Information Systems and the National's Critical Infrastructures: A High-Risk Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

- This area continues as a governmentwide high-risk area.
- Additional federal agency and governmentwide efforts are needed to establish effective information security programs that are consistent with the Federal Information Security Management Act of 2002 (FISMA), including allocating sufficient agency resources and monitoring policy and control effectiveness.
- Federal cyber critical infrastructure protection actions should also include developing policy and guidance, improving analysis and warning capabilities, enhancing trusted relationships, promoting productive information sharing, and identifying R&D requirements.

(Note: GAO feedback here is not VA-specific.)

In accordance with FISMA, VA has established an agency-wide information security program that establishes the following:

- Policies, procedures, and guidelines that reduce risk to an acceptable level, ensure that security is addressed throughout the life cycle of each Department information system, and ensure compliance with applicable statutes and executive branch directives.
- Security plans for the Department's information systems.
- An on-line, Departmentwide cyber security awareness module, which is updated annually and used as a means to satisfy the requirement for annual security awareness training.
- Periodic testing and evaluation of the effectiveness of the Department's information security program and a process for planning, implementing, evaluating, and documenting remedial action to address information security deficiencies.
- Procedures for detecting, reporting, and responding to security incidents.
- Plans and procedures to ensure continuity of operations through a national incident response capability.
- Departmentwide and local contingency planning initiatives.

Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

GAO #7 - Federal Real Property: A High-Risk Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

- Federal real property continues as a governmentwide high-risk area.
- Efforts to address the problems have been initiated including a Presidential Executive Order on real property reform and OMB's development of guiding principles for real property asset management.
- GAO continues to believe that there is a need for a comprehensive, integrated transformation strategy for real property.

(Note: GAO feedback here is not VA-specific.)

- In June 2004 VA produced its first 5-year capital plan (FY 2004-2009), a systematic and comprehensive framework for managing the Department's portfolio of more than 5,500 buildings and approximately 32,000 acres of land.
- VA's asset management plan, approved by OMB in December 2004, serves as a companion document to the 5-year capital plan and provides information on the following:
 - The Department's capital budget.
 - The VA capital asset management philosophy.
 - A description of VA's capital portfolio goals.
 - A description of the important elements found in the business case (OMB Exhibit 300).
 - Illustration of the actions being taken by VA to improve the formulation and operational management of its portfolio.
 - A description of VA's sustainment model.
 - A description of the valuation mechanism used at VA.
 - A description of the human capital strategies employed, including the policies developed to govern asset management at VA.
- VA has also taken the following actions over the past several years:
 - Created the Office of Asset Enterprise Management (OAEM) to promote capital programming strategies.
 - Created the Office of Business Oversight within the Office of Management, combining multiple functions into a single office and also streamlining field operations.
 - Established Capital Asset Managers at the regional level.
 - Established CARES and CARES Re-Use process designed to identify VA infrastructure needs for the 21st century.

Major Management Challenges - GAO

GAO SUMMARY TABLE

Major Findings & Recommendations

Responses

Enabling Goal: Applying Sound Business Principles, continued

GAO #8 - Strategic Human Capital Management: A High-Risk Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

- Strategic human capital management continues as a governmentwide high-risk area.
- Agencies—working with the Congress and OPM—must do the following:
 - Assess future workforce needs, especially in light of long-term fiscal challenges.
 - Determine ways to make maximum use of available authorities to recruit, hire, develop, and retain key talent to meet their needs.
 - Build a business case to request additional authorities as appropriate.
 - Reform performance management systems to better link organizational and individual results.

(Note: GAO feedback here is not VA-specific.)

- VA implemented a Web-based workforce and succession planning process at all levels of the Department. Each organizational plan identifies strategies, challenges, mission-critical occupations, and action plans to address gaps.
- VA developed revised qualification standards for 21 occupations covering over 18,000 employees; we are collaborating with our labor organizations, as required by law, over implementation.
- VA negotiated a mid-term contract change with the American Federation of Government Employees. This change would implement a five-tier performance appraisal system in place of the current pass/fail system, strengthen managers' ability to reward through pay for performance, and ensure individual employee performance standards are more closely aligned with organizational goals.

GAO #9 - Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A High-Risk Area

Access the complete narrative for this challenge by clicking here: (<http://www.va.gov/budget/report>)

- This is a new governmentwide high-risk area for 2005.
- Strategies should be developed to address the following:
 - Information-sharing challenges, including establishing clear goals, objectives, and expectations for participants in information-sharing efforts.
 - Consolidating, standardizing, and enhancing federal structures, policies, and capabilities for the analysis and dissemination of information, where appropriate.
 - Assessing the need for public policy tools to encourage private-sector participation.

(Note: GAO feedback here is not VA-specific.)

- Memoranda of understanding have been established between VA, the Bureau of Indian Affairs, DoD, and the Department of Health and Human Services to improve information exchange and sharing arrangements.
- VA's large medical centers have entered into a number of cooperative agreements with local community first responder organizations.
- VA is planning for the next generation of telecommunications services that will more closely adhere to national standards-based programs.
- VA actively participated in drafting the National Response Plan (NRP) and interacts regularly with the NRP lead agencies.
- VA maintains a full time presence at the Homeland Security Operations Center.
- VA completed installation of the Disaster Management Interoperability Service in its two primary readiness operations centers.

Major Management Challenges - GAO	
GAO SUMMARY TABLE	
Major Findings & Recommendations	Responses
Enabling Goal: Applying Sound Business Principles , continued	
GAO #10 - Management of Interagency Contracting: A High-Risk Area	
Access the complete narrative for this challenge by clicking here: (http://www.va.gov/budget/report)	
<ul style="list-style-type: none"> • This is a new governmentwide high-risk area for 2005. • Specific and targeted approaches are needed to address interagency contracting risks. • Roles and responsibilities for managing interagency contracts need clarification. • Agencies need to adopt and implement policies and processes that balance customer service with the need to comply with requirements. <p><i>(Note: GAO feedback here is not VA-specific.)</i></p>	<ul style="list-style-type: none"> • VA has a long-standing internal requirement for review and approval of all proposed interagency agreements in a non-codified section of the VA Acquisition Regulation. • VA has also issued guidance to contracting officers on the use of interagency agreements.

For further details on GAO-identified Major Management Challenges, please see www.va.gov/budget/MMC_Complete.pdf.